



## SECURITIES NOTE

constituting part of the base prospectus consisting of separate documents in relation to its EUR 5,000,000,000 Covered Bond Programme of

### VAN LANSCHOT KEMPEN N.V.

(a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law and having its statutory seat (*statutaire zetel*) in 's-Hertogenbosch, the Netherlands)

guaranteed as to payments of scheduled interest and principal by

### VAN LANSCHOT KEMPEN SB COVERED BOND COMPANY B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands)

This Securities Note constitutes a part of the Base Prospectus within the meaning of the Prospectus Regulation. Together with the Registration Document of the Issuer, this Securities Note forms part of the Issuer's Base Prospectus.

This Securities Note has been drawn up in accordance with Annexes 7, 15, 21 and 28 of the Commission Delegated Regulation (EU) 2019/980 (as amended) and has been approved by the AFM as competent authority under the Prospectus Regulation for a period of twelve (12) months from the date of this Securities Note. The AFM only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor the CBC that is the subject of this Securities Note nor as an endorsement of the quality of any of the Covered Bonds that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. This Securities Note will be published in electronic form on: <https://www.vanlanschotkempenn.com/en-nl/about-us/investor-relations/debt-investors/library>.

**The Base Prospectus (comprising this Securities Note and the Registration Document), as supplemented as at the relevant time, if applicable, is valid for twelve (12) months from its date and shall expire on 27 June 2025, at the latest. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply upon the expiry of the validity period of the Base Prospectus.**

Under this EUR 5,000,000,000 Covered Bond Programme the Issuer may from time to time issue Covered Bonds denominated in euro. Subject as set out in this Securities Note, the maximum aggregate nominal amount of the Covered Bonds from time to time outstanding under the Programme will not exceed EUR 5,000,000,000, subject to any increase as described in this Securities Note.

Van Lanschot Kempenn SB Covered Bond Company B.V. as CBC will guarantee the payment of scheduled interest and principal payable under the Covered Bonds pursuant to a guarantee issued under the Trust Deed. The Covered Bonds will further be (indirectly) secured by a right of pledge (or such other security right as may be applicable) over the Transferred Assets vested by the CBC in favour of the Security Trustee and a right of pledge vested by the CBC in favour of the Security Trustee over all rights of the CBC under or in connection with the CBC Transaction Documents. Recourse against the CBC under its guarantee will be limited to the Security.

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers and to investors directly. Covered Bonds may be distributed by way of a public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant Series (or Tranche thereof) will be stated in the applicable

Final Terms. Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and any other terms and conditions not contained in the Base Prospectus which are applicable to the Covered Bonds will be set forth in the applicable Final Terms which, in respect of Covered Bonds to be listed on Euronext Amsterdam will be filed and delivered to Euronext Amsterdam on or before the date of each issue of such Covered Bonds.

Application may be made for the Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of twelve (12) months from the date of this Securities Note, which listing will apply to Covered Bonds if so indicated in the applicable Final Terms. In addition, Covered Bonds may be listed or admitted to trading, as the case may be, on any other stock exchange or regulated market specified in the applicable Final Terms. The Issuer may also issue unlisted Covered Bonds under the Programme. The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed, quoted and/or traded and, if so, on or by which competent listing authority(ies) or stock exchange(s) and/or quotation system(s).

The Issuer and the CBC may agree with any Dealer and the Security Trustee that Covered Bonds will be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds set out in this Securities Note, in which event a supplement to this Securities Note, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The Covered Bonds of each Tranche shall either be in bearer form or in registered form. Bearer Covered Bonds will (unless otherwise specified in the applicable Final Terms) initially be represented by a Global Covered Bond. Global Covered Bonds will be deposited on or about the Issue Date thereof either with (i) a common safekeeper or common depository for Euroclear and Clearstream, Luxembourg, (ii) Euroclear Nederland and/or (iii) a depository for any other agreed clearing system. Registered Covered Bonds will be issued to each relevant holder by a registered covered bonds deed. See section 4 (*Covered Bonds*) under '*Form of Covered Bonds*'.

The Covered Bonds may be issued in an NGN-form which will allow Eurosystem eligibility. This means that the Covered Bonds in NGN-form are intended upon issue to be deposited with one of the ICSDs as common safekeeper. The Covered Bonds may also be issued and deposited with Euroclear Nederland, which will also allow Eurosystem eligibility. In each case, this does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria from time to time.

It is expected that each issue of a Series of Covered Bonds will, on issue, be assigned an 'AAA' rating by S&P, unless otherwise specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. S&P is established in the European Union and registered under the CRA Regulation. Where a Series or Tranche of Covered Bonds is rated, the applicable rating(s) on the date of issue will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation or by a credit rating agency outside the European Union of which the credit ratings assigned are endorsed by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation will be disclosed in the relevant Final Terms.

The Covered Bonds and the Guarantee have not been and will not be registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdiction of the U.S. The Covered Bonds may not be offered, sold or delivered within the U.S., directly or indirectly, 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 or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons (as defined in Regulation S) outside the U.S. in reliance on Regulation S.

Capitalised terms used in this Securities Note have the meaning ascribed thereto in section 17 (*Glossary of Defined Terms*). Capitalised terms which are used but not defined in section 17 (*Glossary of Defined Terms*) of this Securities Note, will have the meaning attributed thereto in any other section of this Securities Note.

This Securities Note is issued in replacement of the securities note dated 11 May 2023, as supplemented on 31 August 2023, 4 December 2023, 2 January 2024 and 5 March 2024, and accordingly supersedes any earlier securities note (as supplemented) pertaining to the Programme.

The date of this Securities Note is 27 June 2024.

**Arrangers**

**Van Lanschot Kempen N.V.**                      **Coöperatieve Rabobank U.A.**

**Dealers**

**Van Lanschot Kempen N.V.**                      **Coöperatieve Rabobank U.A.**

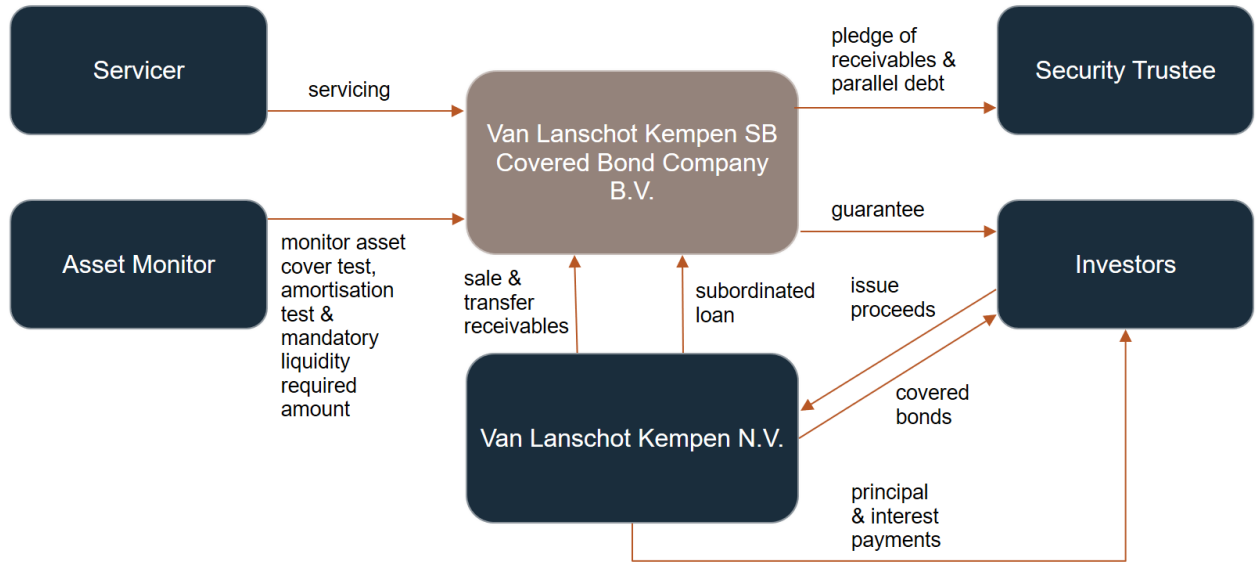
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## 1. GENERAL DESCRIPTION OF THE PROGRAMME

### STRUCTURE DIAGRAM

The following structure diagram provides an indicative overview of the principal features of the Programme. The diagram must be read in conjunction with and is qualified in its entirety by the detailed information presented elsewhere in this Securities Note.



## OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE PROGRAMME

This overview must be read as an introduction to this Securities Note and any decision to invest in any Covered Bonds should be based on a consideration of the Registration Document and this Securities Note as a whole, including the documents incorporated by reference in the Registration Document and this Securities Note, respectively, and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms and in relation to the terms and conditions of any particular Transaction Document, the applicable Transaction Document.

The following provides an overview of the parties and the principal features of the Programme for the purposes of Article 25(2) of Commission Delegated Regulation (EU) No. 2019/980. This overview is not a summary within the meaning of Article 7 of the Prospectus Regulation.

### 1. PARTIES

<b>Issuer:</b>	Van Lanschot Kempen N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under Dutch law, having its statutory seat ( <i>statutaire zetel</i> ) in 's-Hertogenbosch, the Netherlands, registered with the Commercial Register of the Dutch Chamber of Commerce under number 16038212. The Legal Entity Identifier (LEI) code of the Issuer is 724500D8WOYCL1BUCB80. Further information on the Issuer can be found in the Registration Document.
<b>Transferor:</b>	Van Lanschot Kempen (and/or any other member of the Van Lanschot Kempen Group that has acceded to the Programme subject to and in accordance with the Programme Agreement and the Guarantee Support Agreement).
<b>CBC:</b>	Van Lanschot Kempen SB Covered Bond Company B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under Dutch law, having its statutory seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Commercial Register of the Dutch Chamber of Commerce under number 85363375. The Legal Entity Identifier (LEI) code of the CBC is 724500IC69ZTA8APTC70. Further information on the CBC can be found in section 5 ( <i>Asset Backed Guarantee</i> ) under ' <i>The CBC</i> '.
<b>Guarantor:</b>	The CBC.
<b>Administrator:</b>	Intertrust Administrative Services B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under Dutch law, having its statutory seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Commercial Register of the Dutch Chamber of Commerce under number 33210270.
<b>Servicer:</b>	Van Lanschot Kempen.
<b>Asset Monitor:</b>	PricewaterhouseCoopers Accountants N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under Dutch law, having its statutory seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Commercial Register of the Dutch Chamber of Commerce under number 34180285.
<b>Internal Cover Pool Monitor:</b>	VLK Internal Audit (as part of Van Lanschot Kempen).
<b>Arrangers:</b>	Van Lanschot Kempen and Rabobank.
<b>Dealers:</b>	Van Lanschot Kempen and Rabobank and any other dealer appointed from time to time
<b>Security Trustee:</b>	Stichting Security Trustee Van Lanschot Kempen SB Covered Bond Company, a foundation ( <i>stichting</i> ) established under Dutch law, having its statutory seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Commercial

Register of the Dutch Chamber of Commerce under number 85354562.

<b>Stichting Holding:</b>	Stichting Holding Van Lanschot Kempen SB Covered Bond Company, a foundation ( <i>stichting</i> ) established under Dutch law, having its statutory seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Commercial Register of the Dutch Chamber of Commerce under number 85354546.
<b>Directors:</b>	Intertrust Management B.V. (the sole managing director of the CBC), IQ EQ Structured Finance B.V. (the sole managing director of the Security Trustee) and Intertrust Management B.V. (the sole managing director of Stichting Holding).
<b>CBC Account Bank:</b>	BNG Bank N.V., incorporated under Dutch law as a public company with limited liability ( <i>naamloze vennootschap</i> ), having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Dutch Chamber of Commerce under number 27008387.
<b>Principal Paying Agent:</b>	Citibank N.A., London Branch, a national banking association organised and existing under the laws of the United States, acting out of its London Branch.
<b>Paying Agent:</b>	Any paying agent appointed under the Agency Agreement (and together with the Principal Paying Agent, the " <b>Paying Agents</b> ").
<b>Calculation Agent:</b>	In relation to the Covered Bonds of any Series, the party appointed as calculation agent in relation to such Covered Bonds pursuant to the Calculation Agency Agreement or the Agency Agreement.
<b>Registrar:</b>	Citibank N.A., London Branch.
<b>Listing Agent:</b>	Rabobank.
<b>Rating Agency:</b>	Any credit rating agency (or its successor(s)) who, at the request of the Issuer, assign(s), and for as long as it/they assign(s), one or more ratings to the Covered Bonds under the Programme from time to time, and which at the date of this Securities Note includes S&P.
<b>Portfolio Swap Counterparty:</b>	Any swap counterparty under any Portfolio Swap Agreement.
<b>Interest Swap Counterparty:</b>	Any swap counterparty under any Interest Swap Agreement.
<b>Swap Counterparty:</b>	Any swap counterparty under any Swap Agreements.
<b>Subordinated Loan Provider:</b>	Van Lanschot Kempen.

## 2. THE COVERED BONDS

<b>Programme:</b>	The EUR 5,000,000,000 Covered Bond Programme of the Issuer guaranteed as to payments of scheduled interest and principal by the CBC.
<b>Programme size:</b>	Up to EUR 5,000,000,000 of Covered Bonds outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Issue Price:</b>	Covered Bonds may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form:</b>	Each Covered Bond will be issued in bearer form or in registered form. Registered

Covered Bonds will not be exchangeable for Bearer Covered Bonds.

Each Tranche of Bearer Covered Bonds will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Covered Bond or, if so indicated in the applicable Final Terms, a Permanent Global Covered Bond. Each Temporary Global Covered Bond (a) which is intended to be issued as an NGN Temporary Global Covered Bond will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg, (b) which is not intended to be issued in NGN-form may also be deposited on or around the relevant Issue Date with (i) Euroclear Nederland, (ii) a common depository for Euroclear and/or Clearstream, Luxembourg or (iii) (a depository for) any other agreed clearing system. A Temporary Global Covered Bond will be exchangeable as described therein for a Permanent Global Covered Bond.

A Permanent Global Covered Bond is exchangeable for Definitive Covered Bonds only upon the occurrence of an Exchange Event or, if a Permanent Global Covered Bond is deposited with Euroclear Nederland, only upon the occurrence of a Delivery Event, all as described in section 4 (*Covered Bonds*) under '*Form of Covered Bonds*'. Any interest in a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear and/or Clearstream, Luxembourg and/or (ii) Euroclear Nederland (and the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*)) and/or (iii) any other agreed clearing system, as appropriate. See section 4 (*Covered Bonds*) under '*Form of Covered Bonds*'.

If any Permanent Global Covered Bond is not duly exchanged, the terms of such Permanent Global Covered Bond will provide a mechanism for relevant account holders with Euroclear, Clearstream, Luxembourg, Euroclear Nederland and/or any other agreed clearing system(s) to whose securities account(s) with such clearing system(s) the beneficial interests in such Permanent Global Covered Bond are credited to be able to enforce rights directly against the Issuer.

Registered Covered Bonds will be issued to each holder (unless otherwise specified in the applicable Final Terms) by a Registered Covered Bonds Deed.

**Denomination:**

Covered Bonds will be issued in such denominations as set forth in the applicable Final Terms, save that the minimum denomination of each Covered Bond will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) and save that the minimum denomination (and in respect of Covered Bonds issued at a discount to their nominal amount, the minimum issue price) of each Covered Bond admitted to trading on a regulated market within a Member State or offered to the public in a Member State, in each case in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, will be EUR 100,000.

**Currency:**

Subject to any applicable legal or regulatory restrictions, the Covered Bonds will be issued in euros.

**Status and Ranking:**

The Covered Bonds issued from time to time under the Programme will constitute unsecured and unsubordinated obligations of the Issuer, guaranteed by the CBC pursuant to the Guarantee, and will rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for any obligations preferred by a mandatory operation of applicable law.

**Interest:**

Interest (which may be fixed or floating) shall be payable on each Series or Tranche of Covered Bonds on the Interest Payment Dates specified in the applicable Final



Terms up to the Maturity Date or the Extended Due for Payment Date, if applicable. Interest shall be payable monthly, bi-monthly, quarterly, semi-annually, annually or upon redemption of the relevant Covered Bonds as further specified in the applicable Final Terms (other than Zero Coupon Covered Bonds).

**Fixed Rate Covered Bonds:** Fixed Rate Covered Bonds will bear interest at a fixed rate, payable on such date or dates as set forth in the applicable Final Terms and on redemption and will be calculated on the basis of such Day Count Fraction as set forth in the applicable Final Terms.

**Floating Rate Covered Bonds:** Floating Rate Covered Bonds will bear interest at a rate determined, as specified in the applicable Final Terms, being either:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in euro governed by an agreement incorporating either the 2006 ISDA Definitions (as published by ISDA, and as amended and updated as of the Issue Date of the first Tranche of the Covered Bonds of the relevant Series) or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series) as specified in the applicable Final Terms; or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as specified in the applicable Final Terms).

If any Benchmark Event occurs in relation to an Original Reference Rate, then the Issuer or the CBC, as the case may be, shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining a Successor Rate, or, if a Successor Rate is not available, an Alternative Rate in accordance with Condition 5(D)(ii) (*Successor Rate or Alternative Rate*)).

**Margin:** The Margin (if any) will be specified in the applicable Final Terms.

**Other provisions in relation to Floating Rate Covered Bonds:** Floating Rate Covered Bonds may also have a Cap, a Floor or a Collar up to the Maturity Date. Interest on Floating Rate Covered Bonds in respect of each Interest Period will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction, as set forth in the applicable Final Terms.

**Zero Coupon Covered Bonds:** Zero Coupon Covered Bonds are Covered Bonds that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever, except in case of a late payment as specified in Condition 7(h) (*Late payment on Zero Coupon Covered Bonds*).

**Redemption:** The applicable Final Terms will indicate either that (a) the relevant Covered Bonds cannot be redeemed prior to their stated maturity (other than following specified events, if applicable, or for tax reasons as described in Condition 7(b) (*Redemption for tax reasons*)) or following an Issuer Event of Default or a CBC Event of Default) or (b) such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the applicable Final Terms or (c) such Covered Bonds will be redeemable at the option of the Covered Bondholder upon giving notice to the Issuer, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the applicable Final Terms.

**Maturities:** Such maturities as set forth in the applicable Final Terms, subject to such minimum

or maximum maturities as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the Issuer, subject to a maximum maturity (i.e., the Extended Due for Payment Date) for each Series of forty-eight (48) years.

- Maturity Date:** In respect of a Series, the date on which the Covered Bonds of such Series are expected to be redeemed at their Principal Amount Outstanding, as specified in the applicable Final Terms, which date falls no more than forty-seven (47) years after the Issue Date of such Series. Each Series is due by the Issuer on its respective Maturity Date.
- Extended Due for Payment Date:** The final maturity date which falls one (1) year after the Maturity Date of the relevant Series of Covered Bonds.
- Withholding Tax:** All payments in respect of the Covered Bonds will be made without withholding or deduction of taxes, unless required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of any Tax Jurisdiction, the Issuer will make the required withholding or deduction and, save in the circumstances as provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so withheld or deducted or, if the Issuer elects, it may redeem the Series affected. The CBC will not be required or liable to pay any such additional amounts for any withholding or deduction in respect of tax or duties under the Guarantee.
- FATCA Withholding:** The Issuer and the CBC shall be permitted to withhold or deduct any amounts required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code 1986 (as amended), any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental agreement thereto (FATCA Withholding). The Issuer and the CBC will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, the CBC, a Paying Agent, the Registrar or any other party.
- Method of Payment:** For as long as the Covered Bonds are represented by a Global Covered Bond, payments of principal and interest will be made (i) by giro transfer in euro to Euroclear Nederland or, as the case may be, (ii) in euro to the Principal Paying Agent for the credit of the respective accounts of the Covered Bondholders through Euroclear and Clearstream, Luxembourg, as the case may be, or (iii) in accordance with the rules of another agreed clearing system and as set forth in the applicable Final Terms.
- Use of proceeds:** The net proceeds from each issue of Covered Bonds will be used by the Issuer for (i) its general corporate purposes or (ii) such other purposes as further specified in the applicable Final Terms.
- Ratings:** It is expected that a Series of Covered Bonds will on issue, be assigned an 'AAA', or equivalent, rating by the Rating Agencies. Each further issue of a Series of Covered Bonds will have ratings equal to the then current rating assigned to the outstanding Series of Covered Bonds, if applicable.
- Listing:** Application may be made for the Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of twelve (12) months from the date of this Securities Note, which listing will apply to Covered Bonds if so indicated in the applicable Final Terms. In addition, Covered Bonds may be listed and admitted to trading on any other stock exchange or regulated market specified in the applicable Final Terms. The Issuer may also issue unlisted Covered Bonds under the Programme.
- Clearing:** Euroclear and/or Clearstream, Luxembourg and/or Euroclear Nederland and/or any

other agreed clearing system.

- Selling Restrictions:** There are selling restrictions in relation to the United States, the EEA (including France, Italy, the Netherlands and Belgium), the UK and Japan and such other restrictions as may apply in connection with the offering and sale of a particular Tranche or Series. See section 4 (*Covered Bonds*) under '*Subscription and Sale*'.
- Business Day:** A reference to a day on which commercial banks and foreign exchange markets settle payments and are open for general business in Amsterdam and London, provided that such day is also a day on which T2 or any successor or replacement of that system is open for the settlement of payments in Euro or, if used in or by reference to Condition 5 (*Interest*), such day as determined in accordance with Condition 5 (*Interest*) and the applicable Final Terms.
- Governing law:** The Covered Bonds will be governed by, and construed in accordance with, Dutch law.

### 3. SECURITY FOR THE COVERED BONDS

- Guarantee, Security, CBC:** Pursuant to the Guarantee issued under the Trust Deed, the CBC will guarantee the payment of interest and principal payable under the Covered Bonds. The obligations of the CBC under the Guarantee will constitute unsubordinated and unguaranteed obligations of the CBC, secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed pledge (or such other security right as may be applicable) granted by the CBC to the Security Trustee over the Transferred Assets and (ii) a first ranking disclosed pledge by the CBC to the Security Trustee over the CBC's rights under or in connection with the CBC Transaction Documents.

Payments made by the CBC under the Guarantee (after the service of an Issuer Acceleration Notice and a Notice to Pay or a CBC Acceleration Notice) will be made subject to, and in accordance with, the CBC Priority of Payments or the Post CBC Acceleration Notice Priority of Payments, as applicable.

- Parallel Debt Agreement:** The CBC and the Security Trustee have entered into the Parallel Debt Agreement for the benefit of the Covered Bondholders and the other Secured Creditors under which the CBC, by way of parallel debt, undertakes to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors, in order to create claims of the Security Trustee thereunder which can be validly secured by the rights of pledge created by any Security Trustee Receivables Pledge Agreement and any Security Trustee Rights Pledge Agreement.

- Payments under the Guarantee:** If the CBC is obliged to pay under the Guarantee, the CBC is obliged to pay any Guaranteed Amount (other than the Guaranteed Final Redemption Amount) when Due for Payment.

- Extendable obligations:** An Extended Due for Payment Date will apply in relation to each Series of Covered Bonds. In respect of each Series, if the CBC is obliged under the Guarantee to pay a Guaranteed Final Redemption Amount, in which case:

- (a) the obligation of the CBC to pay the Guaranteed Final Redemption Amount shall be deferred to, and shall under the Guarantee be due on the Extended Due for Payment Date, unless any amounts are available to the CBC for such purpose prior to such date and will be paid on the relevant Interest Payment Date or the Extension Date; and
- (b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount.

#### 4. GUARANTEE SUPPORT AND THE MORTGAGE RECEIVABLES

##### **Guarantee Support:**

The Transferor may sell and transfer Eligible Assets to the CBC in accordance with the Guarantee Support Agreement. At the option of the Issuer, subject always to Rating Agency Confirmation, New Transferors may accede to the Guarantee Support Agreement.

The Issuer will use its best efforts, and the CBC will use reasonable efforts, to ensure, among other things, that the Asset Cover Test is satisfied as at the end of each calendar month, as calculated on the immediately succeeding Calculation Date and the Issuer shall use its best efforts to transfer or procure the transfer of sufficient Eligible Receivables either directly by the Issuer or indirectly, upon instruction of the Issuer, by the other Transferors (if any). See section 7 (*Guarantee Support*).

As part of the Asset Cover Test the Issuer will use its best efforts to ensure that:

- (i) the Adjusted Aggregate Asset Amount will be an amount at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined in section 12 (*Asset Monitoring*) under '*Asset Cover Test*') , up to the date specified in item B), all as calculated on the immediately succeeding Calculation Date;
- (ii) the First Regulatory Current Balance Amount will be at least equal to 105 per cent., or such other percentage as may be required from time to time under the CB Regulations, of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined in section 12 (*Asset Monitoring*) under '*Asset Cover Test*'), up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date; and
- (iii) the Second Regulatory Current Balance Amount will be at least equal to 100 per cent., or such other percentage as may be required from time to time under the CB Regulations, of the nominal value of the obligations in respect of the Covered Bonds, which include repayment of principal, payment of interest, payment obligations under derivative contracts and expected costs related to maintenance and administration for the winding-down of the Programme (in each case within the meaning of the CB Regulations), at the end of such calendar month (or with respect to item B as defined in section 12 (*Asset Monitoring*) under '*Asset Cover Test*'), up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date.

##### **Mortgage Receivables:**

Under the Guarantee Support Agreement, the Transferor may sell and assign Mortgage Receivables and the Beneficiary Rights to the CBC, subject to the fulfilment of certain conditions. See '*Guarantee Support*' above.

The Mortgage Receivables have the characteristics that demonstrate the capacity to produce funds to service payments by the CBC under the Guarantee and each of the Mortgage Receivables should meet the Eligibility Criteria.

##### **Administration Agreement:**

Under the terms of the Administration Agreement, the Administrator agrees to provide certain administration, calculation and cash management services to the CBC on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Covered Bonds. The Administrator is permitted to sub-contract its administration role to a third-party administrator subject to any applicable conditions in the Administration Agreement.

##### **Servicing Agreement:**

Under the terms of the Servicing Agreement, the Servicer agrees (i) to provide management services to the CBC on a day-to-day basis in relation to the Mortgage

Loans and the Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including the enforcement of Mortgages, (ii) to communicate with the Borrowers and (iii) to investigate payment delinquencies.

The Servicer is permitted to sub-contract its servicing role to a member of the Van Lanschot Kempen Group or, subject to any applicable conditions in the Servicing Agreement, to any other third-party servicer (such as Stater), provided that the Servicer shall continue to be liable as if no such delegation had taken place. Additional servicers may be appointed, provided that the Rating Agency has been notified. As at the date of this Securities Note, the Servicer has sub-contracted (parts of) its servicing role to Stater.

**Custody Agreement:** If Substitution Assets and/or other collateral in the form of securities are transferred to the CBC, the CBC will appoint a custodian to provide custody services in relation to such Substitution Assets or other collateral transferred to the CBC.

**Subordinated Loan Agreement:** Under the terms of the Subordinated Loan Agreement, the Subordinated Loan Provider agrees to provide, from time to time, a subordinated loan to the CBC (i) for an amount equal to the Initial Purchase Price to finance the acquisition of Mortgage Receivables, New Mortgage Receivables and Substitution Assets and (ii) for an amount required to credit the Reserve Account up to the Reserve Account Required Amount.

**CBC Account Agreement:** Under the terms of the CBC Account Agreement, the CBC Account Bank agrees to pay a guaranteed rate of interest on the CBC Transaction Accounts Funds or such other interest rate as may be agreed between the CBC Account Bank and the CBC.

In the event that the interest rate accruing on the balance standing to the credit of any of the CBC Transaction Accounts is less than zero, any negative interest amount will be payable by the CBC to the CBC Account Bank, provided that the CBC Account Bank has notified the Issuer of its intention to charge a negative interest rate at least two (2) Business Days in advance.

**CBC Account:** The CBC shall maintain with the CBC Account Bank the CBC Account (and any additional or replacement accounts) to which all amounts to be received in respect of the Transferred Assets and other amounts by the CBC are to be paid.

**Construction Account:** The CBC shall maintain with the CBC Account Bank the Construction Account to which amounts corresponding to the aggregate relevant Construction Deposits will be credited.

**Reserve Account:** The CBC shall maintain with the CBC Account Bank the Reserve Account to which the Reserve Account Required Amount will be credited.

**Swap Collateral Account:** If an Interest Swap Agreement and/or a Portfolio Swap Agreement has been entered into and swap collateral is to be posted, the CBC will open a Swap Cash Collateral Account to hold swap collateral in the form of cash and/or, to the extent applicable, may open a Swap Custody Collateral Account to hold swap collateral in the form of securities.

**Portfolio Swap Agreements:** There may be certain mismatches between the interest to be received on the Transferred Assets and the CBC Transaction Accounts and the amounts payable under the Covered Bonds. In order to mitigate certain mismatches, the CBC may (but is not obliged to) enter into appropriate hedging arrangements, subject to Rating Agency Confirmation, with respect to one or more Series or all Series, in whole or in part, of Covered Bonds, whereby revenue scheduled to be received on all or a

proportion of the Transferred Assets is exchanged for a fixed or floating rate of interest on one or more Series or all Series, in whole or in part, of Covered Bonds, whereby the proportion of the Transferred Assets, if applicable, is calculated by dividing the Principal Amount Outstanding, or the relevant part thereof, of the relevant Series of Covered Bonds which is subject to such hedging arrangements pursuant to any Portfolio Swap Agreement by the Principal Amount Outstanding of all outstanding Covered Bonds.

**Interest Swap Agreement:** In addition to Portfolio Swap Agreements and in order to mitigate certain mismatches, the CBC may (but is not obliged to) enter into appropriate hedging arrangements, subject to Rating Agency Confirmation whereby a certain fixed or floating interest rate is exchanged for a specific interest rate on one or more Series or all Series of Covered Bonds.

**Management Agreements:** Each of the CBC, the Security Trustee and the Stichting Holding have entered into a Management Agreement with the relevant Director, under which such relevant Director has undertaken to act as director of the CBC, the Security Trustee or Stichting Holding, respectively, and to perform certain services in connection therewith.

**Personal data of Borrowers:** The personal data of the relevant Borrowers are, as at the date of this Securities Note, held by Stater and will be released by it to the CBC after the occurrence of an Assignment Notification Event and to the Security Trustee following a Security Trustee Pledge Notification Event. If Stater no longer provides the mortgage loan services, the Transferor has undertaken that it shall enter into a deposit agreement with, *inter alia*, the CBC, the Security Trustee and an agent.

**Sale or Refinancing of Selected Transferred Assets:** The Asset Monitoring Agreement provides that the CBC shall sell or refinance Selected Transferred Assets following the service of a Notice to Pay on the CBC and an Issuer Acceleration Notice on the Issuer, but prior to the service of a CBC Acceleration Notice, if on any date the Earliest Maturing Covered Bonds have an Extended Due for Payment Date which falls within twelve (12) months, or such other date as the Security Trustee may approve, of such date.

The CBC shall first offer all the Selected Transferred Assets for sale to the Transferor after the occurrence of an Issuer Event of Default. If, for whatever reason, the Transferor informs the CBC, within a period of twenty (20) Business Days after the CBC has made such offer, that it will not repurchase the Selected Transferred Assets, then the Selected Transferred Assets shall be offered for sale by the CBC to a third party or third parties.

If, after the non-exercise of the right of the Transferor to repurchase the Selected Transferred Assets, the CBC receives an offer from a third party to purchase the Selected Transferred Assets, the CBC will notify the Transferor of such offer and, within five (5) Business Days after such notice, the Transferor has the right to match the offer to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party and, if the Transferor offers to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party, the CBC shall accept such offer of the Transferor.

Such sale or refinancing of the Selected Transferred Assets and subsequent redemption of the respective Covered Bonds must not result in a breach of the Amortisation Test.

If, on the date falling six (6) months before the first Extended Due for Payment Date of any Series outstanding, such sale or refinancing is insufficient to redeem the relevant Series of Covered Bonds in full, then the CBC will (i) offer the Selected Transferred Assets for sale for the best terms reasonably available, including but not

limited to the best price reasonably available at that time, considering the then current market circumstances or (ii) seek to refinance the Selected Transferred Assets on the best terms reasonably available at that time considering the then current market circumstances, both (i) and (ii) subject to the consent of the Security Trustee, notwithstanding that such amount may be less than the amount to redeem the relevant Series of Covered Bonds in full.

See further section 12 (*Asset Monitoring*) under '*Sale or Refinancing of Selected Assets*'.

## 5. DUTCH COVERED BOND REGULATIONS

**Regulated Covered Bonds:** The Issuer and the Covered Bonds are included in the list of issuers and covered bond programmes as published by DNB for the purpose of Article 1:109 of the Wft. The Issuer and the Programme were listed in the DNB-register for the purpose of the Dutch covered bond laws in effect prior to 8 July 2022, including as being compliant with Article 129 CRR.

**Compliance with Article 129 CRR:** The Covered Bonds are included in the list of covered bonds that may use the label European Covered Bond (Premium) label and are compliant with Article 129 CRR.

**Compliance CB Regulations:** The Covered Bonds comply with the CB Regulations.

**Primary Cover Assets:** The primary cover assets (*primaire dekkingsactiva*) of the Programme comprise of receivables backed by residential property as referred to in Article 129(1)(d) CRR. Each Borrower is a resident of the Netherlands and the Mortgage Receivables are governed by Dutch law.

**Extended Due for Payment Date:** The Extended Due for Payment Date is the date falling one (1) year after the Maturity Date, as specified in the applicable Final Terms.

**European Covered Bond (Premium) label:** Yes.

## 6. GENERAL INFORMATION

**Transaction Documents:** The Programme Agreement, the Master Definitions Agreement, the Pledge Agreements, the Swap Agreements (if any), the Administration Agreement, the Servicing Agreement, the CBC Account Agreement, the Trust Deed, the Parallel Debt Agreement, the Agency Agreement, any Calculation Agency Agreement, the Guarantee Support Agreement, the Deeds of Sale, Assignment and Pledge, the Deeds of Repurchase and Release, the Asset Monitoring Agreement, any Asset Monitor Appointment Agreement, the Management Agreements, the Stater Third Party Stipulation Letter, the Subordinated Loan Agreement, the ICSD agreement entered into on the Programme Date between the Issuer and the ICSDs and any other documents relating to the transaction envisaged in the abovementioned documents.

**Governing Law:** The Transaction Documents (other than the Swap Agreements, if any) are governed by and will be construed in accordance with Dutch law. The Swap Agreements, if any, are expected to be governed by English law.

**Risk Factors:** There are certain factors which may affect the ability of the Issuer and/or the CBC to fulfil its obligations under the Covered Bonds or the Guarantee, respectively, that are specific to the Issuer, the Covered Bonds, the Guarantor and/or the Guarantee and that are material for taking an informed investment decision. Prospective

Covered Bondholders should take into account the fact that the liabilities of the CBC under the Guarantee are limited recourse obligations and that the ability of the Issuer and/or the CBC to meet such and/or their obligations will be affected by certain factors. These are set out in section 2 (*Risk Factors*) of this Securities Note and, where it relates to the ability of the Issuer to fulfil its obligations under the Covered Bonds, in section 2 (*Risk Factors*) of the Registration Document, and include, amongst others, that the Issuer's and/or the CBC's results and the performance of the Covered Bonds can be adversely affected by (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change, (iv) changes in fiscal laws, (v) standard banking risks, including changes in interest and foreign exchange rates, (vi) operational, credit, market, liquidity and legal risk and (vii) certain factors which are material for the purpose of assessing the market risks associated with Covered Bonds. In addition, there are certain factors which are material for the purpose of assessing the market risks and other risks associated with the Covered Bonds.

In section 2 (*Risk Factors*) of this Securities Note, the risk factors are set out per the following categories:

**Risk factors regarding the Covered Bonds**

- A. Risks related to the nature and structure of the Covered Bonds;
- B. Market and liquidity risks related to the Covered Bonds;
- C. Legal and regulatory risks related to the Covered Bonds;
- D. Risks related to benchmarks; and
- E. Tax risks related to the Covered Bonds.

**Risk factors regarding the Guarantor and the Guarantee**

- A. Risks related to the Guarantor;
- B. Risks related to the Guarantee; and
- C. Risks related to the security granted by the Guarantor.

**Risk factors regarding the Mortgage Receivables, Set-off and Security Rights**

- A. Risks regarding the payments under the Mortgage Receivables transferred to the CBC;
- B. Risks related to the interest rates on the Mortgage Receivables;
- C. Risks related to the Transferor and the servicing of the Mortgage Receivables;
- D. Risks related to the Mortgaged Assets and the Security Rights; and
- E. Risks related to set-off and other defences that may affect the proceeds received under the Mortgage Receivables.

**Risk factors regarding Swaps**

See section 2 (*Risk Factors*).



## 7. OVERVIEW OF RATING THRESHOLDS

The following overview of rating thresholds does not purport to be complete and is qualified in all respects by the remainder of this Securities Note and the Transaction Documents. A specific rating or period in the following overview shall be deemed a reference to such other rating or period as may be determined to be applicable or agreed from time to time by the relevant credit rating agency.

Transaction Party	Rating thresholds S&P	Consequence if below rating thresholds	Section in Securities Note
<b>CBC Account Bank</b>	If the Long-Term Issuer Credit Rating falls below 'BBB' or such other lower rating(s) as may be agreed by the Security Trustee, the CBC and the Issuer and which is based on the criteria of S&P as would be sufficient to maintain the then current rating(s) of the Covered Bonds.	Replacement CBC Account Bank or obtain a guarantee from a financial institution with Requisite Credit Rating to guarantee the obligations of the CBC Account Bank or find another solution.	Section 14 ( <i>Cash Flows</i> ) under ' <i>CBC Transaction Accounts and Swap Replacement Ledger</i> '.
<b>Issuer</b>	If the Long-Term Issuer Credit Rating falls below 'A'.	Requirement to credit the Reserve Account with an amount equal to the higher of:  (i) the Mandatory Liquidity Required Amount; and (ii) the Reserve Trigger Required Amount.	Section 14 ( <i>Cash Flows</i> ).
<b>Issuer</b>	If the Long-Term Issuer Credit Rating falls below 'BBB'.	Item "α" (part of item "A" of the definition of Adjusted Aggregate Asset Amount) will be increased.	Section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> '.
<b>Swap Counterparties</b>	The minimum rating specified in the relevant swap agreement.	Replacement of relevant swap counterparty or other remedy, subject to applicable rating agency criteria.	Section 13 ( <i>Swaps</i> ).

## 2. RISK FACTORS

*Prospective investors should consider carefully the risks described below, together with the other information contained or incorporated by reference in the Base Prospectus (comprising this Securities Note and the Registration Document) and as supplemented as at the relevant time, if applicable. If any of the following risks should actually occur, the Issuer's or the CBC's business, financial condition, results of operations and prospects could be materially adversely affected, which could result in an inability of the Issuer or the CBC's to fulfil its obligations under the Covered Bonds or the Guarantee, as applicable, and could negatively affect the price of the Covered bonds*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's or the CBC's business, financial condition, results of operations and prospects. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section. Where a risk factor could belong in more than one category, such risk factor is included in the category that is deemed the most appropriate by the Issuer and the CBC.*

*Although the Issuer and the CBC (in respect of the CBC only as far as it concerns the CBC) believes that the risk factors described below and the risk factors contained in the Registration Document represent the material risks inherent to investing in the Covered Bonds, the inability of the Issuer and/or the CBC to pay interest, principal or other amounts on or in connection with the Covered Bonds or the Guarantee, as applicable, may occur for other reasons not known to the Issuer and/or the CBC. The risk factors set out below and contained in the Registration Document regarding the risks of holding any Covered Bonds are not exhaustive. Additional risks not included in this Securities Note or the Registration Document, not presently known to the Issuer and/or the CBC, or that the Issuer and/or the CBC currently deem to be immaterial may, individually or cumulatively, have a material adverse effect on the Issuer's or the CBC's business, financial condition, results of operations and prospects.*

*Prospective investors should carefully read and review the entire Base Prospectus (comprising this Securities Note and the Registration Document) and as supplemented as at the relevant time, if applicable, and should form their own views before making an investment decision with respect to the Covered Bonds.*

*Before making an investment decision with respect to any Covered Bonds, prospective investors should form their own opinions, consult their own accountant, bank manager, lawyer, stockbroker or other financial, legal and/or tax advisers and carefully review the risks associated with an investment in the Covered Bonds and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Any reference to the "Issuer" below should, where the context so requires, be read as a reference to the group that the Issuer forms part of, unless the context requires otherwise.*

### **RISK FACTORS REGARDING THE ISSUER**

Each prospective investor in the Covered Bonds should refer to the section entitled 'Risk Factors' in the Registration Document for a description of those factors which could affect the financial performance of the Issuer and thereby affect the Issuer's ability to fulfil its obligations in respect of Covered Bonds issued under the Programme.

Unless specifically defined otherwise in this Securities Note, words and expressions defined in the Registration Document and in section "Terms and Conditions of Covered Bonds" below shall have the same meaning in this section. References to 'Notes' in the Registration Document are to be construed as to 'Covered Bonds' for the purposes of this Programme.

### **RISK FACTORS REGARDING THE COVERED BONDS**

#### **A. RISKS RELATED TO THE NATURE AND STRUCTURE OF THE COVERED BONDS**

##### **1. Risk that the Covered Bonds are the payment obligations of the Issuer only**

The payment obligations under the Covered Bonds and Coupons will be solely the obligations of the Issuer and will not be an obligation or responsibility of, or represent or imply a guarantee (other than the Guarantee from the CBC) or indemnity from, the Transferor, any Swap Counterparty, the Servicer, any sub-servicer, the Administrator,

the Directors, any Paying Agent, any Calculation Agent, any Arranger, any Dealer, the CBC Account Bank, the Subordinated Loan Provider, the Security Trustee, the Rating Agency or any other entity or person in whatever capacity, other than the Issuer. The Issuer's obligations in respect of the Covered Bonds are senior and unsecured obligations which are guaranteed by the CBC under the Guarantee and such obligations will not be the obligations of any other entity or person in whatever capacity. This means that the investors will have an unsecured claim against the Issuer, which is guaranteed pursuant to the Guarantee. The risks relating to the Guarantee are set out in the risk factors set out under '*Risk factors regarding the Guarantor and the Guarantee*'. An investment in the Covered Bonds involves the risk that a subsequent change in the creditworthiness of the Issuer, including for example as a result of a downgrade of the Issuer (see also risk factor '*Ratings are important to the Issuer's business for a number of reasons. Downgrades could have an adverse impact on its operations and net results*' in section 1 (*Risk Factors*) of the Registration Document), adversely affects the amounts receivable on the relevant Covered Bonds and Coupons, which may result in losses to Covered Bondholders and/or Couponholders.

**2. Risk that the Security Trustee agrees to modifications, waivers and authorisations which are contrary to Covered Bondholders' interests**

The Conditions provide that the Security Trustee, the Issuer and the CBC may, without the consent of the Covered Bondholders, Couponholders and Secured Creditors (other than the Secured Creditors which are a party to a Transaction Document which is to be modified), agree to certain modifications, waivers and authorisations under the Covered Bonds, the related Coupons and the Transaction Documents, as set out in more detail in Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*). These modifications include, but are not limited to, in short, modifications which in the opinion of the Security Trustee are not materially prejudicial to the interests of any of the Covered Bondholders of any Series or any of the other Secured Creditors (other than the CBC), provided that the Rating Agency has been notified in respect of such modifications.

Changes may therefore be made to the Programme to which one or more, or all Covered Bondholders did not agree or would have disapproved of if proposed to them. This means, among other things, that as the Terms and Conditions of all Covered Bonds are the Terms and Conditions attached to the Trust Deed from time to time and therefore are the same for all Series outstanding, any updated Terms and Conditions resulting from any amendments to the Terms and Conditions of the Covered Bonds for example as part of an annual update, will apply to all outstanding Covered Bonds unless otherwise specifically provided for in the Terms and Conditions. Any such modification, waiver or authorisation may be contrary to the interest of one or more Covered Bondholders and Couponholders as a result of which the Covered Bonds and Coupons may no longer meet the requirements or investment objectives of a Covered Bondholder and/or Couponholder, and may have an adverse effect on the value of the Covered Bonds and Coupons.

**3. Risk related to failure of enforcement by the Security Trustee**

Subject to the provisions of the Trust Deed, only the Security Trustee may enforce the provisions of the Covered Bonds and the Transaction Documents. Neither the Covered Bondholders nor the Couponholders are entitled to proceed directly against the Issuer or the CBC to enforce any provision of the Covered Bonds and/or the Transaction Documents, unless the Security Trustee fails to take steps to enforce the Security in accordance with the Trust Deed within a reasonable time and such failure is continuing. Furthermore, in connection with the exercise by the Security Trustee of its powers, authorities and discretion to enforce the provisions of the Covered Bonds and the Transaction Documents, the Security Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders or Couponholders whatever their number). This may conflict with the interest of an individual Covered Bondholder or Couponholder. Consequently, Covered Bondholders and Couponholders have no or limited rights to proceed against the Issuer or the CBC directly and may be adversely affected by enforcement actions and inactions of the Security Trustee, which may result in losses under the Covered Bonds and Coupons.

**4. Risk of certain decisions of Covered Bondholders taken at Programme level and not at Series level**

The Conditions contain provisions for calling meetings of Covered Bondholders and Couponholders to consider and vote upon matters affecting their interests generally or to pass resolutions in writing. Certain resolutions cannot be taken at the level of a single Series but require a Programme Resolution, as set out in more detail in

Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*), including a resolution to direct the Security Trustee (i) to accelerate the Covered Bonds pursuant to Condition 10 (*Events of Default and Enforcement*), (ii) to take any enforcement action or (iii) to remove or replace the Security Trustee's Director. A Programme Resolution will be binding on all Covered Bondholders and Couponholders of all Series, and an Extraordinary Resolution will be binding on all Covered Bondholders and Couponholders of the relevant Series.

These provisions permit defined majorities to bind all Covered Bondholders and Couponholders of all Series or a particular Series (including Covered Bondholders and Couponholders who did not attend and/or vote at the relevant meeting or, as the case may be, did not sign the written resolution, including those Covered Bondholders and Couponholders who voted in a manner contrary to the majority) to for example modifications, waivers and authorisations under the Covered Bonds, the related Coupons and the Transaction Documents. Any such resolution may be contrary to the interest of one or more Covered Bondholders and Couponholders as a result of which the Covered Bonds and Coupons may no longer meet the requirements or investment objectives of a Covered Bondholder and/or Couponholder, and may have an adverse effect on the value of the Covered Bonds and Coupons.

#### **5. Risk that conflicts of interest adversely affect the Covered Bondholders**

Where the Calculation Agent is the Issuer or an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Covered Bondholders and Couponholders, as the Issuer typically has an interest to limit the amounts payable on Covered Bonds and the Covered Bondholders have an opposite interest. Such potential conflict may for example exist with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence any interest amount due on, and the amount receivable upon redemption of the Covered Bonds and the Coupons. This may adversely affect the amounts of principal and interest receivable on the Covered Bonds and the Coupons.

In addition, members of the Van Lanschot Kempen Group may at any time hold Covered Bonds. Covered Bondholders in principle have voting rights in respect of the Covered Bonds held by them and, in doing so, may take into account factors specific to them, including their relationship with the Issuer. Any such member of the Van Lanschot Kempen Group may exercise its voting rights in a manner which conflicts with the interests of other Covered Bondholders and Couponholders as a result of which the Covered Bonds and Coupons may no longer meet the requirements or investment objectives of a Covered Bondholder and/or Couponholder and losses may be incurred under the Covered Bonds and Coupons.

Furthermore, a conflict of interest may arise following a Benchmark Event as further described in the risk factor '*Risk that the Issuer or the CBC determines the course of action following a Benchmark Event and that this results in a conflict of interest*' below. This may lead to losses under the Covered Bonds.

### **B. MARKET AND LIQUIDITY RISKS RELATED TO THE COVERED BONDS**

#### **1. Risk of no Eurosystem eligibility**

Covered Bonds may be issued with the intention to be held in a manner which will allow Eurosystem eligibility. In that case such Covered Bonds are intended upon issue to be deposited with one of the international central securities depositories and/or central securities depositories that fulfil the minimum standard established by the ECB. However, it does not necessarily mean that each Covered Bond will be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will, as in any particular case, depend upon satisfaction of all Eurosystem eligibility criteria at the relevant time and there can be no assurance that such Covered Bonds will be recognised as such or will remain to be recognised as such. If the Covered Bonds are in this case not recognised as such, this is likely to have a negative impact on the liquidity and/or market value of such Covered Bonds.

#### **2. Risk that Covered Bonds that are subject to optional redemption by the Issuer have a lower market value and present reinvestment risk**

The applicable Final Terms will indicate whether the Covered Bonds are subject to an optional redemption feature. In general, an optional redemption feature of Covered Bonds is likely to limit their market value. During any period

when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be the case prior to any optional redemption period.

If the Issuer redeems the Covered Bonds prior to maturity, a holder of such Covered Bonds is exposed to the risk that, due to early redemption, its investment will have a lower than expected yield. In addition, the Issuer may be expected to redeem Covered Bonds pursuant to an optional redemption feature when its cost of borrowing is lower than the interest rate on the Covered Bonds or when the Covered Bonds become subject to changes in tax law. If the Covered Bonds are redeemed at the option of the Issuer, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to reinvest at a (significantly) lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, if the Issuer is specified as having the option to redeem the Covered Bonds in the applicable Final Terms prior to the Maturity Date and the Issuer cannot exercise its option because an Issuer Event of Default has occurred and is continuing, then the CBC will have the right to declare that all of the Covered Bonds then outstanding will mature on the relevant optional redemption date as specified in the applicable Final Terms and that the Maturity Date will be such Optional Redemption Date. If the CBC exercises such right, the Maturity Date will be the relevant Optional Redemption Date and the Extended Due for Payment Date will be the date falling one year after such date (or if indicated otherwise in the applicable Final Terms, such date). In such case, the Covered Bondholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to reinvest at a significantly lower rate.

Any redemption prior to the Maturity Date as set out above could have a material adverse effect on the value of the Covered Bonds as the relevant redemption amount may be less than the then current market value of the Covered Bonds.

### **3. Risk that no secondary market may develop and risk of limited liquidity**

There can be no assurance as to how any Covered Bonds will trade in the secondary market or whether such market will be liquid or illiquid. Application may or may not be made to list the Covered Bonds on a stock exchange, as indicated in the applicable Final Terms. The fact that Covered Bonds may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Covered Bonds. If any Covered Bonds are not traded on any stock exchange, pricing information for such Covered Bonds may be more difficult to obtain, and the liquidity and market prices of such Covered Bonds may be adversely affected.

A decrease in the liquidity of Covered Bonds may cause, in turn, an increase in the volatility associated with the price of such Covered Bonds. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds which have certain specific features, such as Covered Bonds which are especially sensitive to interest rate, currency or market risks, or Covered Bonds which are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds will generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Covered Bonds.

The secondary markets may experience severe disruptions resulting from reduced investor demand for securities such as the Covered Bonds and increased investor yield requirements for those securities. As a result, the secondary market for securities such as the Covered Bonds may experience limited liquidity or a secondary market may not develop at all. These conditions and their adverse effects may vary in the future. Consequently, an investor in the Covered Bonds may not be able to sell its Covered Bonds readily. The market values of the Covered Bonds are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor.

### **4. Risk that Covered Bonds issued at a substantial discount or premium experience greater price volatility**

The market value of Covered Bonds issued at a substantial discount or premium from their principal amount tend

to fluctuate more in relation to general changes in interest rates than to prices for conventional interest-bearing Covered Bonds. Generally, the longer the remaining term of the Covered Bonds, the greater the price volatility as compared to conventional interest-bearing Covered Bonds with comparable maturities. Therefore, the market value of such Covered Bonds may be lower than the market value of conventional interest-bearing Covered Bonds with comparable maturities.

**5. Risk related to no consent being required from Covered Bondholders for issuance of different Covered Bonds**

This Securities Note only describes Covered Bonds to be issued as part of this Programme under this Securities Note. In the future, the Issuer may issue Covered Bonds under this Programme (whether or not under this Securities Note) in different markets and/or with different features, which have not been described in this Securities Note, and different risks associated with them, such as index or equity linked and dual currency Covered Bonds. It is not expected that the consent of Covered Bondholders will be obtained in order to provide for the inclusion of such Covered Bonds in this Programme. This may result in higher risks on the Issuer and the CBC whilst such higher risks may not be compensated by higher returns or adjustments in the Asset Cover Test or Amortisation Test. Therefore, Covered Bondholders are exposed to the risk that such decision is taken against the interest of such Covered Bondholder and new Covered Bonds are issued that negatively affect the market value and/or risks in relation to its Covered Bonds.

**6. Risk that Covered Bond holdings of less than EUR 100,000 are not tradable and are adversely affected if Definitive Covered Bonds are issued**

In relation to any issue of Covered Bonds which has a denomination of EUR 100,000 plus a higher integral multiple of another smaller amount, it is possible that the Covered Bonds will be traded in amounts in excess of EUR 100,000 or its equivalent that are not integral multiples of EUR 100,000 (for the purpose of this paragraph, the "**Stub Amount**"). In such a case a Covered Bondholder who, as a result of trading such amounts, holds a Stub Amount may not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts up to at least EUR 100,000. As long as the Stub Amount is held in the relevant clearing system, the Covered Bondholder will be unable to transfer this Stub Amount. If Definitive Covered Bonds are issued, Covered Bondholders should be aware that Definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination, may be illiquid and difficult to trade, which may negatively affect the market value of the Covered Bonds.

**7. Risk associated with ECB asset purchase programme**

In September 2014, the ECB initiated an asset purchase programme, which also encompasses the covered bond purchase programme. From March 2023 the Eurosystem only partially reinvested the principal payments from maturing securities held in the covered bond purchase programme and as of July 2023 the Eurosystem discontinued all reinvestments. It remains to be seen what the effect of the discontinuation of the purchase programmes will be on the volatility in the financial markets and the overall economy in the Eurozone and the wider European Union and the UK. The Covered Bondholders should be aware that they may suffer a loss if they intend to sell any of the Covered Bonds on the secondary market for such Covered Bonds as a result of the impact that the discontinuation of the asset purchase programmes may have on the secondary market value of the Covered Bonds and the liquidity in the secondary market for the Covered Bonds.

**8. Risk related to exchange rates and exchange controls**

The Issuer will pay principal and interest on the Covered Bonds in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate and/or restrict the convertibility or transferability of currencies within and/or outside of a particular jurisdiction. As a result, investors of the Covered Bonds may receive less interest or principal than expected or receive it later than expected or receive no interest or principal at all.

**9. Risk related to the Dealers transacting with the Issuer**

In the ordinary course of their business activities, a Dealer and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. A Dealer or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealer and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds. Any such positions could adversely affect future trading prices of Covered Bonds.

**10. Risk that the credit ratings assigned to the Covered Bonds may not reflect all risks**

The ratings assigned to the Covered Bonds address:

- the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each Interest Payment Date; and
- the likelihood of ultimate payment of principal in relation to Covered Bonds on the Extended Due for Payment Date thereof.

The expected ratings of the Covered Bonds (if rated) are set out in the relevant Final Terms for each Series of each Tranche of Covered Bonds. Any Rating Agency may lower its rating or withdraw its rating if, in the sole judgement of that Rating Agency, the credit quality of the Covered Bonds has declined or is in question or as a result of a downgrade of the Issuer. If any rating assigned to the Covered Bonds is lowered or withdrawn by any Rating Agency, the market value of the Covered Bonds may be reduced. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time without prior notice. A credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds.

**C. LEGAL AND REGULATORY RISKS RELATED TO THE COVERED BONDS**

**1. Risk that Covered Bonds do not comply with the CB Regulations and/or the CRR**

On the Programme Date, DNB admitted the Issuer and the Covered Bonds to the list of issuers and covered bond programmes as published by DNB for the purpose of Article 1:109 of the Wft, in accordance with the then applicable Dutch covered bond laws. The Issuer has amended the Programme to comply with the CB Regulations and as of 13 January 2023, the Issuer has obtained confirmation from DNB that it complies with the CB Regulations and at the date of this Securities Note remains compliant. All Covered Bonds can, subject to satisfaction of the other requirements for such benefits, enjoy the benefits of the CRR and, as a result, obtain the 'European Covered Bond (Premium)' label.

The Covered Bond Directive was adopted on 27 November 2019 and has been implemented in the Netherlands in full on 13 June 2022 pursuant to the CB Regulations and is effective as of 8 July 2022. The Covered Bond Directive, the CB Regulations and the interpretation thereof by, *inter alia*, the competent authorities may change over time and in relation to the interpretation of the CB Regulations the interpretations thereof may vary due to the recent implementation of the CB Regulations. The timing and substance of such changes are unpredictable and beyond the control of the Issuer. Changes in the Covered Bond Directive, the CB Regulations or interpretations thereof, or different interpretations thereof, could affect the Issuer, the CBC, the market for and value of covered bonds in general and/or the Covered Bonds.

If a Covered Bond no longer meets the requirements prescribed by the CB Regulations, or if the Issuer would no

longer comply with its ongoing administration and/or reporting obligations towards DNB as the competent regulator, DNB can take several measures, which include, without limitation, imposing an issuance stop on the Issuer, which may be disclosed by DNB, and DNB has the authority to terminate the registration of the Issuer.

If at any time an issuance stop is published or if the registration of the Issuer is revoked, a Covered Bondholder may experience adverse consequences (i.e., an adverse effect on the market value of the Covered Bonds), depending on the reasons for making the investment in such Covered Bonds. An issuance stop or revocation of the registration of the Issuer may for example have negative effect on the regulatory treatment of the Covered Bonds, resulting in the Covered Bonds for example losing the 'European Covered Bond (Premium)' label, which may affect the value, trading price and/or liquidity of the Covered Bonds and may have consequences for certain Covered Bondholders with portfolio mandates to invest in covered bonds with a 'European Covered Bond (Premium)' label.

## 2. Risks related to the SRM Regulation and the BRRD

For risks regarding the Issuer related to the SRM Regulation and the BRRD, see the risk factor '*Intervention and resolution powers under the Wft, the BRRD and the SRM Regulation*' in section 1 (*Risk Factors*) of the Registration Document.

With respect to the resolution measures described in the risk factor '*Intervention and resolution powers under the Wft, the BRRD and the SRM Regulation*' in section 1 (*Risk Factors*) of the Registration Document, prospective investors should be aware that an exemption applies to covered bonds pursuant to which covered bonds are in principle excluded from the applicability of the write-down and conversion powers laid down in the BRRD (as complemented by the SRM Regulation). This means that, in principle, Covered Bonds cannot be written down following a bail-in intervention of the national authorities in relation to the Issuer. However, it cannot be excluded that such write down powers may be used in relation to the Covered Bonds if and to the extent the aggregate Principal Amount Outstanding of the Covered Bonds would exceed the value of the collateral available to secure such Covered Bonds. In addition, it is uncertain what would constitute collateral for such purpose in the context of the Covered Bonds and how and when during any such bail-in intervention the value of such collateral (and/or the Guarantee) would be determined. The resolution framework as described above provides for certain safeguards against a partial transfer and the exercise of certain resolution powers in respect of covered bonds, which aims to ensure that rights arising out of covered bonds will not be affected by such partial transfer or exercise of such resolution power.

## D. RISKS RELATED TO BENCHMARKS

### 1. Risk that discontinuance of EURIBOR, €STR or other Original Reference Rate may affect the value or payment of interest under the Floating Rate Covered Bonds

The interest payable on the Floating Rate Covered Bonds may be determined by reference to EURIBOR, €STR or another reference rate (as defined in the applicable Final Terms), or another benchmark (each of these indices as well as any substitute, alternative or successor rate determined in accordance with Condition 5(D) (*Benchmark Discontinuation*) in case of a reference rate other than Compounded Daily €STR and Condition 5(B)(ii)(c) (*Screen Rate Determination for Floating Rate Covered Bonds referencing Compounded Daily €STR*) in case of Compounded Daily €STR, including the applicable tenor and currency, the "**Reference Rate**").

Investors should be aware that if EURIBOR, €STR or any other Original Reference Rate has been discontinued or, *inter alia*, another Benchmark Event or, in case of Compounded Daily €STR, an €STR Index Cessation Event has occurred, the Rate of Interest on such Floating Rate Covered Bond which reference such benchmark may be determined for the relevant period by reference to a substitute, alternative or successor rate, in accordance with the applicable fallback provisions set out in Condition 5 (*Interest*).

The use of a substitute, alternative or successor rate may result in the Floating Rate Covered Bonds that referenced the Original Reference Rate performing differently (including potentially paying a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, the general fallback provision as set out in Condition 5(D) (*Benchmark Discontinuation*) also



provides that the Independent Adviser or the Issuer or the CBC, as the case may be, may, *inter alia*, vary the Conditions, as necessary to ensure the proper operation of the Successor Rate or Alternative Rate, without any requirement for consent or approval of the Covered Bondholders.

The general fallback provision as set out in Condition 5(D) (*Benchmark Discontinuation*) also provides that an Adjustment Spread may be determined by the Independent Adviser or the Issuer or the CBC, as the case may be, to be applied to the Successor Rate or the Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as practicable, any economic prejudice or benefit (as the case may be) to Covered Bondholders and Couponholders as a result of the replacement of EURIBOR or any other Original Reference Rate with the Successor Rate or the Alternative Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of the Adjustment Spread will either reduce or eliminate economic prejudice to Covered Bondholders and Couponholders. If no Adjustment Spread is determined, the Successor Rate or the Alternative Rate, as the case may be, may nonetheless be used to determine the Rate of Interest.

In addition, if in accordance with the general fallback provision as set out in Condition 5(D) (*Benchmark Discontinuation*) a Benchmark Event has occurred, and the Independent Adviser or the Issuer or the CBC, as the case may be, for any reason, is unable to determine a Successor Rate or an Alternative Rate, the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Benchmark Event occurred, and such Rate of Interest will continue to apply until maturity or whenever the Independent Adviser or the Issuer or the CBC, as the case may be is able to determine the Successor Rate or an Alternative Rate all as described in Condition 5(D)(vi) (*Survival of Original Reference Rate*).

If it is not possible to determine a substitute, alternative or successor rate, in accordance with the applicable fallback provision or any of the other matters referred to under Condition 5(D) (*Benchmark Discontinuation*), this could ultimately result in the application of a fixed rate to what was previously a Floating Rate Covered Bond.

In addition, due to the uncertainty concerning the availability of a substitute, alternative or successor rate, as the case may be, the relevant fallback provisions may not operate as intended at the relevant time. In addition, the substitute, alternative or successor rate, as the case may be, may perform differently from the Original Reference Rate. For example, several risk free rates are currently being developed, which are overnight rates, while the Original Reference Rate generally has a certain maturity, for example a term of one, three or six months. Similarly, these risk free rates generally do not carry an implicit element of credit risk of the banking sector, which does form part of the Original Reference Rate. The differences between the substitute, alternative or successor rate, as the case may be, and the Original Reference Rate could have a material adverse effect on the value of and return on any such Floating Rate Covered Bonds. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Covered Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Covered Bonds based on or linked to an Original Reference Rate or other benchmark.

## **2. Risks related to the market's continuing development in relation to €STR as a reference rate**

€STR is published by the ECB and is intended to reflect the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. The ECB reports that €STR is published on each TARGET Settlement Day based on transactions conducted and settled on the previous TARGET Settlement Day (the reporting date "T") with a maturity date of T+1 which are deemed to have been executed at arm's length and thus reflect market rates in an unbiased way.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions of the Covered Bonds and used in relation to Covered Bonds that reference a risk free rate. Investors should carefully consider how any mismatch between the adoption of €STR reference rates in the bond, loan and derivatives markets may impact any hedging or any other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Covered Bonds referencing €STR. The development of Compounded Daily €STR as interest reference rates for the Eurobond markets, as well as continued development of €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any €STR-referenced Covered Bonds from time to time.

Since €STR is a relatively new market index, Floating Rate Covered Bonds which reference €STR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to €STR such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Floating Rate Covered Bonds may be lower than those of later-issued indexed debt securities as a result. Further, if €STR does not prove to be widely used in securities like Floating Rate Covered Bonds which reference Compounded Daily €STR, the trading price of such Floating Rate Covered Bonds which reference Compounded Daily €STR may be lower than those of Floating Rate Covered Bonds linked to indices that are more widely used. Investors in such Floating Rate Covered Bonds may not be able to sell such Floating Rate Covered Bonds at all or may not be able to sell such Floating Rate Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Covered Bonds which reference Compounded Daily €STR. If the manner in which Compounded Daily €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Floating Rate Covered Bonds and the trading prices of such Floating Rate Covered Bonds. Accordingly, an investment in Floating Rate Covered Bonds using €STR as a reference rate may entail significant risks not associated with similar investments in conventional debt securities.

Furthermore, interest on Floating Rate Covered Bonds which reference Compounded Daily €STR is only capable of being determined at the end of the relevant Observation Period or Interest Period (as applicable) and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Floating Rate Covered Bonds which reference Compounded Daily €STR to estimate reliably the amount of interest which will be payable on such Floating Rate Covered Bonds, and some investors may be unable or unwilling to trade such Floating Rate Covered Bonds without changes to their IT systems, both of which could adversely impact the liquidity of such Floating Rate Covered Bonds. Further, in contrast to, for example, EURIBOR based Floating Rate Covered Bonds, if Floating Rate Covered Bonds referencing Compounded Daily €STR become due and payable as a result of an event of default under Condition 10 (*Events of Default and Enforcement*) or Condition 16 (*Security Trustee*) (as applicable), or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Floating Rate Covered Bonds shall only be determined on the date on which the Floating Rate Covered Bonds become due and payable.

**3. Risk that the Issuer or the CBC determines the course of action following a Benchmark Event and that this results in a conflict of interest**

If in accordance with the general fallback provision as set out in Condition 5(D) (*Benchmark Discontinuation*), the Issuer or the CBC, as the case may be, is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer or the CBC, as the case may be, fails to determine a Successor Rate or an Alternative Rate, the Issuer or the CBC, as the case may be, (acting in good faith and in a commercially reasonable manner) shall use reasonable endeavours to determine a Successor Rate, or, if a Successor Rate is not available, an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments. The Issuer or the CBC, as the case may be, will act in good faith as an expert and take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations in the establishment of market standards and/or protocols in the international debt capital markets for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments, as the case may be. However, in making such determinations, the Issuer or the CBC, as the case may be, may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

The Issuer and/or any of its affiliates or the CBC, as the case may be, may have existing or future business relationships and business interests and may pursue actions and take steps that it deems, or they deem, necessary or appropriate to protect its or their interests arising therefrom without taking into account the consequences for a Covered Bondholder. There is no guarantee that any Successor Rate or Alternative Rate will produce the same yield as the rate that was discontinued and the price of the affected Covered Bonds may be adversely affected by such determination. In addition, in the instances where the Issuer or the CBC, as the case may be, appoints and pays for the services of an Independent Adviser, there is a risk that the Independent Adviser would feel inclined to provide determinations and judgements in favour of the Issuer or the CBC, as the case may

be, for this reason and thereby ultimately influence the amount receivable under the Covered Bonds. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by these provisions in making any investment decisions with respect to any Covered Bonds linked to or referencing a benchmark. Further possible conflicts of interest are described in the risk factor '*Risk that conflicts of interest adversely affect the Covered Bondholders*' above.

**4. Risk that Alternative Rates qualify, or an Adjustment Spread qualifies, as a benchmark or that the Independent Adviser, the Issuer or the CBC is considered an 'administrator' under the Benchmarks Regulation**

Under the Benchmarks Regulation, it is possible that the substitute, alternative or successor rate and/or the Adjustment Spread may itself qualify (or be regarded by a supervisor as qualifying) as a benchmark. In that case the above applies *mutatis mutandis*, which means among other things that the substitute, alternative or successor rate and/or the Adjustment Spread needs to meet the requirements of the Benchmarks Regulation, which may cause delays in applying, or impossibility to apply, the substitute, alternative or successor rate and/or the Adjustment Spread. In addition, the Independent Adviser, the Issuer or the CBC, as the case may be, may be considered an 'administrator' under the Benchmarks Regulation. This is the case if it is considered to be in control over the provision of the substitute, alternative or successor rate and/or the determined rate of interest on the basis of the substitute, alternative or successor rate and any adjustments made thereto by the Independent Adviser or the Issuer or the CBC, as the case may be and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario.

The Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised, endorsed, or an equivalence decision needs to be adopted by the European Commission as applicable, in accordance with the Benchmarks Regulation. There is a risk that administrators (which may include the Independent Adviser, the Issuer or the CBC in the circumstances as described above) of certain benchmarks or the benchmark itself will fail to obtain such registration, authorisation, recognition, endorsement, or equivalence preventing administrators from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. The Issuer cannot guarantee that it or the Independent Adviser or the CBC, as the case may be, will and will be able to timely obtain registration, authorisation, recognition or equivalence to administrate a benchmark, in case the Independent Adviser, the Issuer or the CBC, as the case may be, will be considered an administrator under the Benchmarks Regulation. This will also affect the possibility for the Independent Adviser, the Issuer or the CBC, as the case may be, to apply the fallback provision of Condition 5(B)(ii) (*Rate of Interest*) or Condition 5(D) (*Benchmark Discontinuation*) meaning that the Original Reference Rate will not be changed pursuant to Condition 5(B)(ii) (*Rate of Interest*) or Condition 5(D) (*Benchmark Discontinuation*). This may ultimately result in the effective application of a fixed rate to what was previously a Floating Rate Covered Bond. Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the requirements of the Benchmarks Regulation such as relating to governance and conflict of interest, control frameworks, record-keeping and complaints-handling. This may negatively affect the value of the Covered Bonds. See also risk factor '*Risk that future discontinuance of EURIBOR, €STR or other Original Reference Rate may affect the value or payment of interest under the Floating Rate Covered Bonds*' above.

**E. TAX RISKS RELATED TO THE COVERED BONDS**

**1. Risk related to tax consequences of holding or selling the Covered Bonds**

Potential investors and sellers of Covered Bonds should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Covered Bonds are transferred or other jurisdictions. In addition, payments of interest on the Covered Bonds, or income derived from the Covered Bonds, may become subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Covered Bonds, or in other jurisdictions in which the holder of Covered Bonds is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Covered Bonds.

Prospective investors should carefully consider the tax consequences of investing in the Covered Bonds and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax

regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

## **2. Risk of no gross-up by the CBC for Taxes**

As provided for in Condition 8 (*Taxation*), should payments made by the CBC under the Guarantee be made subject to withholding or deduction for any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, the CBC will make the required withholding or deduction of such taxes or duties for the account of the Covered Bondholders and shall not be obliged to pay any additional amounts to the Covered Bondholders in respect of the withholding or deduction. This may lead to losses under the Covered Bonds.

## **RISK FACTORS REGARDING THE GUARANTOR AND THE GUARANTEE**

### **A. RISKS RELATED TO THE GUARANTOR**

#### **1. Risk associated with Covered Bondholders being bound by a limited recourse clause and the CBC having limited resources**

The ability of the CBC to meet its payment obligations under the Guarantee will depend on the receipt by it of funds under the Transferred Assets, the proceeds of the sale of any Transferred Assets, the timing thereof and receipt by it of payments under the Swap Agreements (if any) and of interest in respect of the balance standing to the credit of the CBC Transaction Accounts (other than on the Construction Account). The CBC does not have any other resources available to it to meet its obligations under the Guarantee and the recourse of the Secured Creditors against the CBC is limited to such assets.

If a CBC Event of Default occurs and the Security is enforced, the proceeds may not be sufficient to meet the claims of all Secured Creditors, including the Covered Bondholders and the Couponholders. If, following enforcement of the Security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Creditors will have no further claim against the CBC after enforcement of the Security. This may result in losses under the Covered Bonds and the Coupons.

Covered Bondholders should note that the Asset Cover Test has been structured to ensure that (i) the Adjusted Aggregate Asset Amount is an amount at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds, (ii) the First Regulatory Current Balance Amount will always be at least equal to 105 per cent., or such other percentage as may be required from time to time under the CB Regulations, of the aggregate Principal Amount Outstanding of the Covered Bonds and (iii) the Second Regulatory Current Balance Amount will always be at least equal to 100 per cent., or such other percentage as may be required from time to time under the CB Regulations, of the nominal value of the obligations in respect of the Covered Bonds, which include repayment of principal, payment of interest, payment obligations under derivative contracts and expected costs related to maintenance and administration for the winding-down of the Programme (in each case within the meaning of the CB Regulations), which should reduce the risk of there being a shortfall. However, there is no assurance that there will not be a shortfall and that there will not be a breach of the Asset Cover Test. After the occurrence of a Breach of Asset Cover Test, the Security Trustee will be entitled to serve a Breach of Asset Cover Test Notice on the Issuer and the CBC and thereafter, the Breach of Asset Cover Test may be remedied. If a Breach of Asset Cover Test Notice has been served and provided that the Breach of Asset Cover Test has not been remedied, the CBC shall be allowed to retain the proceeds received on the Transferred Assets until the Breach of Asset Cover Test is remedied. This may negatively affect the value of the Covered Bonds.

#### **2. Risk that counterparties of the CBC will not perform their obligations, including the obligation to appoint a substitute servicer after termination of the Servicing Agreement or the CBC needs to indemnify third parties**

The CBC has entered into agreements with a number of third parties, such as the Servicer, Administrator and Asset Monitor, which have agreed to perform services for the CBC. In the event that any of those parties fails to perform its obligations under the relevant agreement *vis-à-vis* the CBC, or Borrowers do not perform their

obligations under the Mortgage Loans, the realisable value of the Transferred Assets or any part thereof may be affected, or, pending such realisation (if the Transferred Assets or any part thereof cannot be sold), the ability of the CBC to make payments under the Guarantee may be affected. For a number of reasons why the Borrowers may not perform, see the risk factor '*Risks associated with defaults by Borrowers*' below.

If a termination event occurs pursuant to the terms of the Servicing Agreement, then the CBC and/or the Security Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience of administering residential mortgage loans will be found who would be willing and able to service the Mortgage Receivables on the terms of the Servicing Agreement. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Mortgage Receivables or any part thereof, and/or the ability of the CBC to make payments under the Guarantee. If the CBC cannot meet its obligations under the Guarantee, this may lead to losses under the Covered Bonds.

Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement. The Servicer does not have any obligation itself to advance payments that Borrowers fail to make in a timely fashion which, may result in the CBC not being able to meet its obligations under the Guarantee. This may lead to losses under the Covered Bonds and the Coupons.

Service providers of the CBC may need to be indemnified by the CBC for loss, damage or other liability which is not caused by their own gross negligence, wilful misconduct or fraud, or may cause the CBC to incur loss, damage or other liability directly, which may result in the CBC not being able to meet its obligations under the Guarantee.

In each case as described above, if the CBC is not able to meet its payment obligations under the Guarantee, this may result in losses under the Covered Bonds and the Coupons.

### **3. Not all risks are deducted from the Asset Cover Test**

The tests included in the Asset Cover Test are composed of multiple tests, however, not all of these tests provide for deduction of all the risks that are described in this Securities Note. In particular certain set-off risks and other risks which are deducted from the Adjusted Aggregate Asset Amount are not deducted for the purpose of the calculation of the First Regulatory Current Balance Amount and the Second Regulatory Current Balance Amount. Therefore, the First Regulatory Current Balance Amount and the Second Regulatory Current Balance Amount do not include a deduction in respect of these risks. Therefore, where in the risk factors it is stated that such risks are to be deducted from the Asset Cover Test, this means that these will be deducted from the Adjusted Aggregate Asset Amount and it does not mean that these are deducted from the First Regulatory Current Balance Amount and the Second Regulatory Current Balance Amount. Furthermore, not all risks in relation to the Transferred Assets are provided for in the Asset Cover Test (see section 12 (*Asset Monitoring*)). This could lead to losses under the Transferred Assets in case such risks materialise and, consequently, the CBC may not be able to meet its obligations under the Guarantee. This may lead to losses under the Covered Bonds.

### **4. Risk related to maintenance of Transferred Assets**

Unless a Breach of Asset Cover Test has occurred, the Asset Monitor will carry out procedures on the arithmetic accuracy of the calculations performed by the Administrator in respect of the Asset Cover Test once each year on the Calculation Date immediately preceding each anniversary of the Programme Date and more frequently in certain circumstances as set out in the Asset Monitoring Agreement. Following the service of a Notice to Pay, the Asset Monitor will be required to carry out procedures on the calculations performed by the Administrator in respect of the Amortisation Test on each Calculation Date. Such tests are limited in scope and provide no guarantee that the tests are met in all respects. This may therefore result in losses under the Covered Bonds.

If the collateral value of the Transferred Assets has not been maintained in accordance with the terms of the Asset Cover Test or the Amortisation Test, then that may affect the realisable value of the Transferred Assets or any part thereof (both before and after the occurrence of a CBC Event of Default) and/or the ability of the CBC to make payments under the Guarantee. Accordingly, to the extent that Transferred Assets are not maintained and monitored properly, the realisable value of such Transferred Assets by the CBC may be adversely affected, along with the CBC's ability to meet its obligations under the Guarantee. This may lead to losses under the Covered Bonds.

**5. Risks related to sale or refinancing of Selected Transferred Assets**

If the CBC is required to pay under the Guarantee, the CBC shall sell or refinance Selected Mortgage Receivables (selected on a random basis) in order to make funds available to the CBC to make payments to the CBC's creditors, including payments under the Guarantee.

There is no guarantee that a buyer will be found to acquire the Selected Transferred Assets or that such Selected Transferred Assets can be refinanced when required and there can be no guarantee or assurance as to the price or level of refinancing which may be able to be obtained, which may affect payments under the Guarantee. In addition, the CBC will not be permitted to give warranties or indemnities in respect of Selected Transferred Assets (unless expressly permitted to do so by the Security Trustee). There is no assurance that the Transferor would give any warranties or representations to a buyer in respect of the Selected Transferred Assets. Any representations or warranties previously given by the Transferor in respect of the relevant Transferred Assets may not have value for a third-party purchaser if the Transferor is then subject to any insolvency proceedings. Accordingly, there is a risk that the realisable market value of the Selected Transferred Assets could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the CBC to meet its best efforts undertaking under the Guarantee. This may lead to losses under the Covered Bonds.

**6. Risk that CBC Transaction Accounts carry negative interest**

Pursuant to the CBC Account Agreement the interest rate accruing on the balance standing to the credit of any of the CBC Transaction Accounts could be less than zero in case Compounded Daily €STR (or such other interest rate as may be agreed between the CBC Account Bank and the CBC) is below, equal to or just above zero. Any negative interest will be payable by the CBC to the CBC Account Bank, provided that the CBC Account Bank has notified the Issuer of this intention at least two (2) Business Days in advance. If the CBC has the obligation to pay interest accruing on the balance standing to the credit of any of the CBC Transaction Accounts to the CBC Account Bank instead of receiving interest thereon, this will reduce the income of the CBC and its possibility to generate further income on the assets held in the form of cash in the CBC Transaction Accounts. This risk increases if the amount deposited on the CBC Transaction Accounts becomes (more) substantial. Ultimately, such negative interest and/or an enduring obligation of the CBC to make such payments in respect thereof to the CBC Account Bank could result in the CBC not having sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

**7. Risk that the reporting on the Transferred Assets is delayed and that this limits the ability of the Covered Bondholders to evaluate and monitor their investment**

The composition of the Transferred Assets may change periodically. Therefore, information made available to Covered Bondholders through monthly investor reports may not accurately reflect all and/or the most recent statistics or information in relation to the Transferred Assets. Such a time delay may be up to three weeks. This may limit the ability of the Covered Bondholders and Couponholders to fully evaluate and monitor their investment or potential investment.

**8. The risk that the WHOA when applied to the CBC or other parties could affect the rights of the Security Trustee under the Security and the Covered Bondholders under the Guarantee and therefore the Covered Bonds**

Under the Act on Confirmation of Extrajudicial Restructuring Plans (*Wet Homologatie Onderhands Akkoord*, "CERP" or "WHOA") entered into force. Under the WHOA, a proceeding somewhat similar to the chapter 11 proceedings under United States bankruptcy law and the scheme of arrangement under English bankruptcy laws, is available for companies in financial distress, where the debtor stays in possession and can offer a composition plan to its creditors (including secured creditors and shareholders) which is binding on them and changes their rights provided all conditions are met. The WHOA is not applicable to banks and insurers.

A judge can, *inter alia*, refuse to accept a composition plan if an affected creditor who did not vote in favour of such composition plan and who will be worse off than in case of an insolvency so requests. If a proposal has been made or if the debtor undertakes to make a proposal within two (2) months from the date it deposits a statement with the court that it has started to make such proposal, a judge may during such proceedings grant a stay on

enforcement of a maximum of four (4) months, with a possible extension of four (4) months. During such period, *inter alia*, a pledgee of claims may not collect nor notify the borrowers in case of an undisclosed pledge. The new legislation also allows that group companies providing guarantees for the debtor's obligations are included in the plan, if (i) the relevant group companies are reasonably expected to be unable to pay their debts as they fall due, (ii) they have agreed to the proposed restructuring plan insofar as it concerns their obligations and (iii) the court has jurisdiction over the relevant group companies. A debtor may offer its creditors a composition plan which may also entail changes to the rights of any of its creditors. As a result thereof, it may well be that claims of creditors against the CBC can be compromised as a result of a composition if the relevant majority of creditors within a class vote in favour of such a composition. The WHOA can provide for restructurings that stretch beyond Dutch borders.

Although the WHOA is not applicable to banks and insurers and seems inappropriate to be applied for the CBC with a view to the structure of the transaction and the security created under the Security, the WHOA is applicable to the CBC. The WHOA when applied to the CBC could affect the rights of the Security Trustee under the Security and the Covered Bondholders under the Guarantee and therefore the Covered Bonds. The WHOA may also affect other counterparties of the CBC and/or the Security Trustee which may include the Borrowers and, therefore, this may also impact the performance by such parties vis-à-vis the CBC and/or the Security Trustee and result in losses under the Covered Bonds as further described above in '*Risk that counterparties of the CBC will not perform their obligations, including the obligation to appoint a substitute servicer after termination of the Servicing Agreement or the CBC needs to indemnify third parties*'.

## **B. RISKS RELATED TO THE GUARANTEE**

### **1. Risk associated with the Guarantee constituting payment obligations of the CBC only**

The payment obligations under the Guarantee will be owed by CBC only and will not be an obligation or responsibility of, or represent or imply a guarantee or indemnity from, the Issuer, the Transferor, any Swap Counterparty, the Servicer, any sub-servicer, the Administrator, the Directors, any Paying Agent, any Calculation Agent, any Arranger, any Dealer, the CBC Account Bank, the Subordinated Loan Provider, the Security Trustee, the Rating Agency or any other entity or person in whatever capacity, other than the CBC. An investment in Covered Bonds involves the risk that the CBC will not be able to meet its payment obligations under the Guarantee. No entity or person in whatever capacity will be under any obligation whatsoever to provide additional funds to the CBC (save in limited circumstances pursuant to the Transaction Documents). This may result in losses under the Covered Bonds and the Coupons.

### **2. Risk that the payment obligations of the CBC under the Guarantee are deferred**

If the CBC is obliged under the Guarantee to pay a Guaranteed Final Redemption Amount and has insufficient funds available under the relevant Priority of Payments to pay such Guaranteed Final Redemption Amount in full, then the obligation of the CBC to pay such Guaranteed Amounts will automatically be deferred to the relevant Extended Due for Payment Date.

However, to the extent the CBC has sufficient moneys available to pay in part the Guaranteed Final Redemption Amount in respect of the relevant Series of Covered Bonds, the CBC will make such partial payment in accordance with the relevant Priority of Payments, as described in Condition 3 (*The Guarantee*), on the relevant CBC Payment Date and any subsequent CBC Payment Date falling prior to the relevant Extended Due for Payment Date. Payment of the unpaid amount will be deferred automatically up to the applicable Extended Due for Payment Date. An Extended Due for Payment Date will fall one (1) year after the relevant Maturity Date. Interest will continue to accrue and be payable on the unpaid Guaranteed Final Redemption Amount on the basis set out in the applicable Final Terms or, if not set out therein, Condition 5 (*Interest*) applies *mutatis mutandis*.

In these circumstances, except where the CBC has failed to apply money in accordance with the relevant Priority of Payments in accordance with Condition 3 (*The Guarantee*), failure by the CBC to pay the relevant Guaranteed Final Redemption Amount on the relevant CBC Payment Date or any subsequent CBC Payment Date falling prior to the relevant Extended Due for Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a CBC Event of Default. However, failure by the CBC to pay any Guaranteed Final Redemption Amount or the balance thereof, as the case may be, on the relevant Extended Due for Payment Date and/or to

pay any other amount due under the Guarantee will (subject to any applicable grace period) constitute a CBC Event of Default. Therefore, Covered Bondholders may not or not timely receive payments which they anticipated receiving and these payments may not cover all amounts Covered Bondholders may expect to receive.

**3. Risks related to the CBC only being obliged to pay Guaranteed Amounts when the same are Due for Payment**

The CBC has no obligation to pay the Guaranteed Amounts payable under the Guarantee until service by the Security Trustee on the Issuer of an Issuer Acceleration Notice and on the CBC of a Notice to Pay, or, if earlier, on the Issuer and the CBC of a CBC Acceleration Notice.

The CBC will not be obliged to pay any other amounts than the Guaranteed Amounts to the Covered Bondholders. Payments by the CBC will be made subject to any applicable withholding or deduction for or on account for tax and the CBC will not be obliged to pay any additional amounts as a consequence.

A Notice to Pay can only be served if an Issuer Event of Default occurs and results in the service by the Security Trustee of an Issuer Acceleration Notice on the Issuer. A CBC Acceleration Notice can only be served if a CBC Event of Default occurs.

Following the service of an Issuer Acceleration Notice on the Issuer, a Notice to Pay shall be served by the Security Trustee on the CBC. However, a failure by the Issuer to make a payment in respect of one or more Series will not automatically result in the service of an Issuer Acceleration Notice. The Security Trustee may, but is not obliged to, serve an Issuer Acceleration Notice unless and until requested or directed by Covered Bondholders of all Series then outstanding.

If a Breach of Asset Cover Test Notice is served by the Security Trustee on the CBC following a Breach of Asset Cover Test, the CBC will not be obliged to make payments under the Guarantee until (a) an Issuer Event of Default has occurred and a Notice to Pay has been served or (b) a CBC Event of Default has occurred and a CBC Acceleration Notice has been served.

Following service of a Notice to Pay on the CBC (provided no CBC Acceleration Notice has been served) under the terms of the Guarantee the CBC will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment. Such payments will be subject to and will be made in accordance with the CBC Priority of Payments. In these circumstances, other than the Guaranteed Amounts the CBC will not be obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds.

Subject to applicable grace periods, if the CBC fails to make a payment when Due for Payment under the Guarantee or any other CBC Event of Default occurs then the Security Trustee may accelerate the Covered Bonds (to the extent not yet accelerated) by service of a CBC Acceleration Notice, whereupon the CBC will under the Guarantee owe the Early Redemption Amount of each Covered Bond, together with accrued interest and certain other amounts then due under the Covered Bonds. Following service of a CBC Acceleration Notice, the Security Trustee may enforce the Security. The proceeds of enforcement of the Security shall be applied by the Security Trustee in accordance with the Post CBC Acceleration Notice Priority of Payments, and Covered Bondholders will receive amounts from the CBC on an accelerated basis. Without limitation, if a CBC Acceleration Notice is served on the CBC, then the Covered Bonds may be repaid sooner or later than expected or not at all.

Therefore, Covered Bondholders may not receive payments at the moment they expect to receive payments and these payments may not cover all payments Covered Bondholders may expect to receive.

**C. RISKS RELATED TO THE SECURITY GRANTED BY THE GUARANTOR**

**1. Risk that the rights of pledge to the Security Trustee in case of insolvency of the CBC are not effective in all respects**

Under or pursuant to the Pledge Agreements, various rights of pledge are granted by the CBC to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Dutch law to



pledgees notwithstanding bankruptcy or suspension of payments of the CBC. The CBC is a special purpose vehicle and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the CBC would affect the position of the Security Trustee as pledgee and, subsequently, the Covered Bondholders, in some respects, the most important of which are:

- (i) payments made by the Borrowers to the CBC prior to notification of the relevant pledge but after bankruptcy or suspension of payments granted in respect of the CBC the amounts so paid will be part of the bankruptcy estate of the CBC, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs;
- (ii) a mandatory 'cool-off' period of up to four (4) months may apply in case of bankruptcy and in case of suspension of payments involving the CBC, which, if applicable, would delay the exercise of the right of pledge on the Transferred Assets and other assets pledged to the Security Trustee; and
- (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period following bankruptcy if so requested by the liquidator and as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in case of bankruptcy of the CBC. Similar or different restrictions may apply in case of insolvency proceedings other than Dutch insolvency proceedings. Therefore, the Security Trustee may have insufficient funds available to fulfil the CBC's payment obligations under the Covered Bonds. This may lead to insufficient funds being available to cover amounts due under the Covered Bonds and therefore to losses under the Covered Bonds.

To the extent the receivables pledged by the CBC to the Security Trustee are future receivables, the right of pledge on such future receivables cannot be invoked against the estate of the CBC if such future receivable comes into existence after 00:00 hours on the date on which the CBC has been declared bankrupt or has been granted a suspension of payments. The CBC has been advised that some of the assets pledged to the Security Trustee under the Security Trustee Rights Pledge Agreement should be regarded as future receivables. This would for example apply to amounts paid to the CBC Transaction Accounts following the CBC's bankruptcy or suspension of payments. In such case, such amounts will not be available for distribution. This may lead to losses under the Covered Bonds and Coupons.

## **2. Risks related to the creation of pledges on the basis of the Parallel Debt**

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges under the Pledge Agreements in favour of the Security Trustee, the CBC has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors. There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and the question arises whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge (see also section 5 (*Asset Backed Guarantee*) under '*Security*'). However, the CBC has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements. If, in spite of the above, the Parallel Debt does not constitute a valid basis for the creation of security rights as included in the Pledge Agreements, the proceeds of the pledges under the Pledge Agreements will not be available for distribution by the Security Trustee to the Secured Creditors (including the Covered Bondholders) and therefore the Security Trustee may have insufficient funds available to it to fulfil the CBC's payment obligations under the Covered Bonds. This may lead to insufficient funds being available to cover amounts due under the Covered Bonds and therefore to losses under the Covered Bonds.

## **3. Risk related to insolvency of the Security Trustee**

The Security Trustee is a special purpose vehicle and is therefore unlikely to become insolvent. The Security Trustee acts solely as security trustee for the purpose of this Programme. Any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets and as such will form part of the Security Trustee's estate. Should the Security Trustee become insolvent, the Secured Creditors will have an unsecured claim on the

bankrupt estate of the Security Trustee and will therefore have a credit risk on the Security Trustee, which could lead to losses under the Covered Bonds.

## **RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES, SET-OFF AND SECURITY RIGHTS**

### **A. RISKS REGARDING THE PAYMENTS UNDER THE MORTGAGE RECEIVABLES TRANSFERRED TO THE CBC**

#### **1. Risks associated with defaults by Borrowers**

Payments on the Mortgage Receivables and other assets of the CBC are subject to, *inter alia*, credit, liquidity and interest rate risks. This may be due to, amongst other things, market interest rates, general economic, environmental, social and political conditions, the financial standing of Borrowers, declining values of Mortgaged Assets and similar factors. Other factors such as loss of earnings or liquidity, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables. This may result in lower repayment rates of and losses under such Mortgage Loans and thus may adversely affect the Issuer's or CBC's return on its Mortgage Receivables and ultimately result in losses under the Covered Bonds. With regard to risks associated with defaults by Borrowers, a particular risk category that has been identified by the AFM, DNB and the International Monetary Fund are interest-only Mortgage Loans on which no principal is repaid until maturity by a Borrower who has limited funds available.

Defaulted Receivables are excluded from the calculation of the Asset Cover Test and the Amortisation Test. Nevertheless, all of the foregoing may result in the CBC not or not timely having sufficient funds available to perform its payment obligations under the Guarantee, which may result in losses under the Covered Bonds and the Coupons.

#### **2. Risk related to payments received by the Transferor prior to notification to the Borrowers of the assignment to the CBC**

The Eligible Receivables will be assigned by the Transferor to the CBC through a deed of assignment and registration thereof with the appropriate tax authorities. The Guarantee Support Agreement provides that the assignment will not be notified to the Borrowers except if certain notification events occur. Until the assignment is notified to the Borrowers, the Borrowers can only validly discharge their payment obligations (*bevrijdend betalen*) under the associated Mortgage Receivables by paying to the Transferor. In the Guarantee Support Agreement, the Transferor has undertaken to pay to the CBC all amounts of principal, interest and prepayment penalties received by it in respect of the Mortgage Receivables ultimately on the fourteenth calendar day following receipt of such amounts. To the extent the Transferor has not paid collections to the CBC when a bankruptcy or suspension of payments takes effect in respect of it, the CBC has no right of preference and thus has a credit risk on the Transferor in respect of the collections not yet paid to it.

Payments made by Borrowers prior to notification of the assignment but after a bankruptcy or suspension of payments takes effect in respect of the Transferor, will be part of the Transferor's bankruptcy estate. In respect of such collections, the CBC will be a creditor of the estate (*boedelschuldeiser*) and will receive payment prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs (*algemene faillissementskosten*), which may be substantial.

As a result of collections not being paid to it by the Transferor in whole or in part, the CBC may not or not timely have sufficient funds to meet its payment obligations under the Guarantee and this may result in losses under the Covered Bonds and the Coupons.

### **3. Risk that the rate of prepayment by Borrowers of Mortgage Loans varies**

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility or the abolition thereof), local and regional economic conditions, changes in Borrowers' behaviour (including but not limited to homeowner mobility) and encouragement of Borrowers to repay their interest-only mortgage before the maturity date. The amount of prepayments of mortgages and the duration of non-maturing deposits will vary depending on the interest rate environment. A decrease in the general level of interest rates could result in increased prepayments on the loan and mortgage portfolio as a result of low interest rates on saving accounts. On the other hand, any period of rapidly increasing interest rates may result in a decrease in the demand for mortgage loans and lower prepayment rates. Higher or lower prepayment rates of mortgage loans may adversely affect the return on the mortgage loans. No assurance can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans granted pursuant to the Mortgage Loan Conditions may adversely affect the funds available to the CBC for making payments under the Guarantee and may result in amounts being received by Covered Bondholders and Couponholders later than anticipated and in losses under the Covered Bonds and the Coupons.

### **4. Risk related to prepayment penalties**

Offerors of mortgage loans are as of 14 July 2016 by law prohibited to charge prepayment penalties in excess of the financial loss of such offeror as a result of the prepayment of the mortgage loan. The AFM expects offerors of mortgage loans to review all prepayment penalties charged as of 14 July 2016 and to repay any excess prepayment penalty amounts to borrowers. It cannot be ruled out that offerors of mortgage loans may be required to repay prepayment penalty amounts charged prior to 14 July 2016 as well. The AFM has sent out a consultation and is further looking into the calculation method for calculating the prepayment penalty that may be charged in case of a prepayment of a mortgage loan. Obligations to repay excess prepayment penalty amounts may increase set-off risks and as a result thereof negatively affect the proceeds from the Mortgage Receivables and the ability of the CBC to make payments under the Guarantee.

### **5. Risk that Long-Term Mortgage Loans mature after the Extended Due for Payment Date**

The Borrower of a Long-Term Mortgage Loan is only obliged to repay the principal sum of the Long-Term Mortgage Loan (or the relevant loan-part) in certain events provided for in the applicable general terms and conditions of the Mortgage Loan, including the death of the Borrower. It is uncertain whether or when any of the other events will occur and, consequently, it is possible that such Long-Term Mortgage Loans will only become due and repayable upon death of a Borrower, which may be after the Extended Due for Payment Date. Uncertainty as to whether or when the Borrower is obliged to repay the principal sum of a Long-Term Mortgage Loan results in the Issuer having to make estimates on the proceeds to be received under the related Mortgage Receivables, which may turn out to be incorrect. This may result in the CBC not or not timely receiving sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

## **B. RISKS RELATED TO THE INTEREST RATES ON THE MORTGAGE RECEIVABLES**

### **1. Risk related to interest rate reset rights**

The interest rate of each of the Mortgage Loans is to be reset from time to time. If the interest rates are set at a lower level at their interest reset dates than the interest rates prior to such interest reset dates, the proceeds resulting from the Mortgage Receivables may be lower than expected, and this may result in losses under the Covered Bonds.

The CBC has been advised that a good argument can be made that the right to reset the Mortgage Interest Rate should be considered as an ancillary right of the Mortgage Receivables and would therefore follow the Mortgage Receivables upon their assignment to the CBC and the pledge to the Security Trustee. The question whether the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right, is not addressed by Dutch law. However, the view that the right to reset the interest rate in respect of the Mortgage Receivables should be considered as an ancillary right, is supported by a judgment of the Dutch Supreme Court (HR 10 July 2020, ECLI:NL:HR:2020:1276 (*Van Lanschot/Promontoria*)). In this ruling, an example is given of the exercise by

an assignee of the right to reset the interest rate, demonstrating the framework the Dutch Supreme Court has given for the special duty of care an assignee has vis-à-vis a debtor/bank-client. To the extent that the interest rate reset right passes upon the assignment of the Mortgage Receivables to the CBC or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will also be bound by the contractual provisions relating to the reset of interest rates and any applicable law (including, without limitation, applicable principles of reasonableness and fairness, the right of the Borrower to invoke all defences available, specific duty of care obligations, any rulings and the Mortgage Conditions relating to the reset of interest rates) and regulations. This judgment therefore also makes more clear that the CBC or the Security Trustee may not have discretionary power to set the interest rates, as each of them may need to take into account a special duty of care when resetting the interest rate and may be required to set the interest at a lower level than the level the CBC or the Security Trustee would otherwise have set, taking into account the interest of Covered Bondholders, if they were not bound by the contractual provisions relating to the reset of interest rates and any applicable law.

If however the interest reset right remains with the Transferor despite the assignment and the Transferor becomes subject to insolvency proceedings, then the cooperation of the liquidator (*curator*) or an administrator (*bewindvoerder*) would be required to reset the interest rates, but there is no assurance that such cooperation will be forthcoming or that cooperation will be provided without any charge. This may result in the CBC not or not timely receiving sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

## **2. Risk related to interest rate averaging**

In recent years, certain offerors of mortgage loans in the Netherlands have allowed borrowers to apply for interest rate averaging (*rentemiddeling*). In the case of interest rate averaging (*rentemiddeling*) a borrower of a mortgage loan is offered a new fixed interest rate whereby the (agreed-upon) fixed interest may be reduced taking into account the current interest rate offered by such offeror for the relevant period, the risk profile, the break costs for the fixed interest and (sometimes) a small surcharge. The Transferor offers interest rate averaging (*rentemiddeling*) to Borrowers. As of 1 July 2019, offerors of mortgage loans may only charge costs to borrowers for making use of interest rate averaging (*rentemiddeling*) which do not exceed the actual loss of the offerors of mortgage loans. It should be noted that interest rate averaging (*rentemiddeling*) – when offered to a Borrower paying a higher interest rate at the time of the offer than the new interest rate offered – will have a downward effect on the interest received on the relevant Mortgage Loans, which could result in losses under the Covered Bonds.

## **3. Risks related to revised treatment of risk premium in mortgage interest rate**

Most (major) offerors of mortgage loans in the Netherlands apply an interest rate pricing system based on risk-based pricing with multiple risk premium categories, whereby the interest rate for a mortgage loan is set depending on the LTV ratio (a lower LTV will lead to a lower interest rate and vice versa) and/or energy label of the Mortgaged Asset. At present, Borrowers have the right to request a lower (fixed) interest rate if the LTV ratio and/or energy label falls below a certain threshold and/or the energy label of the Mortgaged Asset is improved and has reached a minimum of label C, in such case they are entitled to the interest rate applicable to such lower LTV ratio. This could, for example, be the case if a Mortgage Loan is partly prepaid or if the value of the Mortgaged Asset has increased or when a Borrower took sustainable measures to improve the Mortgaged Asset's energy label.

Most (major) offerors of mortgage loans have implemented a change to their pricing system, in such a way that the mortgage loan can move into another (lower) risk premium category during the fixed interest rate term, if the LTV has decreased due to an increase of the house price and/or repayment and/or the energy label has improved due to sustainable measures that were carried out to the property. If the Transferor were to so amend its policies, Borrowers would, as a result thereof, in certain circumstances be (automatically) eligible for a lower interest rate. If introduced, this would likely apply to all Mortgage Loans that do not (yet) have the lowest risk premium. Consequently, the interest rates on the Mortgage Loans may become subject to (automatic) adjustment which could lead to lower interest collections on the Mortgage Loans and which could in turn limit the CBC's ability to fulfil its obligations fully and/or timely under the Guarantee.

#### **4. Risk related to variable interest rates**

Mortgage Receivables transferred to the CBC may carry a variable rate of interest. Although there are no precise rules which require a variable rate of interest on the Mortgage Loans to be set at a specific level, in a recent case KiFiD ruled, with regard to a mortgage loan (i.e. a loan with a variable rate of interest which is secured by a mortgage right) and in several other rulings in relation to consumer loans, that on the basis of the information provided and the terms and conditions applicable to the mortgage loan (or consumer loan), the variable rate of interest should have moved with the market interest rate and ordered the relevant offeror, which was not the Issuer, to recalculate the interest. If the recalculation shows that the borrower paid more than the relevant offeror was allowed to charge, then the relevant offeror must repay the overpaid interest according to KiFiD. If the Issuer similarly does not adequately adjust (or has not adequately adjusted) the variable interest rate relating to the Mortgage Receivables this could result in a payment obligation of the Issuer towards the Borrower and subsequently lead to lower collections on the Mortgage Loans. If the Issuer has offered Mortgage Loans with a variable rate of interest of which the Mortgage Receivables are transferred to the CBC, and has not complied with the terms and conditions applicable to the Mortgage Loans and did not follow the relevant market interest rate, this could result in a repayment obligation of the Issuer and therefore the proceeds resulting from such Mortgage Receivables may be lower than expected, which may result in losses under the Covered Bonds.

#### **5. Risk that interest rate offered to Borrowers does not comply with the Servicer's obligation to set such interest rates not below the Minimum Mortgage Interest Rate**

The Servicing Agreement provides that following notification to the relevant Borrowers of the assignment of the Mortgage Receivables, the Servicer, acting on behalf of the CBC, will only offer the relevant Borrowers in respect of Mortgage Loans (or relevant loan part thereof) an interest rate for the next succeeding interest rate period (*rentevastperiode*) which is at least equal to the Minimum Mortgage Interest Rate, subject to the Mortgage Conditions and to applicable law (including, without limitation, principles of reasonableness and fairness). The terms and conditions applicable to the Mortgage Loans provide that, unless agreed otherwise between the parties, upon termination of an interest rate period the relevant Borrower will be offered a new interest rate for a new fixed interest rate period. The terms and conditions do not contain guidelines as to how the new interest rate will be calculated or determined. If the interest rate is set below the Minimum Mortgage Interest Rate, the difference between such interest rate and the Minimum Mortgage Interest Rate will be taken into account in the Asset Cover Test. If the interest rate is set at such lower level this could ultimately lead to losses under the Covered Bonds.

### **C. RISKS RELATED TO THE TRANSFEROR AND THE SERVICING OF THE MORTGAGE RECEIVABLES**

#### **1. Risk related to no investigations in relation to the Mortgage Loans and the Mortgaged Assets and limited recourse and non-petition against the Transferor**

None of the CBC, the Security Trustee, the Arrangers, the Dealers nor any other person has undertaken or will undertake any investigation, search or other actions to verify the statements of the Transferor concerning itself, the Mortgage Loans, the Mortgage Receivables and the Mortgaged Assets. The CBC and the Security Trustee will instead rely on the Transferor Warranties given in the Guarantee Support Agreement by the Transferor, including the Mortgage Receivables Warranties in respect of the Mortgage Receivables.

If a Mortgage Receivable was in breach of the Mortgage Receivables Warranties as at its Transfer Date, it will be excluded when calculating the Adjusted Aggregate Asset Amount under the Asset Cover Test and the Amortisation Test Aggregate Asset Amount under the Amortisation Test. In addition, the Transferor will be required to repurchase the relevant Mortgage Receivable, see section 7 (*Guarantee Support*) under '*Repurchase and Retransfers*'. There is no further recourse against the Transferor in respect of a breach of a Mortgage Receivables Warranty.

If the Transferor Warranties are breached or the Transferor fails to repurchase the relevant Mortgage Receivable, the CBC may not be able to collect such Mortgage Receivable in whole or in part, which may result in the CBC not or not timely having sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds or the Coupons.

**2. Risk that changes to the acceptance conditions of the Transferor result in increased defaults by the Borrowers**

Each of the Mortgage Loans originated by the Transferor has been originated in accordance with the Transferor's acceptance conditions at the time of origination. Under the Mortgage Receivables Warranties, the Transferor will represent and warrant only that the relevant Mortgage Receivables were originated in accordance with its acceptance conditions applicable at the time of origination. The Transferor retains the right to change its acceptance conditions from time to time, provided they are in a form as may reasonably be expected from a prudent lender of Dutch residential mortgage loans. If the acceptance conditions change in a manner that affects the creditworthiness of the Borrowers under the Mortgage Receivables, that may lead to increased defaults by Borrowers, lower foreclosure proceeds may affect the realisable value of the Mortgage Receivables. This may result in the CBC not or not timely having sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

**3. Risk that new Transferors accede to the Programme and have less stringent acceptance conditions than the Transferor, and that this adversely affects the creditworthiness of the Borrowers**

The Issuer may propose that any of its affiliates may become a New Transferor, subject to the applicable conditions precedent set out in the Programme Agreement relating to New Transferors acceding to the Programme being met, including, but not limited to, Rating Agency Confirmation.

Any Mortgage Receivables originated by a New Transferor are originated in accordance with the acceptance conditions of the New Transferor, which may differ from the acceptance conditions of the Transferor. If the acceptance conditions differ in a way that affects the creditworthiness of the Borrowers under the Mortgage Receivables, that may lead to increased defaults by Borrowers and may affect the realisable value of the relevant Mortgage Receivables. This may result in the CBC not or not timely receiving sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

**4. Risk related to licence requirement under the Wft**

Each entity that acquires Mortgage Receivables granted to consumers, such as the CBC, must have a licence under the Wft, unless an exemption applies. An exemption from the licence requirement is available, if such entity, which is not the originator, acquired the receivables and outsources the servicing of the receivables to an entity holding a licence under the Wft. The CBC has outsourced the servicing of the Mortgage Receivables to the Servicer. The Servicer holds a licence as intermediary (*bemiddelaar*) and offeror of credit (*aanbieder van krediet*) under the Wft and the CBC thus benefits from the exemption. However, if the Servicing Agreement is terminated, the CBC will need to outsource the servicing of the Mortgage Receivables to another licensed entity or it needs to apply for and hold a licence itself. In the latter case, the CBC will have to comply with the applicable requirements under the Wft.

If the Servicing Agreement is terminated and the CBC has not outsourced the servicing of the Mortgage Receivables to a licensed entity and does not hold a licence itself, the CBC will have to terminate its activities and settle (*afwickelen*) its existing agreements. The CBC may also only be able to outsource the servicing of the Mortgage Receivables against increased costs. This may adversely affect the realisable value of the Mortgage Receivables, which may result in the CBC not or not timely having sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons. Similar risks apply in case future changes to the (conditions of the) exemption would result in the CBC no longer being able to rely on the exemption.

**D. RISKS RELATED TO THE MORTGAGED ASSETS AND THE SECURITY RIGHTS GRANTED BY THE BORROWERS**

**1. Risk of losses associated with declining values of Mortgaged Assets**

No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. Investors should be aware that Dutch house prices have declined significantly between 2008 and 2013, substantially increased in the following years, with a

small decline in 2023, although there are regional differences (see in this respect section 9 (*Overview of the Dutch Residential Mortgage Market*)).

A decline in value can be caused by many different circumstances, including but not limited to individual circumstances relating to the Borrower (e.g., neglect of the property) or events that affect all Borrowers, such as a pandemic, catastrophic events or a general or regional decline in value. In addition, the current increasing interest rate environment, high and/or sustained inflation and rising energy prices may, *inter alia*, reduce the income available for housing costs and may result in a negative effect on house prices and/or demand for mortgage loans.

If the CBC is required to pay under the Guarantee, a decline in value of the Mortgaged Assets may result in losses under the Covered Bonds or the Coupons if the relevant security rights on the Mortgaged Assets are required to be enforced. The Transferor will not be liable for any losses incurred by the Covered Bondholders, or for any deficiency incurred by the CBC as a result of such decline in value of the Mortgaged Assets in connection with the relevant Mortgage Loans.

## **2. Risk that valuations do not accurately reflect the value or condition of the Mortgaged Assets**

In general, valuations represent the analysis and opinion of the valuator at the time of the valuation and are not guarantees of, and may not be indicative of, the present or future value of the relevant Mortgaged Asset. There can be no assurance that another person would have arrived at the same valuation, even if such person used the same general approach to and same method of valuing the property.

The valuations obtained in connection with the origination of the Mortgage Loans sought to establish the amount a typically motivated buyer would pay a typically motivated seller at the time they were prepared. Such amount could be significantly higher than the amount obtained from the sale of a Mortgaged Asset under a distressed or liquidation sale. In addition, property values may have declined since the time the valuations were obtained, and therefore the valuations may not be an accurate reflection of the current market value of the Mortgaged Assets. The current market value of the Mortgaged Assets could be lower than the values indicated in the appraisals obtained at the origination of the Mortgage Loans. In addition, differences exist between valuations due to the subjective nature of valuations and appraisals, particularly between different appraisers performing valuations at different points in time.

If a valuation does not accurately reflect the up-to-date value or condition of the Mortgaged Asset, this could result in losses under the associated Mortgage Receivable if the Mortgaged Asset is foreclosed upon. The foregoing may result in the CBC not having sufficient funds available to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

## **3. Risk related to the value of investments under Investment Mortgage Loans or Life Insurance Policies**

The value of investments made under the Investment Mortgage Loans or by one of the Life Insurance Companies in connection with the Life Insurance Policies may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity, which could lead, depending on the value of the Mortgaged Assets and other financial assets of such Borrower, if any, to a loss in respect of such Mortgage Receivables and/or the CBC having insufficient funds to pay its liabilities in full. This may lead to losses under the Covered Bonds and the Coupons.

## **4. Risk that the Mortgages on long leases cease to exist**

The Mortgages securing the Mortgage Loans may be vested on a long lease (*erfpacht*). A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of a lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease if the leaseholder has not paid the remuneration (*canon*) due for a period exceeding two (2) consecutive years or seriously breaches (*in ernstige mate tekortschiet in*) other obligations under the long lease. If the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long

lease and may be less than the market value of the long lease.

When underwriting a Mortgage Loan to be secured by a Mortgage on a long lease, the Transferor takes into consideration certain conditions, in particular the term of the long lease. Under the Mortgage Receivables Warranties, the Transferor represents and warrants with respect to Mortgage Receivables secured by a Mortgage on a long lease, among other things that the Mortgage Loan becomes due if the long lease terminates for whatever reason.

Accordingly, certain Mortgage Receivables may become due and payable prematurely as a result of early termination of a long lease due to a leaseholder's default or for other reasons and any compensation from the landowner may be insufficient. In such event there is a risk that the relevant Mortgage Receivables are not repaid in full, which may result in the CBC not or not timely having sufficient funds to perform its payment obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

**5. Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the CBC**

The mortgage deeds relating to the Mortgage Receivables to be assigned to the CBC may provide for All Moneys Mortgages, meaning that the Mortgages created pursuant to such mortgage deeds, not only secure the loan granted by the Transferor to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Transferor. The mortgage deeds relating to the Mortgage Receivables also provide for All Moneys Pledges granted in favour of the Transferor.

Under Dutch law a Mortgage is an accessory right (*afhankelijk recht*) which follows by operation of law the receivable with which it is connected. Furthermore, a Mortgage is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law.

Although the view prevailing in the past, to the effect that given its nature an All Moneys Security Right will as a general rule not follow as an accessory right upon assignment of a receivable which it secures, is still defended, the Issuer and the CBC have been advised that the better view is that as a general rule an All Moneys Security Right in view of its nature follows the receivable as an accessory right upon its assignment. Whether in the particular circumstances involved the All Moneys Security Right will remain with the original holder of the security right, will be a matter of interpretation of the relevant deed creating such security right.

Furthermore, the Transferor shall represent and warrant and each further Transferor will be required to represent and warrant that neither the Mortgage Loan nor the Mortgage contains any reference or indication or wording to the effect that in case of assignment or pledge of the receivable the mortgage or pledge will not follow the receivable if assigned or pledged and as a consequence thereof there is no clear indication of the intention of the parties. The CBC has been advised that in the absence of circumstances giving an indication to the contrary, the All Moneys Security Right should (partially) follow the receivable as an accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Netherlands courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch commentators on all moneys security rights in the past, which view continues to be defended by some legal authors.

If an All Moneys Mortgage has not (partially) followed the Mortgage Receivable upon its assignment, the CBC and/or the Security Trustee will not have the benefit of such security right. This will materially affect the ability of the CBC to take recourse on the Mortgaged Asset and the Borrower in case the Borrower defaults under the Mortgage Loans and may affect the ability of the CBC to meet its payment obligations under the Covered Bonds. This may lead to losses under the Covered Bonds.

The preceding paragraph applies *mutatis mutandis* with respect to the pledge of the Mortgage Receivables by the CBC to the Security Trustee under the Security Trustee Receivables Pledge Agreement.

**6. Risk related to jointly-held All Moneys Security Rights by the Transferor, the CBC and the Security Trustee**



If the All Moneys Security Rights have (partially) followed the Mortgage Receivables upon their assignment by the Transferor to the CBC, the All Moneys Security Rights will be jointly-held by the CBC (or the Security Trustee as pledgee) and the Transferor and will secure both the Mortgage Receivables held by the CBC (or the Security Trustee as pledgee) and any Other Claims of the Transferor.

Where the All Moneys Security Rights are jointly-held by the CBC or the Security Trustee and the Transferor, the rules applicable to a joint estate (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such jointly-held rights. In the Guarantee Support Agreement, the Transferor, the CBC and the Security Trustee have agreed that the CBC and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. Certain acts, including acts concerning the day-to-day management (*beheer*) of the jointly-held rights, may under Dutch law be transacted by each of the participants (*deelgenoten*) in the jointly-held rights. All other acts must be transacted by all of the participants acting together in order to bind the joint estate. It is uncertain whether the foreclosure of the All Moneys Security Rights will be considered as day-to-day management, and, consequently it is uncertain whether the consent of the Transferor's or the Transferor's bankruptcy trustee (*curator*) (in case of bankruptcy) may be required for such foreclosure. Furthermore, it is possible that loan documentation or loan conditions contain cross default provisions, providing that a mortgage loan becomes due and payable as a result of a default by the relevant borrower under another loan.

The Transferor, the CBC and the Security Trustee have agreed in the Guarantee Support Agreement that in case of foreclosure of the share (*aandee*) in each jointly-held All Moneys Security Right of the CBC and/or the Security Trustee will be equal to the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the Transferor will be equal to the Net Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any (provided that, if the outcome thereof is negative, this will not lead to an obligation of the Transferor to reimburse the CBC for the amount of the outcome). The CBC has been advised that although a good argument can be made that this arrangement will be enforceable against the Transferor or, in case of its bankruptcy, its trustee or administrator, as the case may be, this is not certain. Furthermore, it is noted that this arrangement may not be effective against the Borrower.

If (a bankruptcy trustee or administrator of) the Transferor would, notwithstanding the arrangement set out above, enforce the jointly-held All Moneys Security Rights, the CBC and/or the Security Trustee would have a claim against the Transferor (or, as the case may be, its bankruptcy estate) for any damages as a result of a breach of the contractual arrangements, but such claim would be unsecured and non-preferred, which may lead to losses under the Covered Bonds.

#### **7. Risk that the Borrower Insurance Pledges will not be effective**

All rights of a Borrower under the Life Insurance Policies or the Life Risk Insurance Policies (if any) have been pledged to the Transferor under a Borrower Insurance Pledge. The CBC has been advised that it is probable that the right to receive payment, including, where applicable, the commutation payment (*afkoopsom*) under the Life Insurance Policies or the Life Risk Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt, granted a suspension of payments or a debt restructuring scheme pursuant to the Dutch Bankruptcy Code, prior to the moment such right comes into existence. Accordingly, the CBC's rights under insurance policies pledged by Borrowers may be subject to limitations under Dutch insolvency law. This may lead to losses under the corresponding Mortgage Receivables, which would reduce the amounts available for payment to Covered Bondholders.

#### **8. Risks relating to Beneficiary Rights under the Life Insurance Policies and the Life Risk Insurance Policies**

The Transferor has been appointed as beneficiary under the relevant Life Insurance Policy and the relevant Life Risk Insurance Policy, except that in certain cases another beneficiary is appointed who will rank ahead of the Transferor, provided that, *inter alia*, the relevant beneficiary has given a Borrower Insurance Proceeds Instruction. The CBC has been advised that it is unlikely that the appointment of the Transferor as beneficiary will be regarded as an ancillary right and that it will follow the Mortgage Receivables upon assignment or pledge thereof to the CBC or the Security Trustee. In addition, the appointment as beneficiary must be accepted to become binding. The Beneficiary Rights will be assigned by the Transferor to the CBC and will be pledged to the Security Trustee by the CBC. The assignment and pledge of the Beneficiary Rights will only be completed upon notification to the Life Insurance Company, which is not expected to occur prior to the occurrence of an Assignment Notification Event. However, the CBC has been advised that it is uncertain whether this assignment and pledge will be

effective.

Pursuant to the Guarantee Support Agreement the Transferor undertakes that it will use its best efforts upon the occurrence of an Assignment Notification Event to terminate its appointment as beneficiary under the Life Insurance Policies and the Life Risk Insurance Policies and to appoint the CBC or the Security Trustee, as the case may be, as first beneficiary under the Life Insurance Policies and the Life Risk Insurance Policies, as the case may be.

The Transferor will only have a claim on the relevant Life Insurance Company as beneficiary if it accepts the appointment as beneficiary by delivering a statement to this effect to the Life Insurance Company. The Transferor can only accept such appointment as beneficiary by written notification to the relevant Life Insurance Company of (i) the acceptance and (ii) the written consent by the insured, unless the appointment as beneficiary has become irrevocable.

In the event that a Borrower Insurance Proceeds Instruction has been given, the Transferor will undertake to use its best efforts following an Assignment Notification Event to withdraw the Borrower Insurance Proceeds Instruction in favour of the Transferor or originator and to issue the Borrower Insurance Proceeds Instruction in favour of (i) the CBC subject to the dissolving condition (*ontbindende voorwaarde*) of a Security Trustee Pledge Notification Event and (ii) the Security Trustee under the condition precedent (*opschortende voorwaarde*) of the occurrence of a Security Trustee Pledge Notification Event. The termination and appointment of a beneficiary under the Life Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved. It is uncertain whether such co-operation will be forthcoming.

If (i) the CBC or the Security Trustee, as the case may be, has not become the beneficiary of the Life Insurance Policies and (ii) the assignment, pledge or the waiver of the Beneficiary Rights is not effective, any proceeds under the Life Insurance Policies will be payable to the Transferor or to another beneficiary instead of the CBC or the Security Trustee, as the case may be, up to the amount of any claims the Transferor may have on the relevant Borrower. If the proceeds are paid to the Transferor, it will pursuant to the Guarantee Support Agreement be obliged to pay the amount involved to the CBC or the Security Trustee, as the case may be. If the proceeds are paid to the Transferor and the Transferor does not pay such amount to the CBC or the Security Trustee, as the case may be, for example in case of bankruptcy of the Transferor, or if the proceeds are paid to another beneficiary instead of the CBC or the Security Trustee, as the case may be, this may result in the amount paid under the Life Insurance Policies not being applied in reduction of the relevant Mortgage Receivable. This may lead to the Borrower trying to invoke set-off or defences against the CBC or the Security Trustee, as the case may be, for the amounts so received by the Transferor or another beneficiary, as the case may be. Accordingly, the CBC's rights and the Security Trustee's rights as pledgee in respect of insurance policies containing a beneficiary clause or a payment instruction in favour of the Transferor may be subject to limitations under Dutch insolvency law. This may lead to losses under the corresponding Mortgage Receivables, which would reduce the amounts available for payment to Covered Bondholders.

## **E. RISKS RELATED TO SET-OFF AND OTHER DEFENCES THAT MAY AFFECT THE PROCEEDS RECEIVED UNDER THE MORTGAGE RECEIVABLES**

### **1. Risk that set-off by Borrowers may affect the proceeds under the Mortgage Receivables**

Under Dutch law a debtor has a right of set-off against a counterparty if it has a claim that corresponds to its debt owed to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Subject to these requirements being met, each Borrower will be entitled to set off amounts due by the Transferor to it (if any) with amounts it owes in respect of the relevant Mortgage Receivable prior to notification of the assignment of the relevant Mortgage Receivable to the CBC having been made. As a result of the set-off of amounts due and payable by the Transferor to the Borrower with amounts the Borrower owes in respect of the relevant Mortgage Receivable, the relevant Mortgage Receivable will, partially or fully, be extinguished (*gaat teniet*). Set-off by Borrowers could thus affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

Some, but not all of the conditions applicable to the Mortgage Loans provide that payments by the Borrowers

should be made without set-off. Although this clause is intended as a waiver by the Borrowers of their set-off rights *vis-à-vis* the Transferor, under Dutch law it is unlikely that such waiver will be valid. A provision in general conditions (such as the applicable mortgage conditions) is voidable (*vernietigbaar*) if the provision is deemed to be unreasonably onerous (*onredelijk bezwarend*) for the party against whom the general conditions are used. A clause containing a waiver of set-off rights is, subject to proof to the contrary, assumed to be unreasonably onerous if the party, against which the general conditions are used, does not act in the conduct of its profession or trade (i.e., a consumer). However, the fact that in the relationship with a consumer a provision (such as a waiver of set-off) is presumed to be unreasonably onerous may be relevant when determining whether such provision is also unreasonably onerous *vis-à-vis* a counterparty which is not a consumer, particularly when this counterparty resembles a consumer. Should such waiver be invalid and in respect of Mortgage Loans which do not contain such waiver, the Borrowers will have the set-off rights described in the previous paragraph.

After assignment of the Mortgage Receivables to the CBC and notification thereof to a Borrower, such Borrower will also have set-off rights *vis-à-vis* the CBC, provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable, or (ii) the counterclaim of the Borrower has been originated (*opgekomen*) and became due and payable (*opeisbaar*) prior to the assignment of the relevant Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the relevant Mortgage Receivable and the claim of the Borrower against the Transferor result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated (*opgekomen*) and became due and payable (*opeisbaar*) prior to notification of the assignment, provided that all other requirements for set-off have been met (see above). Claims of a Borrower against the Transferor could, *inter alia*, result from current account balances or deposits made with the Transferor, including Construction Deposits. Also, such claims of a Borrower could, *inter alia*, result from (investment) services rendered by the Transferor to the Borrower such as investment advice rendered by the Transferor or services for which the Transferor is responsible or held liable. The above applies *mutatis mutandis* to the pledge of the Mortgage Receivables envisaged in the Security Trustee Receivables Pledge Agreement.

If notification of the assignment of the relevant Mortgage Receivables is made after the bankruptcy or suspension of payments of the Transferor having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it in the Dutch Bankruptcy Code. Under the Dutch Bankruptcy Code a person who was, prior to the notification of the assignment, both debtor and creditor of the bankrupt entity can set off its debt with its claims, if each claim (i) came into existence prior to the moment on which the bankruptcy became effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of suspension of payments.

The Guarantee Support Agreement provides that if a Borrower sets off amounts due to it by the Transferor against the relevant Mortgage Receivable, including, without limitation, with any Construction Deposit owed to it with the Relevant Mortgage Receivable and, as a consequence thereof, the CBC or the Security Trustee, as applicable, does not receive the amount which it is entitled to receive with respect to such Mortgage Receivable, the Transferor will pay to the CBC or the Security Trustee as applicable an amount equal to the difference between the amount which the CBC or the Security Trustee, as applicable, would have received with respect to the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer with respect to such Mortgage Receivable. Receipt of such amount by the Issuer is subject to the ability of the Transferor to actually make such payments. If the Transferor would not meet its obligations under the Guarantee Support Agreement, set-off by Borrowers could lead to losses under the Covered Bonds.

For specific set-off issues relating to the Life Insurance Policies or Investment Mortgage Loans, or Construction Deposits reference is made to the risk factor '*Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies*' and '*Risks related to offering of Investment Mortgage Loans and Life Insurance Policies*', '*Risk related to the Construction Deposits being set-off with the Mortgage Receivable*' respectively.

## **2. Risks related to offering of Investment Mortgage Loans and Life Insurance Policies**

Apart from the general obligation of contracting parties to provide information, there are several provisions of Dutch law applicable to offerors of financial products, such as Investment Mortgage Loans and Life Mortgage

Loans. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions and codes of conduct offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become stricter over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved (*ontbonden*) or nullified (*vernietigd*) or a Borrower may claim set-off or other defences generally available to debtors against the Transferor or the CBC (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases, if the value of investments made under Investment Mortgage Loans or Life Insurance Policies is not sufficient to redeem the relevant Mortgage Loans.

In this respect it is further of note that since the end of 2006, unit-linked products (commonly referred to in Dutch as '*beleggingsverzekeringen*') have received negative attention in the Dutch media, from the Dutch Parliament, the AFM and consumer protection organisations and are the subject of legal proceedings.

If Life Insurance Policies related to the Mortgage Loans would be legally dissolved, nullified or otherwise terminated, this will affect the collateral granted to secure the relevant Mortgage Loans (as the relevant Borrower Insurance Pledges and the relevant Beneficiary Rights would cease to exist). The Issuer and the CBC have been advised that in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this will depend on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Issuer or the CBC. The analysis is similar to the situation of insolvency of the insurer (see '*Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies*'), except if the Transferor is itself liable, whether jointly with the insurer or separately, *vis-à-vis* the Borrower/insured. In this situation, which may depend on the involvement of the Transferor in the marketing and sale of the insurance policy, set-off or defences against the CBC could be invoked, which will probably only become relevant if the insurer and/or the Transferor will not indemnify the Borrower. Any such set-off or defences may affect the proceeds of the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

### **3. Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies**

Under the Life Mortgage Loans the Transferor has the benefit of rights under the Life Insurance Policies with Life Insurance Companies. Under the Life Insurance Policies the Borrowers pay a premium consisting of a risk element and an investment element. The intention of the Life Insurance Policies is that at maturity of the relevant Mortgage Loan, the proceeds of the investments can be used to repay the relevant Mortgage Loan, whether in full or in part. If any of the Life Insurance Companies is no longer able to meet its obligations under the Life Insurance Policies, for example as a result of bankruptcy, this could result in the amounts payable under the Life Insurance Policies either not, or only partly, being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences which may have the result that the Mortgage Receivables will be, fully or partially, extinguished (*teniet gaan*) or cannot be recovered for other reasons, which could lead to losses under the Covered Bonds.

As set out in the risk factor '*Risk that set-off by Borrowers may affect the proceeds under the Mortgage Receivables*', the Borrowers have in some, but not all, Mortgage Conditions, waived their set-off rights, but it is unlikely that such waiver is effective.

If the waiver described above is not effective or the conditions applicable to the Mortgage Loans do not contain a waiver of set-off rights, the Borrowers will, in order to invoke a right of set-off, need to comply with the applicable legal requirements for set-off. One of these requirements is that the Borrower should have a claim which corresponds to his debt to the same counterparty. The Life Insurance Policies are contracts between the relevant Life Insurance Company and the Borrowers. Therefore, in order to invoke a right of set-off, the Borrowers would have to establish that the Transferor and the relevant Life Insurance Company should be regarded as one legal entity or, possibly, based upon interpretation of case law, that set-off is allowed, even if the Transferor and the relevant Life Insurance Company are not considered as one legal entity, since the Life Insurance Policies and the Mortgage Loans might be regarded as one inter-related legal relationship.

Furthermore, the Borrowers should have a counterclaim that is due and payable. If the relevant Life Insurance Company is declared bankrupt, the Borrower will have the right to unilaterally terminate the Life Insurance Policy (*afkopen*) and to receive a commutation payment (*afkoopsom*). These rights are subject to the Borrower Insurance Pledge. It could be argued that the Borrower on this basis will not be entitled to invoke a right of set-off for the commutation payment, *vis-à-vis* the Transferor. However, the Borrower may, as an alternative to the right to terminate the Life Insurance Policy, possibly rescind the Life Insurance Policy and may invoke a right of set-off *vis-à-vis* the Transferor or, as the case may be, the CBC for its claim for restitution of amounts paid under the Life Insurance Policy and/or supplementary damages. It is uncertain whether such claim for restitution and/or supplementary damages would be pledged under the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off in respect of such claim by the Borrowers.

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences *vis-à-vis* the Transferor, the CBC and/or the Security Trustee, as the case may be. The Borrowers will naturally have all defences afforded by Dutch law to debtors in general. For example, such defence could be based upon interpretation of the Mortgage Conditions and the promotional materials relating to the Mortgage Loans. Borrowers could argue that the Mortgage Loans and the Life Insurance Policies are to be regarded as one inter-related legal relationship and could on this basis claim a right of annulment or rescission of the Mortgage Loans or possibly suspension of their obligations thereunder. They could also argue that it was the intention of the Borrower, the Transferor and the relevant Life Insurance Company, at least they could rightfully interpret the mortgage conditions and the promotional materials in such a manner, that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the relevant Life Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. Also, a defence could be based upon principles of reasonableness and fairness (*redelijkheid en billijkheid*) in general, i.e., that it is contrary to principles of reasonableness and fairness for the Borrower to be obliged to repay the Mortgage Receivable to the extent that he has failed to receive the proceeds of the Life Insurance Policy. The Borrowers could also base a defence on "error" (*dwaling*), i.e., that the Mortgage Loans and the Life Insurance Policy were entered into as a result of "error". If this defence would be successful, this could lead to annulment of the Mortgage Loan, which would have the result that the CBC no longer has a claim under the relevant Mortgage Receivable.

The Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, taking into account that the Transferor shall represent that with respect to Mortgage Loans, whereby it is a condition for the granting of the Mortgage Loan that a life insurance policy is entered into by the Borrower (i) a Borrower Insurance Pledge is granted on the rights under such policy in favour of the Transferor, (ii) the Mortgage Loan and the life insurance policy are in the Transferor's or the Life Insurance Company's promotional materials not offered as one product or under one name (iii) the Borrowers are free to choose the relevant Life Insurance Company and (iv) the Life Insurance Company is not a group company of the Transferor.

#### **4. Risk of set-off or defences in respect of investments under Investment Mortgage Loans**

The Transferor has represented that with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the Transferor and the securities are purchased on behalf of the relevant Borrower by (i) an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, being either a broker (*bemiddelaar*) or an asset manager (*vermogensbeheerder*), which is by law obliged to administer the securities in the name of the relevant Borrower through a bank or a separate securities giro (*effectengiro*) or (ii) a bank, which is by law obliged to (x) administer the securities through a separate depository vehicle and/or (y) only administer securities the transfer of which is subject to the Wge. The CBC has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not be relevant in this respect. However, if the securities are not held in such manner and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the CBC on similar grounds as discussed under '*Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*' and '*Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies*'.

#### **5. Risk related to the Construction Deposits being set-off with the Mortgage Receivable**

The Borrowers may maintain a Construction Deposit with the Transferor. Such amount will be paid out in case

certain conditions are met.

Construction Deposits have to be paid out after the building activities or renovation activities have been finalised. Upon the finalisation of such activities, the remaining Construction Deposit will be set off against the relevant Mortgage Receivable. In view of set-off risks the amount of the Construction Deposit is deducted in the Asset Cover Test. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Deposit. Therefore, the remaining risk is that, if and to the extent that the amount for which a Borrower successfully invokes set-off or defences exceeds the relevant Construction Deposit, such set-off or defence may lead to losses under the corresponding Mortgage Receivables, which would reduce the amounts available for payment to Covered Bondholders.

## **RISK FACTORS REGARDING SWAPS**

*The below risk factors are only relevant in case the CBC will at any time in the future enter into any Swap Agreements. At the date of this Securities Note, the CBC has not entered into any Swap Agreements.*

### **1. Risk related to the mismatches between income and liabilities and termination of a Swap Agreement**

Variances are possible in (i) the rates of interest payable on the Mortgage Receivables (which may, for instance, include variable rates of interest, fixed rates of interest or rates of interest which track a base rate), the other Transferred Assets and the CBC Transaction Accounts and (ii) the amounts payable on the outstanding Covered Bonds. The CBC may hedge against these variances by entering into Swap Agreements.

A Swap Counterparty will usually be obliged to make payments under the relevant Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the relevant Swap Counterparty will be required to pay such additional amount necessary to ensure that the net amount actually received by the CBC will equal the full amount that the CBC would have received had no such withholding or deduction been required. The relevant Swap Agreement may provide, however, that if due to a Tax Event, the relevant Swap Counterparty may (with the consent of the CBC and subject to Rating Agency Confirmation) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If the relevant Swap Counterparty is unable to transfer its rights and obligations under the relevant Swap Agreement to another office, branch or affiliate, it will in such case have the right to terminate the relevant Swap Agreement. Upon such termination, the CBC or the relevant Swap Counterparty may be liable to make a termination payment to the other party.

A Swap Agreement will usually be terminable by one party if, *inter alia*, (i) an Event of Default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Swap Agreement, (iii) a CBC Acceleration Notice is served, (iv) a Tax Event occurs as described in the paragraph above or (v) an additional termination event (as defined in the relevant Swap Agreement) occurs. Events of Default under the Swap Agreements in relation to the CBC will in principle be limited to (i) non-payment under the relevant Swap Agreement and (ii) insolvency events. If the relevant Swap Agreement terminates, the CBC will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap agreement is entered into, the CBC may have insufficient funds to make payments under the Guarantee, if it is required to pay thereunder.

### **2. Risk of termination payments under Swap Agreements**

If a Swap Agreement terminates, then the CBC may be obliged to make a termination payment to the relevant Swap Counterparty. There can be no assurance that the CBC will have sufficient funds available to make such a termination payment, nor can there be any assurance that the CBC will be able to enter into a replacement swap agreement, or if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Covered Bonds by the Rating Agency.

If the CBC is obliged to make a termination payment under any Swap Agreement, such termination payment will in most cases (see the applicable priority of payments) rank ahead of amounts due on the Covered Bonds except where default by, or downgrade of, the relevant Swap Counterparty has caused the relevant Swap Agreement to terminate. The obligation to make a termination payment other than arising from default by, or downgrading of, the Swap Counterparty, may therefore adversely affect the ability of the CBC to meet its obligations under the

Guarantee.

### **3. Risk of differences in timing of obligations of the CBC and Swap Counterparties**

With respect to the Swap Agreements, the CBC (or the Issuer on its behalf) may be obliged to make monthly payments to the relevant Swap Counterparty, whereas the relevant Swap Counterparty may not be obliged to make corresponding swap payments for up to twelve (12) months. If the relevant Swap Counterparty does not meet its payment obligations to the CBC, the CBC may have a larger shortfall than it would have had if the relevant Swap Counterparty's payment obligations had coincided with CBC's payment obligations under the relevant Swap. Hence, the difference in timing between the obligations of the CBC and the relevant Swap Counterparty may affect the CBC's ability to make payments under the Guarantee.

### **4. Risk related to payments with respect to Covered Bonds and Swap Agreements during a CBC Payment Period (other than on the CBC Payment Date on which the CBC Payment Period commences)**

Following the service of an Issuer Acceleration Notice and a Notice to Pay (but prior to a CBC Acceleration Notice), pursuant to the Trust Deed, the Interest Available Amount and the Principal Available Amount (less any amounts payable to third parties incurred by the CBC in its ordinary course of business, which may be paid on each day by the CBC) will be applied in accordance with the CBC Priority of Payments on each CBC Payment Date, which date will occur monthly. Payments in respect of interest and principal on a Series of Covered Bonds and in respect of Swap Agreements may however become due and payable on other days than on the relevant CBC Payment Date during a CBC Payment Period. Such amounts will be payable by the CBC on the date on which such payments become due and payable as follows:

- (i) in respect of a Series of Covered Bonds, to the extent that the CBC has entered into a Swap Agreement with respect to such Series of Covered Bonds, from the amounts received under the relevant Swap Agreement connected to such Series after the CBC Payment Date on which the relevant CBC Payment Period commenced;
- (ii) from the amounts reserved in respect of such Series of Covered Bonds or such Swap Agreement pursuant to items (e) and (f) of the CBC Priority of Payments on the CBC Payment Date on which the relevant CBC Payment Period commenced; and
- (iii) in respect of a Series of Covered Bonds, to the extent not so paid in full following application of the funds available in accordance with (i) and (ii) above, from the amounts as were credited to the CBC Transaction Accounts in accordance with item (i) of the CBC Priority of Payments on the CBC Payment Date on which the relevant CBC Payment Period commenced.

To the extent that the amounts under (i), (ii) and (iii) are insufficient to pay the amounts due, the CBC will be unable to meet its obligations with respect to such Series of Covered Bonds.

It is noted that, consequently, should a Swap Counterparty default in its obligation to pay the CBC under a Swap Agreement, and despite the relevant mitigants described above there are insufficient funds available pursuant to item (f) of the CBC Priority of Payments, one or more Series which are subject to a Swap Agreement may not be paid, or not be paid in full during the relevant CBC Payment Period, whereas one or more other Series may be paid in full during that same CBC Payment Period.

### **5. Risks related to European Market Infrastructure Regulation (EMIR)**

EMIR entered into force in all the Member States on 16 August 2012. EMIR establishes certain requirements for OTC derivative contracts, including (i) mandatory clearing obligations, (ii) the mandatory exchange of initial and/or variation margin, (iii) other risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty and (iv) reporting requirements.

The Issuer does not expect the CBC to be or become subject to the margin requirements or the clearing obligation, as these only apply to certain financial counterparties and non-financial counterparties that (are deemed to) exceed the applicable clearing threshold (established on a group basis). Moreover, even if the CBC would at any

time exceed the relevant clearing threshold, it may be able to rely on specific statutory exemptions for OTC contracts concluded with covered bond issuers or with cover pools for covered bonds. However, the possibility cannot be excluded that the CBC may in the future, whether as a result of changes to the legislation or group activity, qualify as a counterparty subject to the margin requirements or the clearing obligation and not be able to rely on any such exemption. This would lead to significantly more administrative burdens, higher costs and potential complications, for instance if the CBC will be required to enter into a replacement swap agreement or to amend the Swap Agreement, as the case may be, in order to comply with these requirements. A failure to comply with EMIR may result in fines being imposed on the CBC, which may affect the CBC's ability to make payments under the Guarantee. This may lead to losses under the Covered Bonds.



### 3. IMPORTANT INFORMATION

#### *Securities Note*

This Securities Note has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and/or the CBC that is the subject of this Securities Note nor as an endorsement of the quality of any Covered Bonds that are the subject of this Securities Note.

This Securities Note shall be valid for use only by the Issuer for a period of up to twelve (12) months after its approval by the AFM and shall expire on 27 June 2025, at the latest. The obligation to supplement this Securities Note, in the event of significant new factors, material mistakes or material inaccuracies only, shall cease to apply upon the expiry of the validity period of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

This Securities Note is to be read in conjunction with any supplement hereto, any Final Terms and with all documents which are deemed to be incorporated in it by reference (see section 15 (*Documents Incorporated by Reference*)). This Securities Note shall be read and construed on the basis that such documents are incorporated into, and form part of, this Securities Note. Any decision to purchase the Covered Bonds should be made on a consideration of the Base Prospectus as a whole and including the relevant Final Terms.

Other than in relation to the documents which are deemed to be incorporated herein by reference (see section 15 (*Documents Incorporated by Reference*)), the information on websites to which this Securities Note refers does not form part of this Securities Note and has not been scrutinised or approved by the AFM.

#### *Responsibility statement*

The Issuer and the CBC (only as far as it concerns the CBC) accept responsibility for the information contained in this Securities Note. To the best of their knowledge the information contained in this Securities Note is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties identified in this Securities Note as such has been accurately reproduced and as far as the Issuer and the CBC are aware and are able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer and the CBC accept responsibility accordingly.

For the information contained in section 11 (*Servicing, Administration and Custody*) under '*Stater*', the Issuer has relied on information from Stater. Stater declares that the information contained in section 11 (*Servicing, Administration and Custody*) under '*Stater*' is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. Stater is solely responsible for the information contained in section 11 (*Servicing, Administration and Custody*) under '*Stater*' and Stater accepts responsibility accordingly. Stater is not responsible for any other information and, consequently, Stater does not assume any responsibility in respect of such other information.

#### *Important information*

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arrangers (other than the Issuer), the Dealers (other than the Issuer) or the Security Trustee as to the accuracy or completeness of the information contained or referred to in this Securities Note or any other information provided or purported to be provided by or on behalf of an Arranger, a Dealer, the Security Trustee, the Issuer or the CBC in connection with the Programme. Each of the Arrangers (other than the Issuer), the Dealers (other than the Issuer) and the Security Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of such information.

The Issuer will furnish a supplement to the Base Prospectus (comprising this Securities Note and the Registration Document) and as supplemented as at the relevant time, if applicable, in case of any significant new factor, material mistake or material inaccuracy relating to the information contained in the Base Prospectus which may affect the assessment of the Covered Bonds and which arises or is noticed between the time when this Securities Note has been approved and the final closing of any Series or Tranche of Covered Bonds offered to the public or, as the case may be, when trading of any Series or Tranche of Covered Bonds on a regulated market begins, in respect of Covered Bonds issued on the basis of this Securities Note.

No person is or has been authorised to give any information or to make any representation not contained in or not

consistent with this Securities Note or any other information supplied in connection with the Programme or the offering of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the CBC or any of the Arrangers or Dealers.

Neither this Securities Note nor any other information supplied in connection with the Programme or any Covered Bonds should be considered as a recommendation by the Issuer or the CBC that any recipient of this Securities Note or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the CBC. Neither this Securities Note nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Covered Bonds.

The delivery of this Securities Note will not in any circumstances imply that the information contained in this Securities Note concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Securities Note has been most recently amended or supplemented. The Issuer has no obligation to update this Securities Note, except when required by, and in accordance with, the Prospectus Regulation.

Neither this Securities Note nor any part hereof constitutes an offer or an invitation to sell or the solicitation of an offer to buy any Covered Bonds in the United States or in any other jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Securities Note and the offer or sale of Covered Bonds in certain jurisdictions may be restricted by law. The Issuer and the CBC do not represent that this Securities Note may be lawfully distributed, or that any Covered Bonds 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 assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the CBC which would permit a public offering of any Covered Bonds or distribution of this Securities Note in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Securities Note nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with applicable laws and regulations. Persons into whose possession this Securities Note (or any part thereof) or any Covered Bonds comes must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on distribution of this Securities Note and other offering material relating to the Covered Bonds, see section 4 (*Covered Bonds*) under '*Subscription and Sale*'.

Nothing in this Securities Note constitutes an offer to sell or the solicitation of an offer to buy securities of the Issuer in the United States or any other where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

The Securities Note may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. person or to any U.S. address. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Covered Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the accuracy or adequacy of this Securities Note. Any representation to the contrary is unlawful.

The Covered Bonds have not been and will not be registered under the Securities Act and include Covered Bonds in bearer form that are subject to United States tax law requirements. The Covered Bonds may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by U.S. tax regulations and the Securities Act. See section 4 (*Covered Bonds*) under '*Subscription and Sale*'.

The credit ratings included or referred to in this Securities Note will be treated for the purposes of the CRA Regulation as having been issued by S&P upon registration or endorsement pursuant to the CRA Regulation. S&P is established in the European Union and has been registered by ESMA as a credit rating agency in accordance with the CRA Regulation and the ratings of S&P are endorsed by S&P Global Ratings UK Limited, which is established in the UK and has been registered with the Financial Conduct Authority as a credit rating agency in accordance with the UK CRA Regulation.

Whether or not a rating in relation to any Series of Covered Bonds will be treated as having been issued by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation or as endorsed under the CRA Regulation by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation will be disclosed in the relevant Final Terms.

If a Stabilising Manager is appointed for a Series or Tranche of Covered Bonds, the relevant Stabilising Manager will be set out in the applicable Final Terms. The Stabilising Manager or any duly appointed person acting for the Stabilising Manager may over-allot or effect transactions with a view to supporting the market price of the relevant Series of Covered Bonds at a level higher than which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series or Tranche of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date and sixty (60) calendar days after the date of the allotment of the relevant Series or Tranche of Covered Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules as amended from time to time.

All references in this document to '€', 'EUR' and 'euro' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the EU Treaty on the functioning of the European Union, as amended.

Certain of the Arrangers, the Dealers and/or their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arrangers, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their clients. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Arrangers, the Dealers and/or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arrangers, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds. Any such short positions could adversely affect future trading prices of Covered Bonds. The Arrangers, the Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET:** The Final Terms in respect of any Covered Bonds will include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market

assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Covered Bonds about whether, for the purpose of the MiFID Product Governance rules under the MiFID Product Governance Rules, any Arranger and/or any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arrangers nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS:** The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the laws of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA 2000 and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the laws of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the laws of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the laws of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:** The Final Terms in respect of any Covered Bonds may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Covered Bonds about whether, for the purpose of the UK MiFIR Product Governance Rules, any Arranger and/or any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arrangers nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**BENCHMARKS REGULATION:** Interest and/or other amounts payable under the Covered Bonds may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark under the Benchmarks Regulation. If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the administrator thereof or the benchmark itself is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation.

Not every reference rate will fall within the scope of the Benchmarks Regulation. Furthermore, transitional provisions in the Benchmarks Regulation may have the result that an administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator or benchmark under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Covered Bonds may, *inter alia*, be calculated by reference to EURIBOR which is provided by EMMI. As at the date of this Securities Note, EMMI in relation to it providing EURIBOR appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation.

Amounts payable under the Covered Bonds may, *inter alia*, be calculated by reference to €STR, which is provided by the ECB. As at the date of this Securities Note, as far as the Issuer is aware, the ECB is excluded from the scope of the Benchmarks Regulation pursuant to Article 2(2)(a) of the Benchmarks Regulation, as a consequence whereof the ECB as administrator of €STR is not currently required to obtain authorisation or registration and therefore does not appear in the aforementioned register.

## 4. COVERED BONDS

### FORM OF COVERED BONDS

Each Tranche of Covered Bonds will (as specified in the applicable Final Terms) be in bearer or in registered form. Bearer Covered Bonds will initially be issued in the form of a Temporary Global Covered Bond (unless otherwise indicated in the Final Terms). Each Temporary Global Covered Bond which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or prior to the issue date of a Tranche with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Covered Bond which is not intended to be issued in NGN form, as specified in the applicable Final Terms, will on or prior to the original issue date of the Tranche be deposited with (i) Euroclear Nederland, (ii) a common depository for Euroclear and/or Clearstream, Luxembourg or (iii) (a depository for) any other agreed clearing system. Registered Covered Bonds will be issued to each holder by a Registered Covered Bonds Deed. Registered Covered Bonds will either be issued by means of a Registered Covered Bonds Deed for all Covered Bonds issued (global) or for one or more Covered Bonds (individual). Registered Covered Bonds in global form may also be held by or on behalf of one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) and may also be registered in the name of (i) Euroclear Nederland or of (ii) a common depository for Euroclear and/or Clearstream, Luxembourg or of (iii) (a depository for) any other agreed clearing system. Registered Covered Bonds will be issued to each holder by a Registered Covered Bonds Deed.

Any reference in this Securities Note to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Security Trustee, but shall not include Euroclear Nederland.

Whilst any Covered Bond is represented by a Temporary Global Covered Bond payments of principal, interest (if any) and any other amount payable in respect of the Covered Bonds due prior to the Exchange Date will be made against presentation of the Temporary Global Covered Bond only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or Euroclear Nederland and Euroclear and/or Clearstream, Luxembourg and/or Euroclear Nederland, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the Exchange Date which is not less than forty (40) calendar days (nor (if the Temporary Global Covered Bond has been deposited with Euroclear Nederland) more than ninety (90) calendar days) after the date on which the Temporary Global Covered Bond is issued (or the "restricted period" within the meaning of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Global Covered Bond of the same Series, against certification of non-US beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond is improperly withheld or refused. Payments of principal, interest (if any) and any other amounts on a Permanent Global Covered Bond will be made without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Covered Bond will only be exchangeable (free of charge), in whole but not in part, for Definitive Covered Bonds with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event or, in case such Permanent Global Covered Bond is deposited with Euroclear Nederland, only upon the occurrence of a Delivery Event and never in bearer form, subject to mandatory provisions of applicable laws and regulations. If and for as long as a Permanent Global Covered Bond is deposited with Euroclear Nederland, such laws include the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and delivery (*uitlevering*) will only be possible in the very limited circumstances prescribed by the Dutch Securities Giro Transfer Act and never in bearer form. The Issuer will promptly give notice to Covered Bondholders of each Series in accordance with Condition 14 (*Notices*) if an Exchange Event or a Delivery Event occurs. In such events, Euroclear and/or Clearstream, Luxembourg and/or, if applicable, Euroclear Nederland (acting on the instructions of any holder of an interest in such

Permanent Global Covered Bond) or the Security Trustee may give notice to the Principal Paying Agent requesting exchange or delivery, as the case may be, and, in the event of the occurrence of an Exchange Event as described in (iii) of the definition, the Issuer or the CBC may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than forty-five (45) calendar days after the date of receipt of the first relevant notice by the Principal Paying Agent.

If Definitive Covered Bonds have not been duly delivered by 6.00 p.m. (Amsterdam time) on the forty-fifth (45th) day after which the preconditions to such exchange are first satisfied then as from the start of the first day on which the banks in Amsterdam are open for business following such event (the "**Relevant Exchange Time**") each relevant account holder shall be able to enforce against the Issuer and the CBC all rights ("**Direct Rights**") which the relevant account holder in question would have had if, immediately before the Relevant Exchange Time, it had been the holder of Definitive Covered Bonds issued on the issue date of the Permanent Global Covered Bond in an aggregate principal amount equal to the principal amount of the relevant entry including, without limitation, the right to receive all payments due at any time in respect of such Definitive Covered Bonds other than payments corresponding to and already made under the Permanent Global Covered Bond, and the rights under the Guarantee. No further action shall be required on the part of any person in order to be able to enforce Direct Rights as contemplated in this Securities Note before and for each relevant account holder to have the benefit of, and to enforce, rights corresponding to all the provisions of the terms and conditions of the relevant Definitive Covered Bonds as if they had been specifically incorporated in the Permanent Global Covered Bond other than the right to receive payments corresponding to and already made under the Permanent Global Covered Bond. As from the Relevant Exchange Time, the bearer of the Permanent Global Covered Bond shall not be entitled to receive payments or enforce any other rights hereunder (including the rights under the Guarantee).

Definitive Covered Bonds will be in the standard euromarket form (unless otherwise indicated in the applicable Final Terms). Definitive Covered Bonds and Global Covered Bonds will be in bearer form. The Global Covered Bonds are held in book-entry form.

Global Covered Bonds, Definitive Covered Bonds and Registered Covered Bonds will be issued in accordance with and subject to the terms of the Agency Agreement and the Trust Deed.

The following legend will appear on all permanent and definitive Bearer Covered Bonds which have an original maturity of more than one year and on all receipts and interest coupons relating to such Covered Bonds:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Covered Bonds, receipts or interest coupons.

The following legend will appear on all Global Covered Bonds held through Euroclear Nederland:

"NOTICE: THIS COVERED BOND IS ISSUED FOR DEPOSIT WITH NEDERLANDS CENTRAAL INSTITUUT VOOR GIRAAL EFFECTENVERKEER B.V. ("EUROCLEAR NEDERLAND") AT AMSTERDAM, THE NETHERLANDS. ANY PERSON BEING OFFERED THIS COVERED BOND FOR TRANSFER OR ANY OTHER PURPOSE SHOULD BE AWARE THAT THEFT OR FRAUD IS ALMOST CERTAIN TO BE INVOLVED."

The Covered Bonds and the Guarantee have not been and will not be registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdiction of the U.S. The Covered Bonds may not be offered, sold or delivered within the U.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 or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons (as defined in Regulation S) outside the U.S. in reliance on Regulation S.

Covered Bonds which are represented by a Global Covered Bond and are held through Euroclear or Clearstream, Luxembourg, will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be. In case of a Global Covered Bond deposited with Euroclear Nederland, the rights of Covered Bondholders will be exercised in accordance with and are subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

Covered Bonds issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case it will constitute a new Series). All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share equally in the Guarantee granted by the CBC. If an Issuer Event of Default or a CBC Event of Default occurs and results in acceleration, all Covered Bonds of all Series will accelerate at the same time (in respect of the CBC only in case of a CBC Event of Default).

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a temporary common code and ISIN Code by Euroclear and Clearstream, Luxembourg and/or any other relevant security code which are different from the common code, ISIN Code and other relevant security code assigned to Covered Bonds of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Covered Bonds of such Tranche.

If a Series of Covered Bonds is held through Euroclear and Clearstream, Luxembourg and if such Series of Covered Bonds will be redeemed on the Maturity Date, the Issuer shall (to ensure that such Series of Covered Bonds will be redeemed on the Maturity Date) provide or procure that the Principal Paying Agent shall on its behalf provide a formal notice (in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg) at least two (2) Business Days prior to the relevant Maturity Date to Euroclear and Clearstream, Luxembourg that such Series of Covered Bonds will be redeemed on the Maturity Date, with a copy of such notice to the CBC and the Security Trustee.

No Covered Bondholder or Couponholder shall be entitled to proceed directly against the Issuer or the CBC unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.



## FORM OF FINAL TERMS

Copies of the Final Terms will be provided upon request by the Issuer. [In addition, in case of Covered Bonds listed on Euronext Amsterdam, the Final Terms will be displayed on the website of Euronext Amsterdam (\_\_\_\_\_).]

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme. Any material deviation of the form of Final Terms will also have to be agreed with the CBC and approved by the AFM (if such deviation is required to be approved under the Prospectus Regulation).

### Final Terms

Dated [...]

#### Van Lanschot Kempen N.V.

*(a public company with limited liability (naamloze vennootschap) incorporated under Dutch law and having its statutory seat (statutaire zetel) in 's Hertogenbosch, the Netherlands)*

*Legal Entity Identifier (LEI): 724500D8WOYCL1BUCB80*

#### Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] (the "Covered Bonds")

Guaranteed as to payment of principal and interest by

#### Van Lanschot Kempen SB Covered Bond Company B.V.

*(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law and having its statutory seat (statutaire zetel) in Amsterdam, the Netherlands)*

*Legal Entity Identifier (LEI): 724500IC69ZTA8APTC70*

Under Van Lanschot Kempen N.V.'s EUR 5,000,000,000 Covered Bond Programme

This document constitutes the Final Terms of the issue of Covered Bonds under the EUR 5,000,000,000 Covered Bond Programme (the "**Programme**") of Van Lanschot Kempen N.V. as the Issuer guaranteed by Van Lanschot Kempen SB Covered Bond Company B.V. as the CBC, described in the Securities Note for the purposes of Article 8 of Regulation (EU) 2017/1129, including any commission delegated regulation thereunder (the "**Prospectus Regulation**"). These Final Terms must be read in conjunction with the base prospectus pertaining to the Programme, consisting of separate documents (i.e. (i) the Securities Note and (ii) the registration document of the Issuer dated 14 May 2024 [as lastly [amended][supplemented] on [•]] (the "**Registration Document**" and together with the Securities Note, the "**Base Prospectus**") which together constitute a base prospectus for the purposes of the Prospectus Regulation. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus and any supplements thereto.

The Base Prospectus and any supplements thereto and the Final Terms are available for viewing on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library> as well as at the office of the Issuer at Beethovenstraat 300, 1077 WZ, Amsterdam, the Netherlands, where copies may also be obtained (free of charge). Any information contained in or accessible through any website, including <https://www.vanlanschotkempen.com/nl-nl>, <https://www.merciervanlanschot.be/> and , does not form part of either the Base Prospectus or these Final Terms and has not been scrutinised or approved by the AFM, unless specifically stated in the Base Prospectus, in any supplement thereto or in any document incorporated or deemed to be incorporated by reference into the Base Prospectus that all or any portion of such information is incorporated by reference into the Base Prospectus.

The Covered Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the U.S. or other jurisdiction. The securities may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**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 or local securities laws. Accordingly, the Covered

Bonds are being offered, sold or delivered only to non-U.S. persons (as defined in Regulation S) outside the U.S. in reliance on Regulation S.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended ("IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS:** The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom of Great Britain and Northern Ireland (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the laws of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA 2000 and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the laws of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the laws of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the laws of the UK by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the laws of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended ("UK MiFIR"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

## PART A – CONTRACTUAL TERMS

These Final Terms are to be read in conjunction with the terms and conditions set forth in section 4 (*Covered Bonds*) of the Securities Note (the "**Terms and Conditions**"). The Terms and Conditions as completed by these Final Terms constitute the conditions (the "**Conditions**") of the Covered Bonds. Capitalised terms not defined in these Final Terms have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Conditions which are not defined therein have the meaning set forth in the master definitions agreement (the "**Master Definitions Agreement**") dated 9 March 2022, as amended, supplemented, restated or otherwise modified from time to time and signed by the Issuer, the CBC, the Security Trustee, the Transferor and certain other parties. All references to numbered Conditions and sections are to Conditions and sections of the terms and conditions set forth in section 4 (*Covered Bonds*) of the Securities Note.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

- |    |         |  |  |
|----|---------|--|--|
| 1. | (i)     | Issuer:  | Van Lanschot Kempen N.V.   |
|    | (ii)    | CBC:   | Van Lanschot Kempen SB Covered Bond Company B.V.   |
| 2. | [(i)]   | Series Number:                                   | [...]  |
|    | [(ii)]  | Tranche Number:                                  | [...]  |
|    | [(iii)] | Date on which the Covered Bonds become fungible: | [Not Applicable/The Covered Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> (the " <b>Existing Covered Bonds</b> ") on <i>[insert date/the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph 22 below [which is expected to occur on or about [insert date]]]</i> .] |
| 3. |         | Currency:  | EUR  |
| 4. |         | Aggregate Nominal Amount:                        |  |
|    | [(i)]   | Series:  | [...]  |
|    | [(ii)]  | Tranche:   | [...]  |
| 5. |         | Issue Price of Tranche:                          | [...] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date and details (if any)]</i> ( <i>In the case of fungible issues only, if applicable</i> )  |
| 6. | (i)     | Specified Denomination(s):                       | [...]  |
- (Each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation must be at least EUR 100,000)*

- (ii) Calculation Amount: [...]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: there must be a common factor in the case of two or more Specified Denominations)*
7. (i) Issue Date: [...]
- (ii) Interest Commencement Date Issue Date / specify / Not Applicable (for Zero Coupon Covered Bonds)
- [For the period where a [Fixed Rate/Floating Rate] applies (the period from [...] until [...]) [...]]
- [For the period where a [Fixed Rate/Floating Rate] applies (the period from [...] until [...]) [...]]
8. Maturity Date: [Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to [specify month and year]]
- Extended Due for Payment Date: [Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to [specify month and year, which date is 1 year after the Maturity Date and in respect of Zero Coupon Covered Bonds or if otherwise applicable – specify interest basis as referred to in Condition 5(b)]]
- If the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Due for Payment Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the CBC on any Specified Interest Payment Date occurring thereafter up to (and including) the Extended Due for Payment Date.
9. Interest Basis: [In respect of the period from (and including) [...]/[Maturity Date] to (but excluding) [...]:][...] per cent. Fixed Rate]
- [In respect of the period from (and including) [...]/[Maturity Date] to (but excluding) [...]:][[EURIBOR/Compounded Daily €STR/other reference rate] +/- [...] per cent. Floating Rate][Zero Coupon]
- If payment of the Guaranteed Final Redemption Amount is deferred in whole or in part, for the period from (and including) the Maturity Date to (but excluding) the Extended Due for Payment Date: [...] per cent Fixed

- Rate][[EURIBOR/Compounded Daily €STR/other reference rate] +/- [...] per cent. Floating Rate][...]
10. Redemption/Payment Basis: [Redemption at par / specify other amount or percentage]  
(No derivatives within the meaning of the Commission Delegated Regulation (EU) 2019/980 will be issued, unless a supplement to the Securities Note is issued in this respect)
11. Change of Interest Basis or Redemption/Payment Basis: [The Interest Basis will change from [...] [...] to [...] [per cent. Fixed Rate]/[Floating Rate] on the Maturity Date][Not Applicable]  
(Specify details of any provision for change of Covered Bonds into another Interest Basis or Redemption/Payment Basis included in these final terms)
12. Put/Call Options: [Investor Put]  
  
[Issuer Call]  
  
[(further particulars specified below)]  
  
[Not Applicable]
13. Status of the Covered Bonds: Unsubordinated, unsecured, guaranteed
14. Status of the Guarantee: Unsubordinated, secured (indirectly, through a parallel debt), unguaranteed

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

15. Fixed Rate Covered Bond Provisions: [[Applicable/Applicable from (and including) the [Issue Date]/[Maturity Date/[...]] to (but excluding) the [Maturity Date]/[Extended Due for Payment Date/[...]] [(to the extent any amount representing the Final Redemption Amount remains unpaid on the [Maturity Date/[...]])]/Not Applicable]
- (Also applicable for each Floating Rate Covered Bond which switches to a Fixed Rate Covered Bond)
- (If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [...] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear] [up to and including the Maturity Date and after the Maturity Date payable monthly in arrear]
- (ii) Interest Payment Date(s): [[Specify one date or more dates] in each year]/[...] in each month] up to and including the [Maturity Date / Extended Due for Payment Date], if applicable subject to the Business Day Convention [[and] [after the Maturity Date [...]]]

*(This will need to be amended in the case of long or short coupons)*

- (iii) Fixed Coupon Amount(s): [...] per [Calculation Amount]
- (iv) Broken Amount(s): [[...] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [...] / Not Applicable]
- (v) Business Day Convention:
- Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention]
- Adjustment or Unadjustment for Interest Period: [Adjusted] or [Unadjusted]
- (vi) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- 16. Floating Rate Covered Bond Provisions:** [Applicable/Applicable from (and including) the [Issue Date]/[Maturity Date/[...]] to (but excluding) the [Maturity Date]/[Extended Due for Payment Date/[...]] [(to the extent any amount representing the Final Redemption Amount remains unpaid on the [Maturity Date/[...]]/Not Applicable]
- (Also applicable for each Fixed Rate Covered Bond which switches to a Floating Rate Covered Bond)*
- (If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/ Specified Interest Payment Dates: [...]  
*(Specified Interest Payment Dates and Specified Period are alternatives)*
- (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment]
- (iii) Adjustment or Unadjustment for Interest Period: [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): [Not Applicable / give details]
- (v) Manner in which the Rate of Interest and Floating Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate of Interest and Floating Interest Amount (if not the Principal Paying Agent): [[Name] shall be the Calculation Agent]  
*(No need to specify if the Principal Paying Agent is to perform this function)*
- (vii) Screen Rate Determination: [Applicable/Not Applicable]

- (If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate [...]  
*(EURIBOR, Compounded Daily €STR or other reference rate)*
  
  - Interest Determination Date(s): [...]  
*(Second day on which T2 is open prior for the settlement of payments in Euro to the start of each Interest Period if EURIBOR, Compounded Daily €STR or any other inter-bank offered rate prevailing in a country in which T2 does not apply)*  
  
*(specify up to and including the Maturity Date)*
  
  - Observation Method: [Not Applicable/Lag/Lock-out/Shift][, where Lock-out date means the date 5 London Banking Days prior to the applicable Interest Payment Date]  
*(Insert only if Reference Rate is Compounded Daily €STR)*
  
  - Observation Look-back Period: [specify number]/[TARGET Settlement Days]  
*(being no less than 5 TARGET Settlement Days)*  
*(Insert only if Reference Rate is Compounded Daily €STR)*
  
  - Relevant Screen Page: [...]  
*(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  
  - Relevant Time: [...]  
*(For example, 11.00 a.m. London time/Brussels time)*
  
  - Relevant Financial Centre: [...]  
*(For example, London/Eurozone (where Eurozone means the region comprised of the countries whose lawful currency is the euro))*
  
  - (viii) ISDA Determination: [Applicable/Not Applicable]  
*(If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)*
  
  - ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
  
  - Floating Rate Option: [...]
  
  - Designated Maturity: [...]  
*(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk free rate)*
  
  - Reset Date: [...]
  
  - (ix) Margin(s): [+/-] [...] per cent. per annum

- (x) Minimum Rate of Interest: [...] per cent. per annum / Not Applicable]
- (xi) Maximum Rate of Interest: [...] per cent. per annum / Not Applicable]
- (xii) Floating Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/360  
or 30/360, 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]  
(See Condition 5 (Interest) for alternatives)

**17. Zero Coupon Covered Bond Provisions:** [Applicable/Not Applicable]  
(If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [...] per cent. per annum
- (ii) Reference Price: [...]
- (iii) Day Count Fraction in relation to Early Redemption Amounts and late payments: [[Actual/Actual (ICMA/ ISDA)]]

#### PROVISIONS RELATING TO REDEMPTION

**18. Issuer Call:** [Applicable/Not Applicable]  
(If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [...]
- (ii) Optional Redemption Amount(s): [...] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount [...] per Calculation Amount
  - (b) Maximum Redemption Amount: [...] per Calculation Amount
- (iv) Extended Due for Payment Date in case of exercise of the Issuer Call: [Not Applicable/one (1) year after the Optional Redemption Date]

**19. Investor Put:** [Applicable/Not Applicable]  
(If "Not Applicable", delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [...]
- (ii) Optional Redemption Amount(s): [...] per Calculation Amount

**20. Final Redemption Amount:** [...] per Calculation Amount



21. Early Redemption Amount(s) per Calculation Amount of each Covered Bond payable on redemption for taxation reasons, or on acceleration following an Issuer Event of Default as against the Issuer or a CBC Event of Default or other early redemption: [...] per Calculation Amount / As specified in Condition 7(e) (*Early Redemption Amounts*)

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

22. Form of Covered Bonds: [Bearer form/Registered form]
- [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds only upon the occurrence of an Exchange Event/a Delivery Event]
- [Permanent Global Covered Bond exchangeable for Definitive Covered Bonds only upon the occurrence of an Exchange Event/a Delivery Event]
- [Permanent Global Covered Bond not exchangeable for Definitive Covered Bonds]
- [Registered Covered Bonds, issued to each holder by way of Registered Covered Bonds Deed]
- [Specified office of Issuer for notification of transfers of Registered Covered Bonds: [\*] office, [address]/other] [*Delete as appropriate*]
- [...]
23. New Global Note form: [Applicable/Not Applicable (see also Part B – item 7(ix))]  
*(If "Not Applicable" is specified here and the Covered Bonds are held through Euroclear and/or Clearstream, Luxembourg ensure that "Not Applicable" is specified for Eurosystem eligibility in Part B – item 7(vii) of the Final Terms and if "Applicable" is specified here ensure that the appropriate specification is made in respect of Eurosystem eligibility in that same sub-paragraph)*
24. a) Exclusion of set-off: [Applicable/Not Applicable]  
[See Condition 6(g) (*Set-off*)]
- b) German Insurers: [Applicable/Not Applicable]
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]  
*(Note that this item relates to the date and place of payment and not Interest Period end dates to which item 16 (iii) relates)*

26. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No] (*If yes, give details*)  
(*If the Covered Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made*)
27. Consolidation Provisions: [The provisions of Condition 18 (*Further Issues*) apply]/[Not Applicable]  
(*Only "Not Applicable" if it is intended that there be no future fungible issues to this Series*)
28. Redenomination: [Redenomination [not] applicable]  
(*if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest (including alternative reference rates) and (ii) the New Currency*)

#### DISTRIBUTION

29. Method of distribution: [Syndicated / Non-syndicated / other]
- (i) [If syndicated, names of Managers]: [Not Applicable/give names/ give legal names]  
(*Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors*)
- (ii) Stabilising Manager (if any): [Not Applicable/give legal name]
30. If non-syndicated, name and address of relevant Dealer: [*specify name of Dealer*]/Not applicable. The Covered Bonds are not being underwritten by any Dealer(s)]

#### OTHER PROVISIONS

31. (i) U.S. Selling Restrictions: [Reg S Compliance [Category [...]]/TEFRA D/TEFRA C/ TEFRA rules not applicable]
- (ii) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]  
(*Advice should be taken from Belgian counsel before disapplying this selling restriction*)

#### Responsibility

The Issuer and the CBC declare that the information contained in these Final Terms is, to the best of its knowledge, in accordance with the facts and makes no omission likely to affect its import. The Issuer and the CBC [(only as far as it concerns the CBC)] accept responsibility for the information contained in these Final Terms. [...] has been extracted from [...]. The Issuer and the CBC confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [...], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the Issuer:

By:  
Duly authorised

By:  
Duly authorised

Signed on behalf of the CBC:

Signed on behalf of the CBC:

By:  
Duly authorised

By:  
Duly authorised

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Amsterdam/*other (specify)*/ None]
- (ii) Admission to trading: [Application has been made for the Covered Bonds to be admitted to trading on the regulated market on the official list of [Euronext Amsterdam]/[*specify other regulated market*] with effect from [...]/[Not Applicable]  
(Where documenting a fungible issue, indicate that original covered bonds are already admitted to trading)  
  
(Unless all items in the Final Terms are completed (including by completion of an issue specific summary) as if the relevant Covered Bonds would have a Specified Denomination of less than EUR 100,000, Covered Bonds that are issued with a Specified Denomination of at least EUR 100,000 and integral multiples of a certain smaller amount than EUR 100,000 in excess thereof will not be listed on Euronext Amsterdam until the Issuer has made itself aware that such Covered Bonds can only be traded on Euronext Amsterdam for a minimum nominal amount of at least EUR 100,000)
- (iii) Estimate of total expenses related to admission to trading: [...]

### 2. RATINGS

- Ratings: The Covered Bonds to be issued [are not / are expected to be / have been] rated:  
  
[S&P\*: 'AAA']  
[Other\*]: [...]  
(\*The exact legal name of the rating agency entity providing the rating should be specified - for example "S&P Global Ratings Europe Limited", rather than just S&P)
- [...]  
(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider or reference to the relevant section in the Securities Note)
- [Registration of Rating Agency: [...]  
  
(The above disclosure should reflect the rating allocated to the Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)

[Insert one (or more) of the following options, as

*applicable:]*

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**")

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the *[relevant competent authority]* *[European Securities and Markets Authority]*

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**")

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation]

*[[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU.

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the UK, but is part of a group in respect of which one of its undertakings is (i) established in the UK and (ii) is registered in accordance with Regulation (EC) No 1060/2009 as it forms part of the laws of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK CRA Regulation**").

[In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EU before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the

rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EU which is certified under the CRA Regulation.]

3. [Notification / Not Applicable]

The Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) ("**AFM**") [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a notification that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation.]

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

*(Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below.)*

["Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business." (*Amend as appropriate if there are other interests*)]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

5. **USE AND ESTIMATED NET PROCEEDS**

(i) Estimated net proceeds: [...]

(ii) Use: [...]

*(See "Use of Proceeds" wording in the Securities Note – if reasons for the offer are different from making profit and/or hedging certain risks, will need to include those reasons here. If proceeds are intended for more than one use, will need to split out and present in order of priority. [If proceeds are insufficient to fund all proposed uses state amount and sources of other funding. If in respect of a particular issuance there is a particular identified use of proceeds, further specify here)*

(iii) Estimated total expenses: [...] [Include breakdown of expenses]]

6. **[YIELD (Fixed Rate Covered Bonds only)**

Indication of yield: [...]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of

future yield.]

## 7. OPERATIONAL INFORMATION

- (i) ISIN: [...] *(If fungible with an existing Series insert.)*  
[Pending consolidation with the Existing Covered Bonds: [...]]  
Following consolidation with the Existing Covered Bonds: [...]]
- (ii) Common Code: [...] *(If fungible with an existing Series insert.)*  
[Pending consolidation with the Existing Covered Bonds: [...]]  
Following consolidation with the Existing Covered Bonds: [...]]
- (iii) Fondscod: [...]
- (iv) WKN Code: [...] [Not Applicable]
- (v) FISN: [...] [Not Applicable]
- (vi) CFI: [...] [Not Applicable]
- (vii) CINS: [...] [Not Applicable]
- (viii) *[Other relevant code:]* [...] *[give name(s) and numbers(s)]*[Not Applicable]
- (ix) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No/Not Applicable]

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

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable

of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] *[include this text for registered Covered Bonds]*. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met]]

*(Include this text only if held through or on behalf of Euroclear or Clearstream, Luxembourg)*

[Not Applicable, means that the Covered Bond will not be held through the system of Euroclear or Clearstream, Luxembourg]

- (x) Offer Period: [The offer of the Covered Bonds is expected to open at [...] hours ([...] time) on [...] and close at [...] hours ([...] time) on [...] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce))] [Not Applicable]
- (xi) Delivery: Delivery [against/free of] payment
- (xii) Payment: [Method and time limits of paying up the Covered Bonds]  
*(To be included if any agreement in this respect is entered into between Issuer and Manager(s))*
- (xiii) Settlement Procedure: *[Method of settlement procedure to be included / Not Applicable]*
- (xiv) Clearing System: [Euroclear/Clearstream, Luxembourg/Euroclear Nederland/*other agreed clearing system*] *[insert address of relevant clearing system]*
- 8. Additional paying agent (if any) [Name: [...]][Address: [...] / Not Applicable]
- 9. Statement on benchmark[s] [Amounts payable under the Covered Bonds may be calculated by reference to *[specify benchmark]*, which is provided by *[legal name of administrator(s)]**[repeat as necessary]*. As at the date hereof, *[legal name of administrator(s)]**[appears]/[does not appear]* *[repeat as necessary]* in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, *[[legal name of administrator(s)]* as administrator of *[specify benchmark(s)]* *[repeat as necessary]* *[is/are]* not required to be registered by virtue of Article 2 of the



Benchmarks Regulation] / [the transitional provisions in Article 51 of the Benchmarks Regulation apply], such that [*legal name of administrator(s)*], as administrator of [*specify benchmark*][*repeat as necessary*] [is/are] currently not required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).] / [...] / [Not Applicable]

## TERMS AND CONDITIONS OF COVERED BONDS

The following are the Terms and Conditions to be issued by the Issuer which will be incorporated by reference into each Global Covered Bond, Registered Covered Bonds Deed and each Definitive Covered Bond in the standard euromarket form. The applicable Final Terms in relation to any Tranche of Covered Bonds may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Covered Bonds. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Covered Bond, Registered Covered Bonds Deed and Definitive Covered Bond in the standard euromarket form. Reference should be made to "Form of Final Terms" above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions. Any amendments to the terms and conditions of the Covered Bonds will be made by way of, and in accordance with the applicable requirements for, amendments to the Trust Deed. Any amendment to the Terms and Conditions of the Covered Bonds will apply to all new and outstanding Covered Bonds equally, unless otherwise specifically provided for in the Terms and Conditions.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Van Lanschot Kempen N.V. (the "**Issuer**" which expression shall include any Substituted Debtor pursuant to Condition 17 (*Substitution of the Issuer*)) pursuant to a trust deed (as amended, restated or otherwise modified from time to time, the "**Trust Deed**") originally dated 9 March 2022 (such date, and in respect of the Programme Agreement dated 9 March 2022, the "**Programme Date**") between the Issuer, Van Lanschot Kempen SB Covered Bond Company B.V. (the "**CBC**") and Stichting Security Trustee Van Lanschot Kempen SB Covered Bond Company (the "**Security Trustee**") and Stichting Holding Van Lanschot Kempen SB Covered Bond Company (the "**Stichting Holding**").

Save as provided for in Conditions 10 (*Events of Default and Enforcement*) and 15 (*Meetings of Covered Bondholders, Modification and Waiver*) or where the context otherwise requires, references in these Terms and Conditions to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a Global Covered Bond, units of the lowest Specified Denomination in euro;
- (ii) any Temporary Global Covered Bond, any Permanent Global Covered Bond and any Registered Covered Bond, as the case may be; and
- (iii) any Definitive Covered Bonds issued in exchange for a Permanent Global Covered Bond upon the occurrence of an Exchange Event.

The Covered Bonds and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement, as amended, supplemented, restated or otherwise modified from time to time, the "**Agency Agreement**") entered into on the Programme Date between the Issuer, the CBC, the Security Trustee, Citibank N.A., London Branch as issuing and principal paying agent (the "**Principal Paying Agent**") and as registrar (the "**Registrar**"), and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agent).

Interest bearing Definitive Covered Bonds in the standard euromarket form (unless otherwise indicated in the applicable Final Terms) have Coupons and, if indicated in the applicable Final Terms, Talons attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are (i) in the case of a Bearer Covered Bond, attached to or endorsed on this Covered Bond or (ii) in the case of a Registered Covered Bond, attached to the relevant Registered Covered Bonds Deed, and complete these Terms and Conditions (together in respect of the relevant Covered Bond the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the applicable Final Terms are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond or the relevant Registered Covered Bonds Deed.

The Security Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the "**Covered Bondholders**" or "**Bondholders**", which expression shall, in relation to (i) any Bearer Covered Bonds represented by a

Temporary Global Covered Bond or a Permanent Global Covered Bond, and (ii) any Registered Covered Bond, be construed as provided below) and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons) and for holders of each other Series in accordance with the provisions of the Trust Deed. Any holders mentioned above include those having a credit balance in the collective depots held by Euroclear Nederland or one of its participants.

As used in these Terms and Conditions, "**Tranche**" means Covered Bonds which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

These Terms and Conditions include summaries of, and are subject to, the provisions of the Trust Deed, the Parallel Debt Agreement, the Pledge Agreements and the Agency Agreement.

Copies of the Trust Deed, the Pledge Agreements, the Master Definitions Agreement, the Parallel Debt Agreement and the Agency Agreement are available for inspection at the specified office of the Security Trustee and at the specified office of each of the Paying Agents during normal business hours and copies thereof will be made available, free of charge, on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>. Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are available for inspection at the specified office of each of the Paying Agents during normal business hours and any Covered Bondholder must produce evidence satisfactory to the Issuer and the Security Trustee or, as the case may be, the relevant Paying Agent as to its holding of Covered Bonds and identity. In addition, if such Final Terms relate to an issue or offer of Covered Bonds for which a prospectus is required to be published pursuant to Article 3 of the Prospectus Regulation, copies thereof will be made available, free of charge, on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>. The Covered Bondholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Pledge Agreements, the Master Definitions Agreement, the Agency Agreement, each of the other Transaction Documents and the applicable Final Terms which are applicable to them and to have notice of each Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Terms and Conditions shall bear the meaning given to them in the applicable Final Terms and/or the master definitions agreement dated the Programme Date, as amended, supplemented, restated, novated or otherwise modified from time to time (the "**Master Definitions Agreement**"), a copy of each of which may be obtained as described above.

## 1. FORM, DENOMINATION AND TITLE

The Covered Bonds are either Bearer Covered Bonds or Registered Covered Bonds issued pursuant to the terms and conditions of a Registered Covered Bonds Deed, as set out in the applicable Final Terms, and, in the case of Definitive Covered Bonds, serially numbered, and in the case of Definitive Covered Bonds or Registered Covered Bonds in euro and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Under Dutch law, the valid transfer of Covered Bonds requires, among other things, delivery (*levering*) thereof.

For Covered Bonds held by Euroclear Nederland deliveries will be made in accordance with the Wge.

The Issuer, the CBC, the Paying Agents and the Security Trustee may (except as otherwise required by law) deem and treat the holder of any Bearer Covered Bond or Coupon as the absolute owner thereof, whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such bearer

for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the first succeeding paragraph. The signatures on this Covered Bond or the relevant Registered Covered Bonds Deed, as applicable, are manual or in electronic form.

For so long as any of the Covered Bonds are represented by a Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg by a common safekeeper, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to such nominal amount of such Covered Bonds 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 by the Issuer, the CBC, the Paying Agents and the Security Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Covered Bonds, for which purpose the bearer of the relevant Global Covered Bond shall be treated by the Issuer, the CBC, any Paying Agent and the Security Trustee as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Covered Bonds as aforesaid, the Security Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or an error established as such to the satisfaction of the Security Trustee, be conclusive and binding on all concerned. Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, and/or Euroclear Nederland, as the case may be.

Where Covered Bonds represented by a Permanent Global Covered Bond are deposited with Euroclear Nederland, a Covered Bondholder shall not have the right to request delivery (*uitlevering*) of his Covered Bonds under the Wge other than as set out in accordance with the rules and procedures of Euroclear Nederland and the Wge and never in bearer form.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Security Trustee but shall not include Euroclear Nederland.

## 2. STATUS OF THE COVERED BONDS

The Covered Bonds and any relative Coupons constitute unsubordinated and unsecured obligations of the Issuer, guaranteed by the Guarantee and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future, other than any obligations preferred by mandatory provisions of applicable law.

## 3. THE GUARANTEE

Pursuant the Guarantee, the CBC has as an independent obligation irrevocably undertaken to pay the Guaranteed Amounts when the same shall become Due for Payment. However, the CBC shall have no such obligation under the Guarantee until (i) the occurrence of an Issuer Event of Default, the service by the Security Trustee on the Issuer of an Issuer Acceleration Notice and the service by the Security Trustee on the CBC of a Notice to Pay or (ii) the occurrence of a CBC Event of Default and the service by the Security Trustee of a CBC Acceleration Notice on the Issuer and the CBC. In addition, in respect of each Series of Covered Bonds, if the CBC is obliged to pay the Guaranteed Final Redemption Amount, then:

- (a) the obligation of the CBC to pay the Guaranteed Final Redemption Amount shall be deferred to, and shall under the Guarantee be due on, the Extended Due for Payment Date, unless on the date when the Guaranteed Final Redemption Amount is Due for Payment (the "**Extension Date**") or any subsequent Interest Payment Date which applies pursuant to paragraph (b) below and which falls prior to the Extended Due for Payment Date, any moneys are available to the CBC to be paid (or reserved for payment of principal on any Series of Covered Bonds), after the CBC shall under the relevant Priority of Payments have paid or provided for (1) all higher ranking amounts and (2) all Guaranteed Final Redemption Amounts

pertaining to any Series with an Extended Due for Payment Date falling prior to the CBC Payment Period in which the Extended Due for Payment Date for this Series falls, then the CBC shall (a) give notice thereof to the relevant Covered Bondholders (in accordance with Condition 14 (*Notices*)), the Rating Agency, the Security Trustee, the Principal Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event on the Extension Date (whereby such notice shall be deemed to have been given on the first Business Day following the date on which such notice was given by the CBC to the relevant clearing system) or at least two (2) Business Days prior to such Interest Payment Date, respectively, and (b) apply such remaining available moneys in payment, in whole or in part, of the Guaranteed Final Redemption Amount pertaining to a Series of Covered Bonds with an Extended Due for Payment Date falling in the same CBC Payment Period in which the Extended Due for Payment Date for this Series falls, if applicable *pro rata* by reference to the Principal Amount Outstanding of such Covered Bonds (and to such extent the Guaranteed Final Redemption Amount shall for the purpose of the relevant Priority of Payments and all other purposes be due) on such Extension Date and/or such Interest Payment Date, respectively; and

- (b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount, which shall accrue and be payable on the basis set out in the applicable Final Terms or, if not set out therein, Condition 5 (*Interest*), provided that for this purpose all references in Condition 5 (*Interest*) to the Maturity Date are deemed to be references to the Extended Due for Payment Date, *mutatis mutandis*,

all without prejudice to the CBC's obligation to pay any other Guaranteed Amount (i.e., other than the Guaranteed Final Redemption Amount) when Due for Payment.

The rights under the Guarantee (a) form an integral part of the Covered Bonds, (b) are of interest to a Covered Bondholder only if, to the extent that, and for so long as, it holds Covered Bonds and (c) can only be transferred together with all other rights under the relevant Covered Bond. The obligations of the CBC under the Guarantee are unsubordinated and unguaranteed obligations of the CBC, which are secured (indirectly, through a parallel debt) as set out below.

As security for a parallel debt corresponding to the CBC's obligations under the Guarantee and the other Transaction Documents to which it is a party, the CBC has granted the following security rights to the Security Trustee:

- (i) a first ranking right of pledge (or such other security right as may be applicable) over the Transferred Assets; and
- (ii) a first ranking right of pledge over the CBC's rights under or in connection with the CBC Transaction Documents and the CBC Transaction Accounts.

The Covered Bondholders of each Series will, through the Security Trustee, benefit from the security rights and are deemed to have acknowledged, and are bound by the Parallel Debt Agreement and Trust Deed.

For the purpose hereof:

**"Extended Due for Payment Date"** means, subject to Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*), the date falling one (1) year after the Maturity Date, as specified as such in the applicable Final Terms.

**"Guaranteed Final Redemption Amount"** means the Guaranteed Amount relating to Scheduled Principal payable on the Maturity Date.

#### 4. REDENOMINATION

The Issuer may, without the consent of the Covered Bondholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Nederland and at least thirty (30) calendar days' prior notice to the Covered Bondholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date (as defined below) specified in the notice, the Covered Bonds and the Coupons denominated in euro (each for the purpose of this Condition the **"Old Currency"**)

shall be redenominated in another currency (for the purpose of this Condition the "**New Currency**") upon the occurrence of a Convertibility Event.

The election will have effect as follows:

- (i) the Covered Bonds and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of the equivalent of euro 0.01 in another currency, with a principal amount for each Covered Bond equal to the principal amount of that Covered Bond in euro, converted into the New Currency at the Established Rate provided that, if the Issuer determines, with the agreement of the Security Trustee, that the market practice at the time of redenomination in respect of the redenomination into the New Currency of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the stock exchange (if any) on which the Covered Bonds may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice (as defined below) has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate principal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest equivalent of euro 0.01 in another currency;
- (iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 100,000 or such other amount as may be allowed or required pursuant to the relevant laws which are applicable equivalent to (the offering of) such Covered Bonds and notified to the Covered Bondholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in euro (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") to the Covered Bondholders in accordance with Condition 14 (*Notices*) that replacement of Old Currency denominated Covered Bonds and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds and Coupons so issued will also become void on that date although those Covered Bonds and Coupons will continue to constitute valid exchange obligations of the Issuer. New Currency denominated Covered Bonds and Coupons will be issued in exchange for Covered Bonds and Coupons denominated in euro in such manner as the Issuer, may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than fifteen (15) days prior to any date for payment of principal or interest on the Covered Bonds;
- (v) on or after the Redenomination Date, all payments in respect of the Covered Bonds and the Coupons, with a possible exception of payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in the New Currency as though references in the Covered Bonds to euro were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque; and
- (vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(A) (*Interest on Fixed Rate Covered Bonds*)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Covered Bonds shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

For the purpose hereof:

**"Calculation Amount"** has the meaning ascribed to it in the applicable Final Terms;

"**Convertibility Event**" means the (indirect or direct) determination by government of the Netherlands, that the euro is substituted by another currency;

"**Established Rate**" means the rate for the conversion of the Old Currency into the New Currency as fixed by the government of the Netherlands;

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"**Redenomination Date**" means (i) in case of Fixed Rate Covered Bonds and Floating Rate Covered Bonds any date for payment of interest or redemption under the Covered Bonds, and (ii) in case of Zero Coupon Covered Bonds any date specified by the Issuer in the notice given to the Covered Bondholders pursuant to paragraph (a) above and which shall be the date the government of the Netherlands accepts payment in the New Currency as legal tender; and

"**Treaty**" means the treaty on the functioning of the European Union, as amended.

## 5. INTEREST

Each Fixed Rate Covered Bond and Floating Rate Covered Bond will bear the interest as set out in the applicable Final Terms. If after the Maturity Date the interest on a Series is switched from a fixed rate to a floating rate or vice versa, such Covered Bonds will become Floating Rate Covered Bonds or Fixed Rate Covered Bonds, as applicable.

### A. Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the interest commencement date as specified in the applicable Final Terms (or, if not specified in the applicable Final Terms, the Issue Date) (an "**Interest Commencement Date**") at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to (and including) the date as specified in the applicable Final Terms.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If interest is required to be calculated for a period starting or ending other than on an Interest Payment Date (the "**Interest Calculation Period**"), such interest shall be calculated by applying the Fixed Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the euro, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount.

For the purpose of these Terms and Conditions (unless defined otherwise in the relevant section or subsection):

"**Fixed Day Count Fraction**" means:

if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms for the relevant period, it means:

- (a) where the Interest Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Interest Calculation Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (b) where the Interest Calculation Period is longer than one Determination Period, the sum of:
  - (A) the actual number of days in such Interest Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (B) the actual number of days in such Interest Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

"**Determination Period**" means the period from and including an Interest Payment Date in any year up to but excluding the next Interest Payment Date;

if "**30/360**" is specified in the applicable Final Terms for the relevant period, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Fixed Interest Period is the 31st day of a month but the first day of the Fixed Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of the Fixed Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) divided by 360;

"**sub-unit**" means one cent;

"**Calculation Amount**" has the meaning ascribed to it in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, the Specified Denomination.

"**Fixed Interest Period**" means the period from and including an Interest Payment Date (or in the case of a first interest period, the Interest Commencement Date, or if such is not specified in the applicable Final Terms, the Issue Date) to but excluding the next or first Interest Payment Date;

"**Maturity Date**" means, subject to Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*) and Condition 7(d) (*Redemption of Covered Bonds at the option of the Covered Bondholders*), in respect of a Series of Covered Bonds, the relevant Interest Payment Date which falls no more than forty-seven (47) years after the Issue Date of such Series and on which the Covered Bonds of such Series are expected to be redeemed at their Principal Amount Outstanding in accordance with these Conditions, as specified in the applicable Final Terms;



and

**"Principal Amount Outstanding"** means, on any date, the principal amount of a Covered Bond on the relevant Issue Date, less the aggregate amount of any principal payments in respect of such Covered Bond which have been paid to the relevant Covered Bondholder on or prior to that date.

The applicable Final Terms shall contain provisions (if necessary) relating to the calculation of interest in respect of Interest Payment Dates that fall in the interval between the Issue Date and the First Interest Payment Date or the interval between the Maturity Date and the immediately preceding Interest Payment Date.

## **B. Interest on Floating Rate Covered Bonds**

### *(i) Interest Payment Dates*

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest, with a floor of zero per cent., payable in arrear on either:

- (a) the Specified Interest Payment Date(s) in each year; or
- (b) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an **"Interest Payment Date"**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. **"Interest Period"** shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention is specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(B)(i)(b) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (5) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If **"Unadjusted"** is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

In this Condition 5 (*Interest*), "**Business Day**" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (b) a day on which T2 is open for the settlement of payments in Euro. In these Terms and Conditions, "**T2**" means the real time gross settlement system operated by the Eurosystem or any successor or replacement of that system.

(ii) *Rate of Interest*

The rate of interest ("**Rate of Interest**") payable from time to time in respect of the Floating Rate Covered Bonds will be determined in the manner specified below and as determined in the applicable Final Terms and subject to any amendments, if any, resulting from any Benchmark Amendments pursuant to Condition 5(D) (*Benchmark Discontinuation*).

(a) *ISDA Determination for Floating Rate Covered Bonds*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) if '2006 ISDA Definitions' is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds or (ii) if '2021 ISDA Definitions' is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, as published by ISDA as at the Issue Date of the first Tranche of the Covered Bonds (each, as applicable, the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on EURIBOR, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), (i) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions, (ii) the definition of "**Banking Day**" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line before the word "general" and (iii) Eurozone means the region comprised of Member States that adopt the single currency in accordance with the Treaty.

When this sub-paragraph (a) applies, in respect of each relevant Interest Period the Principal Paying Agent will be deemed to have discharged its obligations under Condition 5(B)(iv) (*Determination of Rate of Interest and Calculation of Floating Interest Amounts*) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (a).

(b) *Screen Rate Determination for Floating Rate Covered Bonds not referencing Compounded Daily €STR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and unless the Reference Rate in respect of the Relevant Series of Floating Rate Covered Bonds is specified in the applicable Final Terms as being "Compounded Daily €STR", the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or, if the relevant Screen Rate is EURIBOR, to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent.

If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (b) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears on the relevant Screen Page or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph and in each case provided such event is not due to the occurrence of a Benchmark Event (as defined in Condition 5(D) (*Benchmark Discontinuation*)). If the Reference Rate cannot be determined because of the occurrence of a Benchmark Event, the Reference Rate shall be calculated in accordance with the terms of Condition 5(D) (*Benchmark Discontinuation*).

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(c) *Screen Rate Determination for Floating Rate Covered Bonds referencing Compounded Daily €STR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Covered Bonds is specified in the applicable Final Terms as being "Compounded Daily €STR", the Rate of Interest for an Interest Accrual Period will be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

"**Compounded Daily €STR**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily euro short-term rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_{i-p} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**d<sub>o</sub>**" is the number of TARGET Settlement Days in the relevant Interest Accrual Period;

"**ECB**" means the European Central Bank or any successor or substituting authority thereto;

"**i**" is a series of whole numbers from one to "d<sub>o</sub>", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in the relevant Interest Accrual Period to, and including, the last TARGET Settlement Day in the relevant Interest Accrual Period;

"**n<sub>i</sub>**", for any TARGET Settlement Day "i", means the number of calendar days from and including such TARGET Settlement Day "i" up to but excluding the following TARGET Settlement Day;

**"Observation Period"** means, in respect of each Interest Accrual Period, the period from and including the date falling "p" TARGET Settlement Days prior to the first calendar day of the relevant Interest Accrual Period and ending on, but excluding, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

**"p"** means for any Interest Accrual Period, the whole number of TARGET Settlement Days included in the Observation Look-back Period, as specified in the applicable Final Terms, being no less than five TARGET Settlement Days;

**"TARGET Settlement Day"** means any day on which T2 is open for the settlement of payments in Euro;

**"€STR Reference Rate"** means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as published by the ECB, as administrator of such rate (or any successor administrator of such rate), on the website of the ECB initially at <http://www.ecb.europa.eu>, or any successor website officially designated by the ECB (the "**ECB's Website**") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

**"€STR<sub>i-p</sub>"** means, in respect of any TARGET Settlement Day "i" falling in the relevant Interest Accrual Period, the €STR Reference Rate for the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i".

The following provisions apply in case the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above or if the Rate of Interest cannot otherwise be determined in accordance with the provisions set forth in these Terms and Conditions, respectively.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the ECB (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the ECB (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the ECB or another administrator) (the "**ECB Recommended Rate**"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "**EDFR**") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "**EDFR Spread**").

Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions the Rate of Interest shall be (i) that rate determined as at the last preceding Interest Determination Date (through substituting, where a

different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the last preceding Interest Accrual Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Covered Bonds for the first Interest Accrual Period had the Covered Bonds been in issue for a period equal in duration to the scheduled first interest Accrual Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

If the provisions of this Condition 5(ii)(c) fail to provide a means of determining the Rate of Interest, Condition 5(D) (*Benchmark Discontinuation*) shall apply.

As used in these Terms and Conditions, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Covered Bonds becomes due and payable in accordance with Condition 10 (*Events of Default and Enforcement*), shall be the date on which such Covered Bonds become due and payable).

If the relevant Series of Covered Bonds becomes due and payable in accordance with Condition 10 (*Events of Default and Enforcement*), the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Covered Bonds become so due and payable, and such Rate of Interest shall continue to apply to the Covered Bonds for so long as interest continues to accrue thereon as provided in Condition 5(B) (*Interest on Floating Rate Covered Bonds*).

For the purpose hereof:

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the ECB (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the ECB (or any successor administrator of €STR);

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

**"ECB Recommended Rate Index Cessation Effective Date"** means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(iii) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest. If no such rate is stated in the Final Terms, the Minimum Rate of Interest shall be deemed zero.

(iv) *Determination of Rate of Interest and Calculation of Floating Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Covered Bonds will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Floating Interest Amount**") payable on the Floating Rate Covered Bonds, in respect of each Calculation Amount for the relevant Interest Period. Each Floating Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the euro, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Covered Bond in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Floating Rate Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In this Condition 5 (*Interest*), "**Floating Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/365**" or "**Actual/Actual ISDA**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

where: 
$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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

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

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

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (v) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

Day Count Fraction =

where: 
$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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

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

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

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (vi) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (v) *Notification of Rate of Interest and Floating Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Floating Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Floating Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 14 (*Notices*). If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Floating Interest Amount but instead may publish only the Calculation Amount and the Floating Interest Amount in respect of the Covered Bond having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(B) (*Interest on Floating Rate Covered Bonds*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, if applicable, the other Paying Agents and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the CBC, the Covered Bondholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, if applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**C. Accrual of interest**

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

**D. Benchmark Discontinuation**

(i) *Independent Adviser*

If any Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer or, upon the service by the Security Trustee on the Issuer of an Issuer Acceleration Notice and on the CBC of a Notice to Pay, the CBC, shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining a Successor Rate, or, if a Successor Rate is not available, an Alternative Rate (in accordance with Condition 5(D)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(D)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 5(D)(iv) (*Benchmark Amendments*)). If the Issuer or the CBC, as the case may be, is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer or the CBC, as the case may be, fails to determine a Successor Rate or an Alternative Rate, the Issuer or the CBC, as the case may be, (acting in good faith and in a commercially reasonable manner) shall use reasonable endeavours to determine a Successor Rate, or, if a Successor Rate is not available, an Alternative Rate (in accordance with Condition 5(D)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(D)(iii) (*Adjustment Spread*)), and any Benchmark Amendments (in accordance with Condition 5(D)(iv) (*Benchmark Amendments*)). Without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments, as the case may be, the Issuer or the CBC, as the case may be, will take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

An Independent Adviser appointed pursuant to this Condition 5(D) (*Benchmark Discontinuation*) shall act in good



faith as an expert and (in the absence of wilful misconduct (*opzet*) or gross negligence (*grove nalatigheid*)) shall have no liability whatsoever to the Issuer, the CBC, any Paying Agent, the Calculation Agent, the Covered Bondholders or the Couponholders for any determination made by it or for any advice given to the Issuer or the CBC, as the case may be, in connection with any determination made by the Issuer or the CBC, as the case may be, pursuant to this Condition 5(D) (*Benchmark Discontinuation*).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser or the Issuer or the CBC, as the case may be, acting in good faith and in a commercially reasonable manner, determines that:

- (a) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(D)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 5(D) (*Benchmark Discontinuation*)) and be deemed to be the Original Reference Rate such that in case the Successor Rate were discontinued or otherwise unavailable, this would constitute a Benchmark Event; or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(D)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 5(D) (*Benchmark Discontinuation*)) and be deemed to be the Original Reference Rate such that in case the Alternative Rate were discontinued or otherwise unavailable, this would constitute a Benchmark Event.

(iii) *Adjustment Spread*

If the Independent Adviser or the Issuer or the CBC, as the case may be, acting in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(D) (*Benchmark Discontinuation*) and the Independent Adviser or the Issuer or the CBC, as the case may be, acting in good faith, determines (i) that amendments to these Conditions, the Covered Bonds, and/or the Transaction Documents are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer or the CBC, as the case may be, shall, subject to the consent of the Security Trustee and giving notice thereof in accordance with Condition 5(D)(v) (*Notices, etc.*), without any requirement for the consent or approval of Covered Bondholders, Couponholders or the Secured Creditors (other than the Secured Creditors which are a party to a Transaction Document which is to be varied) vary these Conditions, the Covered Bonds and/or the Transaction Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(D)(iv), the Issuer or the CBC, as the case may be, shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

Following any Benchmark Amendment, if it becomes generally accepted market practice in the area of publicly listed new issues of covered bonds which meet the criteria set out in Article 129 of CRR to use a benchmark rate of interest which is different from the Alternative Rate or the Successor Rate which had already been adopted by the Issuer or the CBC in respect of the Covered Bonds pursuant to any Benchmark Amendment, the Issuer or the CBC, as the case may be, is entitled to apply a further Benchmark Amendment in line with such generally accepted market practice pursuant to this Condition 5(D) (*Benchmark Discontinuation*).

Notwithstanding any other provision of this Condition 5(D) (*Benchmark Discontinuation*), the Issuer or the CBC, as the case may be, may decide that no Successor Rate, Alternative Rate or Adjustment Spread will be adopted,

nor any other variation to the Conditions, the Covered Bonds and/or the Transaction Documents will be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer or the CBC, as the case may be, the same could reasonably be expected to impact on the Regulated Status of the Covered Bonds.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(D) (*Benchmark Discontinuation*) shall be notified promptly by the Issuer or the CBC, as the case may be, to each Paying Agent, the Calculation Agent and, in accordance with Condition 14 (*Notices*), the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Successor Rate, the Alternative Rate, the Adjustment Spread (as applicable) and Benchmark Amendments, if any.

No later than notifying the Principal Paying Agent of the same, the Issuer or the CBC, as the case may be, shall deliver to the Principal Paying Agent and the Security Trustee, a certificate signed by two authorised signatories of the Issuer or the CBC, as the case may be:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(D) (*Benchmark Discontinuation*); and
- (b) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Principal Paying Agent shall make available such certificate at its specified office for inspection by the Covered Bondholders at all reasonable times during normal business hours.

The Successor Rate or the Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or the Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the CBC, the Principal Paying Agent, the Calculation Agent, the Paying Agents, the Covered Bondholders and the Couponholders.

Notwithstanding any other provision of this Condition 5(D) (*Benchmark Discontinuation*), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments, in the Principal Paying Agent's opinion there is any uncertainty regarding the course of action in making any determination or calculation under this Condition 5(D) (*Benchmark Discontinuation*), the Principal Paying Agent shall promptly notify the Issuer or the CBC, as the case may be, thereof and the Issuer or the CBC, as the case may be, shall direct the Principal Paying Agent in writing as to the appropriate course of action to adopt. If the Principal Paying Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer or the CBC, as the case may be, thereof and the Principal Paying Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer or the CBC, as the case may be, under Condition 5(D)(i) (*Independent Adviser*), (ii) (*Successor Rate or Alternative Rate*), (iii) (*Adjustment Spread*) and (iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in the Agency Agreement will continue to apply unless and until the Principal Paying Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 5(D)(v) (*Notices, etc.*).

For the purpose hereof:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer or the CBC, as the case may be, acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as

the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Covered Bondholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (b) the Independent Adviser or the Issuer or the CBC, as the case may be, determines, acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Independent Adviser or the Issuer or the CBC, as the case may be, determines that no such industry standard is recognised or acknowledged)
- (c) the Independent Adviser or the Issuer or the CBC, as the case may be, in its discretion, acting in good faith, determines to be appropriate.

**"Alternative Rate"** means an alternative to the Reference Rate which the Independent Adviser or the Issuer or the CBC, as the case may be, determines in accordance with Condition 5(D)(ii) (*Successor Rate or Alternative Rate*) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in euro.

**"Benchmark Amendments"** has the meaning given to it in Condition 5(D)(iv) (*Benchmark Amendments*).

**"Benchmark Event"** means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (e) a public statement made by the supervisor of the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative; or
- (f) it has become unlawful or otherwise prohibited for any Paying Agent, the Calculation Agent, the Issuer or the CBC, as the case may be, to calculate any payments due to be made to any Covered Bondholder using the Original Reference Rate or otherwise make use of the Original Reference Rate with respect to the Covered Bonds.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer or the CBC, as the case may be, under Condition 5(D)(i) (*Independent Adviser*).

**"Original Reference Rate"** means the originally-specified Reference Rate used to determine the Rate of Interest (or any component part thereof) on the Covered Bonds.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of

(w) the central bank for the currency to which the Reference Rate relates, (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 6. PAYMENTS

### (a) *Method of payment*

Subject as provided below, payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

In no event will payment be made by a cheque mailed to an address in the United States. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment in these Terms and Conditions, the Trust Deed, the Agency Agreement and the Final Terms, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental agreement thereto. References to euro will include any successor currency under Dutch law.

### (b) *Presentation of Definitive Covered Bonds and Coupons*

Payments of principal in respect of Definitive Covered Bonds will (subject as provided below) be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Covered Bonds, and payments of interest in respect of Definitive Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Fixed Rate Covered Bonds in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five (5) years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Covered Bond in definitive form becomes due and repayable in whole, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Covered Bond is presented for redemption without all unmatured Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

If the due date for redemption of any Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Covered Bond.

(c) *Payments in respect of Global Covered Bonds*

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Definitive Covered Bonds and otherwise in the manner specified in the relevant Global Covered Bond against presentation or surrender (as the case may be) of such Global Covered Bond at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Global Covered Bond by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made and in respect of a Global Covered Bond in NGN-form the payment is entered *pro rata* in the record of Euroclear and Clearstream, Luxembourg.

(d) *General provisions applicable to payments*

The holder of a Global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Issuer or the CBC and the Security Trustee will be discharged by payment to, or to the order of, the holder of such Global Covered Bond in respect of each amount so paid.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or Euroclear Nederland as the beneficial holder of a particular nominal amount of Covered Bonds represented by a Global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg or Euroclear Nederland, as the case may be, for his share of each payment so made by the Issuer or the CBC or the Security Trustee to, or to the order of, the holder of such Global Covered Bond.

(e) *Payment Day*

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which banks in Amsterdam, the Netherlands and the relevant place of presentation are open for presentation and payment of bearer securities and for dealing in foreign currencies; and
- (b) in the case of payment by transfer to an account, a day on which T2 is open for the settlement of payments in euro and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre.

(f) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the optional redemption amount(s) (if any) of the Covered Bonds as specified in the applicable Final Terms ("**Optional Redemption Amount**");
- (v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 7(e) (*Early Redemption Amounts*));
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds; and

- (vii) any Excess Proceeds which may be payable by the Security Trustee to either the CBC or the Covered Bondholders under or in respect of the Covered Bond.

Any reference in these Terms and Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

(g) *Set-off*

- (i) Any payments under or pursuant to the Covered Bonds shall be made by the Issuer free of set-off and withholding if so specified in the applicable Final Terms;
- (ii) If in the Final Terms "German Insurers" are indicated Applicable, each of the Issuer and the CBC hereby waives, for the benefit of all present and future holders of the Registered Covered Bonds issued in such Final Terms, any right to set-off (*verrekenen*, in German: *aufrechnen*) any amount against, any right to retain (*inhouden*, in German: *zurückbehalten*) any amount from, and any right of pledge (*pandrecht*, in German: *Pfandrecht*), including but not limited to any right of pledge created under the Issuer's General Banking Conditions with regard to, any amount it owes under or in respect of the Registered Covered Bonds.

If this waiver under this Condition 6(g)(ii) is applicable it applies as far as and as long as the Registered Covered Bonds are part of the security funds (*Sicherungsvermögen*) and the other restricted assets (*sonstiges gebundenes Vermögen*) within the meaning of section 54 of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*) in connection with the German Regulation on the Investment of the Restricted Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögen von Versicherungsunternehmen*) also in case of an insolvency and (ii) prevails over any present or future agreement with a conflicting content, save in the case of future agreements only, where such future agreement has a conflicting content which explicitly refers to this specific waiver.

## 7. REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below and subject to Condition 3 (*The Guarantee*), each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in euro on the Maturity Date (the "**Final Redemption Amount**").

(b) *Redemption for tax reasons*

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than thirty (30) nor more than sixty (60) days' notice to the Security Trustee and the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Security Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7(b) (*Redemption for tax reasons*), the Issuer shall deliver to the Security Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Security Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Covered Bondholders and the Couponholders.

Covered Bonds redeemed pursuant to this Condition 7(b) (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7(e) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If the Issuer is specified as having the option to redeem the Covered Bonds in the applicable Final Terms, the Issuer may, subject as provided in paragraph (e) below and having given:

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Covered Bondholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than fifteen (15) days before the giving of the notice referred to in (i), notice to the Security Trustee, the Principal Paying Agent, the CBC and the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any optional redemption date as specified in the applicable Final Terms ("**Optional Redemption Date**") and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date, provided that no Issuer Event of Default has occurred and is continuing.

If the Issuer is specified as having the option to redeem the Covered Bonds in the applicable Final Terms and it cannot exercise its option because an Issuer Event of Default has occurred and is continuing, then the CBC may declare with:

- (i) not less than five (5) (or if the notice period of the Issuer has been shortened to five (5) days' or less, the notice period will be one (1) day less than the minimum notice period for the Issuer) nor more than thirty (30) days' notice to the Covered Bondholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than five (5) days (or if the notice period of the Issuer has been shortened to five (5) days' or less, the notice period will be one (1) day less than the minimum notice period for the Issuer) before the giving of the notice referred to in (i), notice to the Security Trustee, the Principal Paying Agent, the Issuer and the Registrar;

that all of the Covered Bonds then outstanding of such Series will mature on the Optional Redemption Date as specified in the applicable Final Terms and at the Optional Redemption Amount(s) specified in the applicable Final Terms, and that the Maturity Date will be such Optional Redemption Date.

Any redemption pursuant to this Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*) must be of a nominal amount not less than the minimum redemption amount as specified in the applicable Final Terms and not more than the maximum redemption amount as specified in the applicable Final Terms, in each case as may be specified in the applicable Final Terms (and subject to Condition 3 (*The Guarantee*)). In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the "**Redeemed Covered Bonds**") will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and where applicable in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or Euroclear Nederland, in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than thirty (30) days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Covered Bonds (i) represented by Definitive Covered Bonds, a list of the serial numbers and (ii) in the case of Registered Covered Bonds, the nominal amount drawn and the holders thereof, of such Redeemed Covered Bonds will be published in accordance with Condition 14 (*Notices*) not less than fifteen (15) days prior to the date fixed for redemption. The

aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) at least five (5) days prior to the Selection Date.

If the option to redeem the Covered Bonds is exercised by the Issuer or the CBC has given a declaration that the Covered Bonds will mature on the Optional Redemption Date (each in accordance with this Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*)), then the Optional Redemption Date will for all purposes in all Transaction Documents be deemed to be the Maturity Date in respect of the Covered Bonds to which it applies instead of the Maturity Date specified as such in the applicable Final Terms to the extent of the amount redeemed or to be redeemed, as the case may be, on such date. The Extended Due for Payment Date in respect of such Covered Bonds will for all purposes in all Transaction Documents be deemed to be one (1) year after such new Maturity Date instead of the date included in the applicable Final Terms (unless in the section Issuer Call in the applicable Final Terms a specific date is included, in which case such date will apply).

If in the applicable Final Terms it is specified that the manner of determining the interest on some or all Covered Bonds of a Series switches to another manner of determining the interest as of the Maturity Date, such switch will occur on the Maturity Date as determined pursuant to the previous paragraph to the extent of the amount redeemed or to be redeemed, as the case may be, on such date.

(d) *Redemption of Covered Bonds at the option of the Covered Bondholders*

Subject as provided in paragraph (e) below, if the Covered Bondholders are specified in the applicable Final Terms as having an option to redeem, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 14 (*Notices*) not less than fifteen (15) nor more than thirty (30) days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Covered Bond is in definitive form, to exercise the right to require redemption of this Covered Bond its holder must deliver such Covered Bond at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7(d) (*Redemption of Covered Bonds at the option of the Covered Bondholders*).

If the option to redeem the Covered Bonds is exercised by the Covered Bondholders, then the Optional Redemption Date will for all purposes in all Transaction Documents be deemed to be the Maturity Date in respect of the Covered Bonds to which it applies instead of the Maturity Date specified as such in the applicable Final Terms to the extent of the amount redeemed or to be redeemed, as the case may be, on such date. The Extended Due for Payment Date in respect of such Covered Bonds will for all purposes in all Transaction Documents be deemed to be one (1) year after such new Maturity Date instead of the date included in the applicable Final Terms (unless in the section Issuer Call in the applicable Final Terms a specific date is included, in which case such date will apply).

If in the applicable Final Terms it is specified that the manner of determining the interest on some or all Covered Bonds of a Series switches to another manner of determining the interest as of the Maturity Date, such switch will occur on the Maturity Date as determined pursuant to the previous paragraph to the extent of the amount redeemed or to be redeemed, as the case may be, on such date.

(e) *Early Redemption Amounts*



For the purpose of paragraph (b) and (d) above and (i) below and Condition 10 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows (each, the relevant "**Early Redemption Amount**"):

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Covered Bond, at an amount (the "**Amortised Face Amount**") equal to the product of:
  - a. the Reference Price; and
  - b. the sum of the figure "1" and the Accrual Yield, raised to the power of x, where "x" is a fraction the numerator of which is equal to the number of days calculated on the basis of, if "Actual/Actual ISDA" is specified in the applicable Final Terms, the actual number of days in the relevant period and a year of 365 days (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bonds become due and repayable and the denominator of which is, if "Actual/Actual ISDA" is specified in the applicable Final Terms, 365 days (or, if any portion of the period falls in a leap year, the sum of (A) the actual number of days in that portion of the period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365).

(f) *Purchases*

The Issuer, the CBC and/or any member of the Van Lanschot Kempen Group may at any time purchase Covered Bonds (provided that, in the case of Definitive Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Covered Bondholders alike. Covered Bonds purchased in accordance with this Condition 7(f) (*Purchases*) may be held, reissued, resold or, at the option of the Issuer or the CBC and/or such member of the Van Lanschot Kempen Group, surrendered to any Paying Agent for cancellation.

(g) *Cancellation*

All Bearer Covered Bonds which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption).

(h) *Late payment on Zero Coupon Covered Bonds*

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to paragraph (a), (b) or (c) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five (5) calendar days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Principal Paying Agent or the Security Trustee and notice to that effect has been given to the Covered Bondholders in accordance with Condition 14 (*Notices*).

(i) *Redemption due to illegality*

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Security Trustee and the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), all Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Security Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make any payments under the Covered Bonds as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 7(i) (*Redemption due to illegality*) will be redeemed at their Early Redemption Amount referred to in Condition 7(e) (*Early Redemption Amounts*) above together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(j) *Certificate*

Prior to the publication of any notice of redemption pursuant to this Condition 7 (*Redemption and Purchase*), the Issuer shall deliver to the Security Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Security Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all Covered Bondholders.

## 8. TAXATION

(a) *General*

All payments of principal and interest in respect of the Covered Bonds and Coupons made by the Issuer will be made without withholding or deduction of any present or future taxes or duties of whatever nature (collectively "**Taxes**"), unless such withholding or deduction is required by law. In the event the withholding or deduction of such Taxes is imposed or levied by or on behalf of any Tax Jurisdiction, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond or Coupon presented for payment:

- (a) outside the Netherlands;
- (b) by, or by a third party on behalf of, a holder who is liable for such Taxes or duties in respect of such Covered Bond or Coupon by reason of having some connection with a Tax Jurisdiction other than the mere holding of such Covered Bond or Coupon;
- (c) more than thirty (30) calendar days after the Relevant Date, except to the extent that the holder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(e) (*Payment Day*));
- (d) by, or by a third party on behalf of, a Covered Bondholder who is subject to such Taxes pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

Payments by the CBC under the Guarantee will be made without withholding or deduction of any Taxes, unless such withholding or deduction is required by law. In such event, the CBC shall make the required withholding or deduction of such Taxes for the account of the holder of Covered Bonds or Coupons, as the case may be. Any amounts withheld or deducted by the CBC will be treated as paid for all purposes under the Guarantee and the CBC shall not pay any additional amounts to the holder of the Covered Bonds or Coupons in respect of any Taxes withheld or deducted.

For the purpose hereof:

**"Relevant Date"** means in relation to a payment, the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Security Trustee or the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 14 (*Notices*); and

**"Tax Jurisdiction"** means the European part of the Kingdom of the Netherlands or any political subdivision or any authority thereof or therein having power to tax.

(b) *FATCA Withholding*

Payments in respect of the Covered Bonds may be subject to FATCA Withholding. Any such FATCA Withholding will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid by the Issuer, the CBC, a Paying Agent, the Registrar or any other party on the Covered Bonds with respect to any such FATCA Withholding.

**9. PRESCRIPTION**

The Covered Bonds and Coupons will become void unless presented for payment within a period of five (5) years after the Relevant Date therefore.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 (*Prescription*) or Condition 6(b) (*Presentation of Definitive Covered Bonds and Coupons*) or any Talon which would be void pursuant to Condition 6(b) (*Presentation of Definitive Covered Bonds and Coupons*).

**10. EVENTS OF DEFAULT AND ENFORCEMENT**

(a) *Issuer Events of Default*

Pursuant to the Trust Deed the Security Trustee at its discretion may, and in relation to the defaults set out in subparagraphs (i) and (v) below, or if so directed by a Programme Resolution of the Covered Bonds shall, give an Issuer Acceleration Notice (subject in each case to being indemnified and/or secured to its satisfaction), if any of the following events (each an "**Issuer Event of Default**") shall occur and be continuing:

- (i) a default is made by the Issuer for a period of seven (7) calendar days or more in the payment of any principal or redemption amount of the Covered Bonds of any Series when due, or for a period of fourteen (14) calendar days or more in the payment of any interest of the Covered Bonds of any Series when due; or
- (ii) a default is made in the performance by the Issuer of any material obligation (other than any obligation for the payment of principal, redemption amount or interest in respect of the Covered Bonds of any Series) under the provisions of the Covered Bonds of any Series or the Trust Deed or any other Transaction Document to which the Issuer is a party which (unless certified by the Security Trustee, in its opinion, to be incapable of remedy) shall continue for more than thirty (30) calendar days after written notification requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied, shall have been given to the Issuer by the Security Trustee in accordance with the Trust Deed; or
- (iii) an order is made or an effective resolution passed for the dissolution or winding up of the Issuer (except a dissolution or winding up for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, the terms of which have previously been approved by an Extraordinary Resolution (as defined below) of the Covered Bondholders or which has been effected in compliance with the terms of Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*)); or
- (iv) a liquidator, receiver or other similar officer is appointed in relation to the Issuer or in relation to the whole of its assets; or the Issuer initiates or consents to judicial proceedings relating to its bankruptcy

(*faillissement*) or equivalent or analogous proceedings under any applicable law, or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition (*akkoord*) with, its creditors generally; or

- (v) the Issuer is adjudged or found bankrupt (*failliet*) or equivalent or analogous judgments or measures under any applicable law are imposed on the Issuer,

provided that in case an event described in paragraph (ii) above shall occur, the Security Trustee shall only deliver an Issuer Acceleration Notice if it shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Upon delivery of an Issuer Acceleration Notice pursuant to this Condition 10(a) (*Issuer Events of Default*), the Security Trustee shall forthwith serve a Notice to Pay on the CBC pursuant to the Guarantee and the CBC shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Security Trustee may or shall take such proceedings against the Issuer in accordance with the first paragraph of Condition 10(c) (*Enforcement*).

The Trust Deed provides that the Excess Proceeds may be paid by the Security Trustee to the CBC and shall be held by the CBC in the CBC Account and shall be used by the CBC in the same manner as all other moneys from time to time standing to the credit of the CBC Account. Any Excess Proceeds received by the Security Trustee shall discharge the obligations of the Issuer in respect of the Covered Bonds and Coupons for an amount equal to such Excess Proceeds. The Security Trustee shall not be required to pay such amounts to the CBC. However, the receipt by the Security Trustee of any Excess Proceeds shall not reduce or discharge any of the obligations of the CBC under the Guarantee.

For the purpose hereof:

**"Issuer Acceleration Notice"** means a notice from the Security Trustee in writing to the Issuer that each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable as against the Issuer (but not against the CBC) at its Early Redemption Amount together with accrued interest as provided in the Trust Deed.

(b) *CBC Events of Default*

The Security Trustee at its discretion may, and, if so directed by a Programme Resolution, shall give a CBC Acceleration Notice (subject in each case to being indemnified and/or secured to its satisfaction), if any of the following events (each a **"CBC Event of Default"**) shall occur and be continuing:

- (i) a default is made by the CBC under the Guarantee for a period of seven (7) calendar days or more in the payment of any principal or redemption amount of the Covered Bonds of any Series when due, or for a period of fourteen (14) calendar days or more in the payment of any interest of the Covered Bonds of any Series when due; or
- (ii) a default is made in the performance or observance by the CBC of any material obligation binding upon it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Trust Deed, the Pledge Agreements or any other Transaction Document to which the CBC is a party which (unless certified by the Security Trustee, in its opinion, to be incapable of remedy) shall continue for more than thirty (30) calendar days after written notification requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied shall have been given to the CBC by the Security Trustee in accordance with the Trust Deed; or
- (iii) an order is made or an effective resolution passed for the dissolution or winding up of the CBC; or
- (iv) the CBC ceases to carry on its business or substantially all its business; or

- (v) a liquidator, receiver or other similar officer is appointed in relation to the CBC or in relation to the whole or any major part of its assets or a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) or other process is levied or enforced upon or sued out against the whole or any major part of its assets or the CBC initiates or consents to judicial proceedings relating to its bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*), or equivalent or analogous proceedings under any applicable law, or makes a conveyance, assignment or equivalent or assignation for the benefit of, or shall enter into any composition (*akkoord*) with, its creditors generally; or
- (vi) the CBC is adjudged or found bankrupt (*failliet*) or equivalent or analogous judgments or measures under any applicable law, are imposed on the CBC; or
- (vii) the Guarantee is not, or is claimed by the CBC not to be, in full force and effect; or
- (viii) the Amortisation Test as set out in the Asset Monitoring Agreement is not satisfied on any Calculation Date following the service of a Notice to Pay,

provided that in case an event described in paragraph (ii) above shall occur, the Security Trustee shall only deliver a CBC Acceleration Notice if it shall have certified in writing to the CBC that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Following the occurrence of a CBC Event of Default which is continuing and service of a CBC Acceleration Notice, the Security shall become enforceable and the Security Trustee may or shall take proceedings or steps against the Issuer and the CBC in accordance with Condition 10(c) (*Enforcement*) and the Covered Bondholders shall have a claim against the CBC, under the Guarantee, for the Early Redemption Amount together with accrued interest as provided in the Trust Deed in respect of each Covered Bond.

For the purpose hereof:

**"Calculation Date"** means the date falling two (2) Business Days before each CBC Payment Date. The "relevant" Calculation Date in respect of any Calculation Period will be the first Calculation Date falling after the end of that period and the "relevant" Calculation Date in respect of any CBC Payment Date will be the last Calculation Date prior to that CBC Payment Date.

**"Calculation Period"** means the period from the Programme Date to the last day of March 2022 and thereafter, each period from (and including) the first day of each month to the last day of that same month.

**"CBC Acceleration Notice"** means a notice from the Security Trustee in writing to the CBC, copied to the Issuer, that each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and, through the Guarantee, as against the CBC, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed and after delivery of such CBC Acceleration Notice, the Security shall become enforceable.

**"CBC Payment Date"** means the seventeenth (17<sup>th</sup>) day of each month or, if such day is not a Business Day, the next following Business Day unless it would thereby fall into the next calendar month, in which event such CBC Payment Date shall be brought forward to the immediately preceding Business Day.

(c) *Enforcement*

The Security Trustee may at any time after service of an Issuer Acceleration Notice (in the case of the Issuer) or a CBC Acceleration Notice (in the case of both the Issuer and the CBC), at its discretion and without further notice, take such proceedings in accordance with the relevant provisions under Dutch law against the Issuer and/or the CBC, as the case may be, to enforce the Security, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds or the Coupons, the Security or any other Transaction Document unless (i) it shall have been so directed by a Programme Resolution and (ii) it shall have been indemnified and/or secured to its satisfaction.

(d) *No action by Covered Bondholders or Couponholders*

Subject to the provisions of the Trust Deed, only the Security Trustee may enforce the provisions of the Covered Bonds and the Transaction Documents. Neither the Covered Bondholders nor any other person shall be entitled to proceed directly against the Issuer or the CBC to enforce any provision of the Covered Bonds and/or the Transaction Documents, unless the Security Trustee fails to take any steps to enforce the Security in accordance with the Trust Deed within a reasonable time and such failure is continuing. All limitations and restrictions imposed under or by virtue of the Trust Deed, the Covered Bonds or any other Transaction Document on the Security Trustee in relation to the enforcement of rights and the availability of remedies, shall *mutatis mutandis* also fully apply to such Secured Creditors.

Neither the Covered Bondholders nor the Security Trustee may institute against, or join any person in instituting any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding against the CBC until the expiry of a period of at least one (1) year after the latest maturing Covered Bond is paid in full. The only remedy of the Security Trustee against the CBC after a CBC Acceleration Notice has been given pursuant to this Condition 10 (*Events of Default and Enforcement*) is to enforce the Security.

(e) *Limited Recourse*

The recourse of the Covered Bondholders and the Couponholders against the CBC pursuant to the Guarantee is limited. Covered Bondholders will have a right of recourse (*verhaalsrecht*) only in respect of the Security and will not have any claim, by operation of law or otherwise, against, or recourse to any of the CBC's other assets.

No amounts under the Covered Bonds and the Transaction Documents shall be due and payable by the CBC or, as the case may be, the Security Trustee, except (i) in accordance with the Trust Deed and (ii) unless and until all amounts thereby required to be paid in priority thereto have been paid or discharged in full.

In the event that the Security has been fully enforced and the proceeds of such enforcement and any other amounts received by the Security Trustee, after payment of all claims ranking in priority to any Covered Bonds or Coupons of any Series in accordance with the Trust Deed, are insufficient to pay in full all amounts outstanding in respect of the Covered Bonds or Coupons, then the Covered Bondholders or Couponholders shall have no further claim against the CBC or the Security Trustee in respect of such unpaid amount.

## 11. REPLACEMENT OF COVERED BONDS, COUPONS AND TALONS

Should any Covered Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

## 12. PAYING AGENTS AND REGISTRAR

The names of the initial Paying Agents and the Registrar and their initial specified offices are set out in the Base Prospectus.

The Issuer or the CBC, as the case may be, is entitled, with the prior written approval of the Security Trustee (such approval not to be unreasonably withheld or delayed), to vary or terminate the appointment of any Paying Agent and the Registrar and/or appoint additional or other Paying Agents or Registrars and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) as long as any Registered Covered Bonds are outstanding, there will at all times be a Registrar; and
- (c) so long as the Covered Bonds are listed, quoted and/or traded on or by any competent listing authority, on any stock exchange or quotation system, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant competent authority or stock exchange.

Any variation, termination, appointment or change shall only take effect (other than in the case of a bankruptcy, an insolvency or any equivalent or analogous proceeding, when it shall be of immediate effect) after not less than

thirty (30) nor more than forty-five (45) days' prior notice thereof shall have been given to the Covered Bondholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Paying Agents and the Registrar act solely as agents of the Issuer and the CBC and, in certain circumstances specified therein, of the Security Trustee and do not assume any obligation to, or relationship of agency with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent or the Registrar is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent or registrar.

### **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date or the Specified Interest Payment Date or the Specified Period, as the case may be, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date or the Specified Interest Payment Date or for the Specified Period (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

### **14. NOTICES**

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Definitive Covered Bonds or Registered Covered Bonds) with the relative Covered Bond or Covered Bonds, with the Principal Paying Agent and/or Registrar.

Until any Definitive Covered Bonds are issued and as long as the Global Covered Bond(s) is or are held in its or their entirety with a depository or a common depository or a common safekeeper on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or with Euroclear Nederland, any notice may also be made via such depository or such common depository or such common safekeeper on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system and/or with Euroclear Nederland (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit). Any such notice shall be deemed to have been given to the Covered Bondholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or Euroclear Nederland and/or any other relevant clearing system.

In case Definitive Covered Bonds are issued or in case the Global Covered Bond(s) is or are no longer held in its or their entirety with a depository or a common depository or a common safekeeper on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or with Euroclear Nederland, all notices regarding the Covered Bonds shall be published in a daily newspaper of wide circulation in the Netherlands and in the English language in the Financial Times or such other newspaper of wide circulation in Europe and, as long as the Covered Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, such notice shall be published in such place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system.

### **15. MEETINGS OF COVERED BONDHOLDERS, MODIFICATION AND WAIVER**

The Trust Deed contains provisions for convening physical and virtual meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds of such Series or the related Coupons or of any of the Transaction Documents (subject as provided below and in the Trust Deed). Such a meeting may be convened by the Issuer and the CBC (acting together) or the Security Trustee and shall be convened by the Issuer if required in writing by Covered Bondholders of a Series holding not less than fifteen (15) per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being remaining outstanding. The quorum at any such meeting in respect of any Series for passing an Extraordinary Resolution (other than a Programme Resolution to be taken by an Extraordinary Resolution) is: one or more persons holding or representing not less than seventy-five (75) per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of such

Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented.

Any modification of the Covered Bonds of a Series, which the Security Trustee deems to be materially prejudicial to the interest of Covered Bondholders of other Series, may not become effective, unless the Covered Bondholders of such other Series of Covered Bonds have agreed thereto.

An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders and Couponholders of such Series, whether or not they are present at the meeting, and on all Couponholders in respect of such Series. Pursuant to the Trust Deed, the Security Trustee may convene a single meeting of the Covered Bondholders of more than one Series if in the opinion of the Security Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the preceding paragraphs of this Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*), any resolution to direct the Security Trustee (i) to accelerate the Covered Bonds pursuant to Condition 10 (*Events of Default and Enforcement*); (ii) to take any enforcement action, or (iii) to remove or replace the Security Trustee's Director shall only be capable of being passed by a Programme Resolution. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the CBC or the Security Trustee or by Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution (including by means of an Extraordinary Resolution) is one or more persons holding or representing more than fifty (50) per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Couponholders in respect of such Series.

The Security Trustee, the Issuer and the CBC may also agree without the consent of the Covered Bondholders or Couponholders of any Series and without the consent of the Secured Creditors (other than the Secured Creditors which are a party to a Transaction Document which is to be modified), to:

- (a) any modification of the Covered Bonds of one or more Series, the related Coupons or any Transaction Document and/or designate further creditors as Secured Creditors, provided that (i) in the opinion of the Security Trustee such modification or designation is not materially prejudicial to the interests of any of the Covered Bondholders or Couponholders of any Series or any of the other Secured Creditors (other than the CBC) (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor), (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (iii) the Rating Agency has been notified in respect of such modification; or
- (b) any modification of the Covered Bonds of any one or more Series, the related Coupons or any Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error or an error established as such to the satisfaction of the Security Trustee or to comply with its EMIR obligations or to comply with mandatory provisions of law; or
- (c) any modification to the Covered Bonds of one or more Series, any related Coupons and Talons, and/or any Transaction Documents, required or necessary in connection with any change, after the relevant Issue Date, to any laws or regulation (including but not limited to the laws and regulations of the Netherlands and the European Union) applicable or relevant with respect to covered bonds (*gedekte obligaties*) to ensure that the Issuer, the CBC and/or Covered Bondholders enjoy the full benefits of such legislation, provided that (i) in the sole opinion of the Security Trustee such modification is not materially prejudicial to interest of any of the Covered Bondholders or any of the other Secured Creditors and (ii) it has notified the Rating Agency in respect of such modification; or
- (d) any modification to the Transaction Documents which are in the opinion of the Issuer and the Security Trustee necessary in order to transfer title (and if applicable obligations) in respect of Eligible Assets to the



CBC and/or to create security in respect thereof in favour of the Security Trustee, provided that (i) in the opinion of the Security Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders or Couponholders of any Series or any of the other Secured Creditors (other than the CBC) (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor), (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (iii) the Rating Agency has been notified in respect of such modification; or

- (e) any modification to the Eligibility Criteria which is in the opinion of the Security Trustee not materially prejudicial to the interests of the existing Covered Bondholders or Couponholders of any Series, provided that the Rating Agency has been notified in respect of such modification; or
- (f) any modification to the Conditions pursuant to Condition 5(D) (*Benchmark Discontinuation*) to vary the method or basis of calculating any Floating Interest Amount in respect of the Covered Bonds or for any other modification of the Conditions, the Covered Bonds and/or the Transaction Documents required to be made in the circumstances described in Condition 5(D) (*Benchmark Discontinuation*), where the Issuer has delivered to the Agent a certificate pursuant to Condition 5(D)(v) (*Notices, etc.*) or in connection with an €STR Index Cessation Event or an ECB Recommended Rate Index Cessation Event, as the case may be, in accordance with the procedures set forth in Condition 5(B)(ii)(c) (*Screen Rate Determination for Floating Rate Covered Bonds referencing Compounded Daily €STR*), provided that the Rating Agency has been notified in respect of such modification; or
- (g) the replacement of a Rating Agency by another internationally recognised Rating Agency or the appointment of an additional internationally recognised Rating Agency; or
- (h) the accession of any New Transferor, provided that (i) the conditions for such accession as set out in the Programme Agreement have been met and (ii) it has received Rating Agency Confirmation in respect of such accession.

The Security Trustee may also agree, without the consent of the Covered Bondholders of any Series and/or Couponholders and without the consent of any other Secured Creditors, to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series or the Transaction Documents, or determine, without any such consent as aforesaid, that any Issuer Event of Default or CBC Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Security Trustee, materially prejudicial to the interests of any of the Secured Creditors (in which respect the Security Trustee may (without further enquiry) rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor) provided that (i) the Security Trustee has not been informed by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (ii) the Rating Agency has been notified in respect of such waiver, authorisation or determination.

Any such modification, waiver, authorisation or determination shall be binding on all Covered Bondholders of all Series for the time being outstanding, the related Couponholders and the other Secured Creditors and, unless the Security Trustee otherwise agrees, any such modification, waiver, authorisation or determination will be notified by the Issuer to the Covered Bondholders or Couponholders of all Series for the time being outstanding, the other Secured Creditors and the Rating Agency in accordance with the relevant Terms and Conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Security Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder or Couponholder be entitled to claim, from the Issuer, the CBC, the Security

Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders or Couponholders, except to the extent already provided for in Condition 8 (*Taxation*) and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

The Security Trustee shall, as regards all the powers, authorities, duties and discretions vested in it by the Covered Bonds or the other Transaction Documents or, except where expressly provided otherwise, have regard to the interests of both the Covered Bondholders and the other Secured Creditors, but if, in the Security Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests of each Secured Creditor, including, but not limited to, the Covered Bondholders, in accordance with the relevant Priority of Payments.

The Issuer may, without the consent of the Covered Bondholders of any Series or any Coupons relating thereto, or any other Secured Creditor consolidate with, merge or amalgamate into or transfer their respective assets substantially as an entirety to, any corporation organised under Dutch law, or any political subdivision thereof, provided that (i) a certificate of two authorised signatories of the Issuer and the CBC is delivered to the Security Trustee to the effect that immediately after giving effect to such transaction no Issuer Event of Default and no CBC Event of Default, respectively, will have happened and be continuing and (ii) unless the Issuer is the surviving entity, the Issuer shall procure that the surviving or transferee company assumes its obligations as Issuer under the Trust Deed, each other Transaction Document and all of the outstanding Covered Bonds of all Series, in place of the Issuer and (iii) in the case of an assumption of the obligations of the Issuer by a successor or transferee company, the Guarantee of the CBC is fully effective on the same basis in relation to the obligations of such successor or transferee company and (iv) certain other conditions set out in the Trust Deed are met. Upon the assumption of the obligations of the Issuer by such surviving or transferee company, the predecessor Issuer shall (subject to the provisions of the Trust Deed) have no further liabilities under or in respect of the Trust Deed or the outstanding Covered Bonds of each Series then outstanding or any Coupons appertaining thereto and the other Transaction Documents. Any such assumption shall be subject to the relevant provisions of the Trust Deed. The Trust Deed provides that any such assumption shall be notified to the holders of all Series in accordance with the relevant terms and conditions of such Covered Bonds and the other Secured Creditors.

For the purpose hereof:

**"Extraordinary Resolution"** means a resolution adopted at a (virtual or physical) meeting duly convened and held in accordance with the provisions for meetings or a written resolution of Covered Bondholders as set out in the Trust Deed, by not less than two-thirds of the votes cast.

**"Programme Resolution"** means either:

- (a) a written resolution of the holders of not less than fifty (50) per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding as if they were a single Series; or
- (b) an Extraordinary Resolution (with the Covered Bonds of all Series taken together as a single Series).

**"Security Trustee's Director"** means IQ EQ Structured Finance B.V. and/or such other person(s) who may be appointed as director(s) (*bestuurder*) of the Security Trustee from time to time.

## 16. SECURITY TRUSTEE

The Trust Deed contains provisions for the indemnification of the Security Trustee and for the Security Trustee's relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured to its satisfaction.

The Security Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Transferred Assets, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Security Trustee. The Security Trustee will not be responsible for (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring

the Transferred Assets, including, without limitation, whether the Transferred Assets are in compliance with the Asset Cover Test or the Amortisation Test; or (iv) monitoring whether Mortgage Receivables (and any other Transferred Assets) satisfy the applicable Eligibility Criteria or such other criteria as may be agreed with the CBC and provided that the Rating Agency has been notified in relation to other Transferred Assets. The Security Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the security rights and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the security rights it holds and the Transaction Documents.

## 17. SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, subject to Rating Agency Confirmation and without the consent of the Covered Bondholders or Couponholders in respect of each Series of Covered Bonds on which no payment of principal of or interest on any of the Covered Bonds is in default and after written approval of DNB, be replaced and substituted by any Substituted Debtor as principal debtor in respect of the Covered Bonds and the relative Coupons provided that:
- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Covered Bondholder and Couponholder to be bound by the Terms and Conditions of the Covered Bonds and the provisions of the Transaction Documents as fully as if the Substituted Debtor had been named in the Covered Bonds, and the relative Coupons and the Transaction Documents as the principal debtor in respect of the Covered Bonds and the relevant Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Substituted Debtors Guarantee**") in favour of each Covered Bondholder and each holder of the relative Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 8 (*Taxation*)) payable in respect of the Covered Bonds and the relative Coupons;
  - (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Covered Bondholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 (*Taxation*) with the substitution for the references to the Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Covered Bondholder and Couponholder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition 17 (*Substitution of the Issuer*) and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Covered Bondholder or Couponholder by any political sub-division or taxing authority of any country in which such Covered Bondholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
  - (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Covered Bondholder;
  - (iv) each stock exchange which has Covered Bonds listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Covered Bonds would continue to be listed on such stock exchange;
  - (v) the Substituted Debtor shall have delivered to the Security Trustee or procured the delivery to the Security Trustee of a legal opinion from a reputable law firm in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Covered Bonds and Coupons will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three (3) days prior to the date of substitution of the Substituted Debtor

for the Issuer and to be available for inspection by Covered Bondholders and Couponholders at the specified office of the Principal Paying Agent;

- (vi) the Issuer shall have delivered to the Security Trustee or procured the delivery to the Security Trustee of a legal opinion from a reputable Dutch law firm to the effect that the Documents (including the Substituted Debtors Guarantee) will constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Covered Bondholders and Couponholders at the specified office of the Principal Paying Agent; and
  - (vii) the Issuer shall have delivered to the Security Trustee or procured the delivery to the Security Trustee of a legal opinion from a reputable Dutch law firm to the effect that the Documents (including the Substituted Debtors Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three (3) days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Covered Bondholders and Couponholders at the specified office of the Principal Paying Agent.
- (b) In connection with any substitution effected pursuant to this Condition 17 (*Substitution of the Issuer*), neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Covered Bondholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Covered Bondholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Covered Bonds and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
  - (c) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Covered Bonds and the relative Coupons as the principal debtor in place of the Issuer and the Covered Bonds and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Covered Bonds and the relative Coupons save that prior to such release the Issuer shall be liable for any claims under the Covered Bonds and the relative Coupons for the benefit of Covered Bondholders and Couponholders.
  - (d) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Covered Bonds or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Covered Bondholder or Couponholder in relation to the Covered Bonds or the relative Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Covered Bondholder and Couponholder to the production of the Documents for the enforcement of any of the Covered Bonds or the relative Coupons or the Documents.
  - (e) As soon as reasonably practicable and not later than fifteen (15) Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Covered Bondholders in accordance with Condition 14 (*Notices*).

## **18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders or the Couponholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## **19. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

The Covered Bonds and the Transaction Documents (except for the Swap Agreements, if any) are governed by, and will be construed in accordance with, Dutch law. The Swap Agreements, if any, are governed by English law.

Any disputes arising out of or in connection with the Covered Bonds, including any disputes relating to any non-contractual obligations arising out of or in connection with the Covered Bonds shall be submitted to the exclusive jurisdiction of the competent courts of Amsterdam, the Netherlands.

## 20. TERMS AND CONDITIONS OF REGISTERED COVERED BONDS

- (a) If the applicable Final Terms specify that Registered Covered Bonds are issued, then the following terms and conditions shall apply in addition to the terms and conditions set out in Conditions 1 to and including 19 above. In the event of any inconsistency between Conditions 1 to and including 19 and this Condition 20 (*Terms and Conditions of Registered Covered Bonds*), this Condition 20 (*Terms and Conditions of Registered Covered Bonds*) will prevail with regard to Registered Covered Bonds.
- (b) Registered Covered Bonds are registered claims (*vorderingen op naam*) which will be issued to each holder by a Registered Covered Bonds Deed. The holder of a Registered Covered Bond is the creditor of the relevant registered claim and "**Covered Bondholder**" shall be construed accordingly, provided that if the provision at the end of Condition 20(c) applies, the transferee shall, from the moment the transfer takes effect be treated as a Covered Bondholder for all purposes, without prejudice to any entitlement of the transferor pursuant to Condition 20(e).
- (c) Under Dutch law, the valid transfer of Covered Bonds requires, among other things, delivery (*levering*) thereof, which in the case of Registered Covered Bonds is effected by assignment (*cessie*) of both the rights under the Registered Covered Bonds and the corresponding rights under the Guarantee by execution of a deed of assignment (*akte*) between the transferor and the transferee and notification (*mededeling*) thereof to the Issuer and the CBC and the Registrar. A form of deed of assignment and notification is attached to each Registered Covered Bonds Deed. Registered Covered Bonds may be transferred in whole, but not in part, provided that the transferor and transferee may otherwise agree in the relevant assignment deed in respect of amounts that have accrued but not yet been paid in respect of the period up to the relevant transfer.
- (d) The Issuer shall procure that a register be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). The Registrar shall register details of any holder of Registered Covered Bonds in the Register and amend the Register to reflect any transfer and/or redemption of Registered Covered Bonds.
- (e) Payments of principal, interest (if any) and any other amounts in respect of Registered Covered Bonds will be made to the person shown on the Register as being entitled to the relevant amount of principal or interest or other amount at the close of business of the Business Day prior to the due date of such payments (the "**Record Date**"). If any Registered Covered Bondholder transfers any Registered Covered Bonds in accordance with Condition 20(c) and the Trust Deed and such transfer is notified to the Issuer and the CBC prior to the Record Date, the Issuer, the CBC and the Security Trustee will in respect of the Registered Covered Bond so transferred, be discharged from their respective payment obligations only by payment to or to the order of the transferee. If the notification of transfer of the relevant Registered Covered Bond is made after the Record Date, (i) the risk that the transfer is not timely recorded in the Register is borne by the transferee and (ii) the Issuer, the CBC, the Security Trustee, the Registrar and the relevant Paying Agent shall not be liable as a result of any payment being made to the person shown in the Register in accordance with this Condition 20.
- (f) Notices to holders of Registered Covered Bonds shall be mailed, e-mailed or faxed to them at their respective addresses as recorded in the Register and shall be deemed to have been given on the fourth Business Day (being a day other than a Saturday or a Sunday) following the date of mailing, e-mailing or faxing in case the actual receipt of the mail, e-mail or fax has not occurred by then.

## TAXATION IN THE NETHERLANDS

### TAX WARNING

Potential investors and sellers of Covered Bonds should be aware that they may be required to pay documentation taxes (commonly referred to as stamp duties) or fiscal duties or charges in accordance with the laws and practices of the country or other jurisdiction where the Covered Bonds are transferred or other jurisdictions. In addition, payments of interest on the Covered Bonds, or income derived from the Covered Bonds, may become subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Covered Bonds, or in other jurisdictions in which the holder of Covered Bonds is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Covered Bonds.

**Prospective investors should carefully consider the tax consequences of investing in the Covered Bonds and consult their own tax advisor about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.**

### MATERIAL DUTCH TAX CONSIDERATIONS

#### *General*

The following summary describes certain material Dutch tax consequences of the acquisition, holding, redemption and disposal of Covered Bonds, which term, for the purpose of this summary, includes Coupons and Talons. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a Covered Bondholder or prospective Covered Bondholder and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date of this Securities Note, including, for the avoidance of doubt, the tax rates, tax brackets and deemed returns applicable on the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this section, which will not be updated to reflect such change. Where this summary refers to "the Netherlands" or "Dutch" it refers only to the part of the Kingdom of the Netherlands located in Europe.

This summary is for general information purposes only and is not Dutch tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding, redemption and disposal of the Covered Bonds. Covered Bondholders or prospective Covered Bondholders should consult their own tax advisers regarding the tax consequences relating to the acquisition, holding, redemption and disposal of the Covered Bonds in light of their particular circumstances.

#### **Withholding Tax**

All payments of principal and interest made by or on behalf of the Issuer under the Covered Bonds may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, except that Dutch withholding tax at a rate of 25.8 per cent. (rate for 2024) may apply with respect to payments of interest made or deemed to be made by or on behalf of the Issuer, if the interest payments are made or deemed to be made to an entity related (*gelieerd*) to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021; *Wet bronbelasting 2021*) (see below), if such related entity:

- (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) (a "**Listed Jurisdiction**"); or
- (ii) has a permanent establishment located in a Listed Jurisdiction to which the interest payment is attributable; or

- (iii) is entitled to the interest payment with the main purpose or one of the main purposes of avoiding taxation for another person or entity and there is an artificial arrangement or transaction or a series of artificial arrangements or transactions; or
- (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another entity as the recipient of the interest (a hybrid mismatch); or
- (v) is not resident in any jurisdiction (also a hybrid mismatch); or
- (vi) is a reverse hybrid (within the meaning of Article 2(12) of the Dutch Corporate Income Tax Act; *Wet op de vennootschapsbelasting 1969*), if and to the extent (x) there is a participant in the reverse hybrid holding a Qualifying Interest in the reverse hybrid, (y) the jurisdiction of residence of the participant holding the Qualifying Interest in the reverse hybrid treats the reverse hybrid as transparent for tax purposes and (z) such participant would have been subject to Dutch withholding tax in respect of the payments of interest without the interposition of the reverse hybrid, all within the meaning of the Dutch Withholding Tax Act 2021.

#### *Related entity*

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered an entity related to the Issuer if:

- (i) such entity has a Qualifying Interest (as defined below) in the Issuer;
- (ii) the Issuer has a Qualifying Interest in such entity; or
- (iii) a third party has a Qualifying Interest in both the Issuer and such entity.

The term "**Qualifying Interest**" means a directly or indirectly held interest – either by an entity individually or jointly if an entity is part of a collaborating group (*samenwerkende groep*) – that enables such entity or such collaborating group to exercise a definite influence over another entity's decisions and allows it to determine the other entity's activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (*vrijheid van vestiging*)).

#### **Taxes on income and capital gains**

Please note that the summary in this section does not describe the Dutch tax consequences for:

- (i) a holder of Covered Bonds if such holder has a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of an individual, together with such holder's partner (for Dutch income tax purposes), or any relatives by blood or marriage in the direct line (including foster children), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits or to 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), tax exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (each as defined in the Dutch Corporate Income Tax Act 1969) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and
- (iii) Covered Bondholders who are individuals for whom the Covered Bonds or any benefit derived from the Covered Bonds are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001).

#### *Dutch Resident Entities*

Generally speaking, if the Covered Bondholder is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a "**Dutch Resident Entity**"), any income derived or deemed to be derived from the Covered Bonds or any capital gains realised on the disposal or deemed disposal of the Covered Bonds is subject to Dutch corporate income tax at a rate of 19 (nineteen) per cent. with respect to taxable profits up to EUR 200,000 and 25.8 per cent. with respect to taxable profits in excess of that amount (rates and brackets for 2024).

#### *Dutch Resident Individuals*

If a Covered Bondholder is an individual, resident or deemed to be resident of the Netherlands for Dutch personal income tax purposes (a "**Dutch Resident Individual**"), any income derived or deemed to be derived from the Covered Bonds or any capital gains realised on the disposal or deemed disposal of the Covered Bonds is subject to the Dutch personal income tax at progressive rates (with a maximum of 49.5 per cent. in 2024), if:

- (a) the Covered Bonds are attributable to an enterprise from which the Covered Bondholder derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or
- (b) the Covered Bondholder is considered to perform activities with respect to the Covered Bonds that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or otherwise derives benefits from the Covered Bonds that are taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*).

#### *Income from savings and investments*

If the abovementioned conditions (a) and (b) do not apply to the Dutch Resident Individual, the Covered Bonds will be subject to an annual Dutch income tax under the regime for savings and investments (*inkomen uit sparen en beleggen*). Taxation only occurs insofar the Dutch Resident Individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*), which is EUR 57,000 for 2024. The net investment assets for the year are the fair market value of the investment assets less the fair market value of the liabilities on 1 January of the relevant calendar year (reference date; *peildatum*). Actual income or capital gains realised in respect of the Covered Bonds are as such not subject to Dutch income tax.

The Dutch Resident Individual's assets and liabilities taxed under this regime, including the Covered Bonds, are allocated over the following three categories: (a) bank savings (*banktegoeden*), (b) other investments (*overige bezittingen*), including the Covered Bonds, and (c) liabilities (*schulden*). The taxable benefit for the year (*voordeel uit sparen en beleggen*) is equal to the product of (x) the total deemed return divided by the sum of bank savings, other investments and liabilities and (y) the sum of bank savings, other investments and liabilities minus the statutory threshold, and is taxed at a flat rate of 36 per cent. (rate for 2024).

The deemed return applicable to other investments, including the Covered Bonds, is set at 6.04 per cent. for the calendar year 2024. Transactions in the three-month period before and after 1 January of the relevant calendar year implemented to arbitrate between the deemed return percentages applicable to bank savings, other investments and liabilities will for this purpose be ignored if the holder of Covered Bonds cannot sufficiently demonstrate that such transactions are implemented for other than tax reasons.

On 6 June 2024, the Dutch Supreme Court (*Hoge Raad*) ruled that the current Dutch income tax regime for savings and investments in certain specific circumstances contravenes with Section 1 of the First Protocol to the European Convention on Human Rights in combination with Section 14 of the European Convention on Human Rights (the "Rulings"). This is, in short, the case in the event the deemed return on the investment assets exceeds the actual return realized in respect thereof (calculated in line with the rules set out in the Rulings and successfully demonstrated by the taxpayer). Covered Bondholders are advised to consult their own tax advisor to ensure that the tax in respect of the Covered Bonds is levied in accordance with the applicable Dutch tax rules at the relevant time.

#### *Non-residents of the Netherlands*

A Covered Bondholder that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch (corporate) income tax in respect of any income derived from or deemed to be derived from the Covered Bonds or in respect of any capital gains realised on the disposal or deemed disposal of the Covered Bonds, provided that:



- (a) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969, as applicable) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Covered Bonds are attributable; and
- (b) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Covered Bonds that go beyond ordinary asset management and does not otherwise derive benefits from the Covered Bonds that are taxable as benefits from miscellaneous activities in the Netherlands.

### **Gift and inheritance taxes**

#### *Residents of the Netherlands*

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Covered Bonds by way of a gift by, or on the death of, a holder of such Covered Bonds who is resident or deemed resident of the Netherlands at the time of the gift or such holder's death.

#### *Non-residents of the Netherlands*

No gift or inheritance taxes will arise in the Netherlands with respect to the transfer of Covered Bonds by way of a gift by, or on the death of, a Covered Bondholder who is neither resident nor deemed to be resident of the Netherlands, unless:

- (a) in the case of a gift of a Covered Bond by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 calendar days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- (b) in the case of a gift of a Covered Bond is made under a condition precedent, the holder of the Covered Bonds is resident or is deemed to be resident of the Netherlands at the time the condition is fulfilled; or
- (c) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten (10) years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve (12) months preceding the date of the gift. Applicable tax treaties may override deemed residency.

### **Value added tax (VAT)**

No Dutch VAT will be payable by a holder of Covered Bonds on (i) any payment in consideration for the issue of the Covered Bonds or (ii) the payment of interest or principal by the Issuer under the Covered Bonds.

### **Stamp duties**

No Dutch documentation taxes (commonly referred to as stamp duties) will be payable by a holder of Covered Bonds in respect of (i) the issue of the Covered Bonds or (ii) the payment of interest or principal by the Issuer under the Covered Bonds.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement, agreed with the Issuer and the CBC a basis upon which such Dealers or any of them may from time to time agree to purchase Covered Bonds. Any such agreement will extend to those matters stated under section 4 (*Covered Bonds*) under '*Terms and Conditions of Covered Bonds*' and '*Form of Covered Bonds*'. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Covered Bonds under the Programme.

### Prohibition of Sales to EEA Retail Investors

The Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

### Prohibition of sales to UK Retail Investors

The Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the laws of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the FSMA 2000 and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the laws of the UK by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the laws of the UK by virtue of the EUWA; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

### *Other UK selling restrictions*

The Dealers have represented and agreed and each further Dealer appointed will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA 2000) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA 2000 does not or, would not, if it was not an authorised person, apply to the Issuer or the CBC; and
- (b) it has complied and will comply with all applicable provisions of the FSMA 2000 with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

## France

Each of the Dealers has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, Covered Bonds in France (a) to qualified investors (*investisseurs qualifiés*) other than individuals and (b) to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case, acting for their own account, all as defined in, and in accordance with article L.411-2 1° and D.411-4 of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors the Base Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds.

## Italy

The offering of the Covered Bonds has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Covered Bond in the Republic of Italy in an offer to the public and that sales of the Covered Bonds in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Covered Bond or distribute copies of the Base Prospectus and any other document relating to the Covered Bonds in the Republic of Italy except:

- (1) to "qualified investors", as defined in the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February, 1998, as amended (the "**Financial Law**") and/or Italian CONSOB regulations; or
- (2) in any other circumstances which are exempted from the rules on public offerings pursuant to the Prospectus Regulation and in accordance with any applicable Italian laws and regulations.

Any such offer, sale or delivery of the Covered Bonds or distribution of copies of the Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy as amended; and
- (c) in compliance with any other applicable laws and regulations or notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

### *Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, in any subsequent distribution of the Covered Bonds in the Republic of Italy, the Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of Decree No. 58 provides that where the Covered Bonds are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Covered Bonds who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Covered Bonds were purchased, unless an exemption provided for under the Prospectus Regulation or Decree No. 58 applies.

## United States

The Covered Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the U.S. or other jurisdiction of the U.S. The Covered Bonds may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**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 or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons (as defined in Regulation S) outside the U.S. in reliance on Regulation S.

The Covered Bonds are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations promulgated thereunder.

The Dealers have represented and agreed, and each further Dealer appointed will be required to represent and agree, that it will offer, sell or deliver the Covered Bonds (i) as part of its distribution at any time and (ii) otherwise until forty (40) days after the completion of the distribution of all Covered Bonds of which such Covered Bonds are a part, as determined and notified as provided below only in accordance with Rule 903 Regulation S. Accordingly, the Dealers had further represented and agreed that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Covered Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. The Dealers who have subscribed for Covered Bonds of a Tranche hereunder (or in the case of a sale of a Tranche of Covered Bonds issued to or through more than one Dealer, each of such Dealers as to the Covered Bonds of such Tranche subscribed for by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Agent the completion of the distribution by it of the Covered Bonds of such Tranche. On the basis of such notification or notifications, the Agent will notify such Dealer/Lead Manager of the end of the distribution compliance period (as defined in Regulation S) with respect to such Tranche. The Dealers have also represented and agreed, and each further Dealer appointed will be required to represent and agree, that at or prior to confirmation of sale of Covered Bonds it will have sent to each distributor, Dealer or person receiving a selling concession, fee or other remuneration to which it sells Covered Bonds during the distribution compliance period (as defined in Regulation S), a confirmation or other notice to substantially the following effect:

*"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the securities as determined and notified by the Agent for the securities to the [name of the relevant Dealer], except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S."*

Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of Covered Bonds comprising any Tranche, any offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

### **Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and the Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used in this paragraph means any person resident in Japan, including any corporation or other entity organised under the laws of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **The Netherlands/All issues**

The Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that as long as it does not have the benefit of a licence or exemption as an investment firm of the relevant type pursuant to the Wft, it shall not offer any Covered Bonds or distribute the Base Prospectus, the Registration Document or any circulars, offer documents or information relating to the Issuer or the Covered Bonds in the Netherlands.

## **Belgium**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Covered Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

## **Zero Coupon Covered Bonds**

The Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that Zero Coupon Covered Bonds (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations, provided that no such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Covered Bond in global form, or (b) in respect of the initial issue of Zero Coupon Covered Bonds in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Covered Bonds in definitive form between individuals not acting in the conduct of a business or profession or (d) in respect of the transfer and acceptance of such Zero Coupon Covered Bonds within, from or into the Netherlands if all Zero Coupon Covered Bonds (either in definitive form or as rights representing an interest in a Zero Coupon Covered Bond in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

## **General**

The Dealers have agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Covered Bonds or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds 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 neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Dealers shall represent, nor any further Dealer appointed will be required to represent, that Covered Bonds 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 such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions set out in the applicable Final Terms.

**USE OF PROCEEDS**

The net proceeds from each issue of Covered Bonds will be used by the Issuer for (i) its general corporate purposes or (ii) such other purposes as further specified in the applicable Final Terms. If in respect of any particular issue there is an identified use of proceeds, this will be stated in the applicable Final Terms.

## CREDIT RATINGS

For the first issue of Covered Bonds under the Programme, the Covered Bonds were assigned an 'AAA' rating by S&P. Each further issue of a Series of Covered Bonds will have ratings equal to the then current rating assigned to the outstanding Series of Covered Bonds.

### S&P Credit Rating Definitions

*The following text is an extract from S&P Global Rating as published by S&P on 9 June 2023.*

### Long-Term Issue Credit Ratings

Long-Term Issue Credit Ratings*	
Category	Definition
AAA	An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.
AA	An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.
A	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.
BBB	An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.
BB, B, CCC, CC, and C	Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.
BB	An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.
B	An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.

CCC	An obligation rated 'CCC' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.
CC	An obligation rated 'CC' is currently highly vulnerable to nonpayment. The 'CC' rating is used when a default has not yet occurred but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
C	An obligation rated 'C' is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared with obligations that are rated higher.
D	An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within the next five business days in the absence of a stated grace period or within the earlier of the stated grace period or the next 30 calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to 'D' if it is subject to a distressed debt restructuring

**\*Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.**

### Short-Term Issue Credit Ratings

Short-Term Issue Credit Ratings	
Category	Definition
A-1	A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.
A-2	A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.
A-3	A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken an obligor's capacity to meet its financial commitments on the obligation.



- B** A short-term obligation rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties that could lead to the obligor's inadequate capacity to meet its financial commitments.
- C** A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation.
- D** A short-term obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to 'D' if it is subject to a distressed debt restructuring

## **CREDITWATCH, RATING OUTLOOKS, LOCAL CURRENCY AND FOREIGN CURRENCY RATINGS**

The following section explains CreditWatch and rating outlooks and how they are used. Additionally, this section explains local currency and foreign currency ratings.

### **A. CreditWatch**

CreditWatch highlights S&P's opinion regarding the potential direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P Global Ratings' analytical staff. Ratings may be placed on CreditWatch under the following circumstances:

- When an event has occurred or, in S&P's view, a deviation from an expected trend has occurred or is expected and when additional information is necessary to evaluate the current rating. Events and short-term trends may include mergers, recapitalizations, voter referendums, regulatory actions, performance deterioration of securitized assets, or anticipated operating developments.
- When S&P believes there has been a material change in performance of an issue or issuer, but the magnitude of the rating impact has not been fully determined, and S&P believes that a rating change is likely in the short-term. For example, a group of transactions may be placed under such surveillance as the result of identified performance deterioration until S&P complete its analysis of the magnitude of the rating impact, normally within 90 days.
- A change in criteria has been adopted that necessitates a review of an entire sector or multiple transactions and S&P believes that a rating change is likely in the short-term.

A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of potential alternative ratings will be shown. CreditWatch is not intended to include all ratings under review. A CreditWatch carries one of the following designations to indicate the potential direction of a rating:

- Positive: a rating may be raised.
- Negative: a rating may be lowered.
- Developing: a rating may be raised, lowered, or affirmed.

## **B. Rating Outlooks**

An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term, which is generally up to two years for investment grade and generally up to one year for speculative grade. In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. An outlook can be one of the following.

- Positive: a rating may be raised.
- Negative: a rating may be lowered.
- Stable: a rating is not likely to change.
- Developing: a rating may be raised, lowered, or affirmed.

## DESCRIPTION OF DUTCH COVERED BOND REGULATIONS

### *Description of the Dutch Covered Bond Regulations*

The new Dutch covered bonds legislation effective as of 8 July 2022 is based on and implements the Covered Bond Directive in the Netherlands and replaces the former Dutch covered bonds regulations which were applicable as of 1 January 2015. The new Dutch covered bonds legislation which implements the Covered Bond Directive is set out in the CB Regulations. The impact of the differences between the CB Regulations and the former Dutch covered bonds legislation is considered to be relatively limited for Dutch banks issuing covered bonds and their related covered bond programmes.

The CB Regulations apply to covered bonds which are issued by a licensed bank in the Netherlands and are secured by cover assets within the meaning of the CB Regulations. Dutch banks cannot issue covered bonds without the approval of DNB. DNB has published and will publish on its website a list including all Dutch banks which may issue covered bonds under their covered bond programme(s) and a list including all covered bonds with the 'European Covered Bond (Premium)' label. The issuance of a covered bond and the legal transfer of cover assets, like any other issuance of debt instruments and legal transfer of assets, are further subject to the provisions of the Dutch Civil Code and the Dutch Bankruptcy Code (*Faillissementswet*).

The CB Regulations include various requirements relating to issuers, dual recourse, asset segregation, owners of the asset pool, pool monitoring, eligible assets and the contractual arrangements made in respect of such assets. The CB Regulations also require sufficient cover assets to be available for holders of covered bonds and prescribe that the payment obligations under the covered bonds are not subject to automatic acceleration upon the insolvency of the issuer.

Certain aspects of the CB Regulations are further summarised below.

### *Asset segregation*

The CB Regulations require an issuer of covered bonds to ensure that cover assets forming part of the relevant covered bonds programme are segregated from the issuer whereby principal and interest proceeds deriving from such cover assets will be available in priority to holders of covered bonds and other creditors under the relevant covered bonds programme (Article 40e of the Decree). Under the Programme, the Issuer has and will from time to time transfer Eligible Assets to the CBC enabling the CBC to issue the Guarantee in respect of the Covered Bonds issued by the Issuer under the Programme. The CBC will make payments to the Covered Bondholders and its other creditors in accordance with the CBC Priority of Payments as described in more detail in section 14 (*Cash Flows*).

### *Eligible assets*

Under the CB Regulations covered bonds may only be secured by assets that are eligible pursuant to Article 129 CRR to secure covered bonds. Other assets that on the basis of the Covered Bond Directive may be eligible to secure covered bonds, are currently not allowed under the CB Regulations.

Article 40f of the Decree requires that at least 80 per cent. of the cover pool shall include one of the cover assets set out in Article 129(1)(a)-(g) CRR as primary assets. Up to 20 per cent. of the cover pool may include one or more of the other cover assets set out in Article 129(1)(a)-(g) CRR. The value of the cover assets is calculated at nominal value, taking into account the restrictions set out in Article 129(1)-(3) CRR. The Eligibility Criteria require that the Issuer only includes loans secured by residential property as primary assets and the definition of Substitution Assets complies with the CB Regulations.

Article 40h of the Decree requires that, if an issuer uses tangible assets to collateralise eligible cover assets as set out in Article 129(1)(d)-(g) CRR, it shall ensure compliance with Article 208 CRR and that these tangible assets are valued at or below market or mortgage value as set out in Article 4(1)(76) or (74) CRR and the valuation thereof has been done by a valuation agent which complies with Article 6(5)(b) and (c) of the Covered Bond Directive (whereby some further context on these requirements has been set out in the explanatory notes accompanying the CB Regulations).

### *Coverage requirements*

Article 40g of the Decree requires that the nominal value of the claims for payment attached to the cover assets held by the covered bond company is at least equal to the nominal value of the liabilities under the covered bonds, which liabilities include at least the interest and principal payment obligations under outstanding covered bonds, any payment obligations attached to derivative contracts and the expected costs related to maintenance and administration for the winding-down of the covered bond programme. A lump sum calculation is allowed for the calculation of the expected costs for an

amount equal to the higher of (a) 4 basis points of the aggregate nominal value of the outstanding covered bonds and (b) EUR 400,000.

In addition, the nominal value of the eligible cover assets must be at least equal to the nominal value of the outstanding covered bonds with a minimum level of overcollateralisation of 5 per cent. This means that the nominal value of the eligible cover assets must be 105 per cent. of the aggregate nominal value of the outstanding covered bonds under the relevant covered bond programme. The cover assets that contribute to the 5 per cent. overcollateralisation are subject to the restrictions set out in Article 129(1)-(3) CRR like other eligible cover assets (provided that with respect to the cover assets contributing to the 5 per cent. overcollateralisation the limitations on the size of the exposures as set out in Article 129(1a) CRR do not apply, see Article 40g subsection 6 of the Decree).

As part of the Programme, the Issuer undertakes that as part of the Asset Cover Test it will meet the requirements pursuant to the CB Regulations in respect of the collateralisation (and overcollateralisation) of the Covered Bonds, including, that (i) the First Regulatory Current Balance Amount is at least equal to 105 per cent. (or such other percentage as may be required from time to time under the CB Regulations) of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month or immediately preceding calendar month, as applicable, all as calculated on the immediately succeeding Calculation Date and (ii) the Second Regulatory Current Balance Amount is at least equal to 100 per cent. (or such other percentage as may be required from time to time under the CB Regulations) of the nominal value of the obligations under the Covered Bonds, which include repayment of principal, payment of interest, payment obligations under derivative contracts and expected costs related to maintenance and administration for the winding-down of the Programme, at the end of such calendar month or immediately preceding calendar month, as applicable, all as calculated on the immediately succeeding Calculation Date (see section 12 (*Asset Monitoring*)).

#### *Liquidity buffer*

Article 40k of the Decree requires an issuer of covered bonds to ensure that the cover pool at all times includes a liquidity buffer to cover the net liquidity outflow of the relevant covered bond programme. The liquidity buffer shall cover a maximum cumulative net liquidity outflow over the next 180 day-period and shall take into account all payment outflows falling due on a day, including principal and interest payments and payments under derivative contracts of the covered bond programme (if any), net of all payment inflows falling due on the same day for claims related to the cover assets.

In case the maturity of covered bonds can be extended under the covered bond programme (see below), for the calculation of the net liquidity outflow it shall be assumed that the principal amount of the covered bonds is to be repaid on the extended maturity date.

The Issuer will comply with this requirement by ensuring that the Mandatory Liquidity Required Amount will be deposited on the Reserve Account.

Uncollateralised claims where a default is considered to have occurred pursuant to Article 178 of the CRR are not included in the legislative coverage tests and cannot contribute to the liquidity buffer. Mortgage Receivables are not uncollateralised claims as long as these are secured by mortgage rights on assets and defaulted claims under mortgage receivables will therefore normally be collateralised and continue to contribute to the coverage tests as included in Article 40g of the Decree regardless of such default.

#### *Derivative contracts*

The CB Regulations allow for derivative contracts to form part of a covered bond programme to the extent it contributes to manage the risk for covered bondholders, is properly documented, cannot be terminated when the issuer becomes insolvent or, subject to resolution measures, is entered into with a financial counterparty that is subject to supervision, and is subject to collateralisation or counterparty replacement requirements upon loss of certain ratings of the counterparty (Article 40j of the Decree).

#### *Cover pool monitor*

Article 40n of the Decree requires an issuer of covered bonds to appoint either:

- a cover pool monitor which shall be separate and independent from the issuer and from that issuer's external auditor; or

- an internal cover pool monitor, which may include the issuer's external auditor, which is independent from the credit approval processes of the issuer, cannot be removed without the prior approval of the supervisory board of the issuer and such internal cover pool monitor has direct access to such supervisory board.

Pursuant to Article 40n, the cover pool monitor shall at least on an annual basis monitor whether the covered bond programme and/or the issuer complies with the CB Regulations. If an internal cover pool monitor is appointed (which may be the external auditor of the issuer or an internal department of the issuer), then the issuer's external auditor, or another external auditor appointed by the issuer, shall at least monitor the coverage ratio and the liquidity buffer requirements as set out in Articles 40g and 40k of the Decree. Pursuant to subsection 5 of Article 40n of the Decree, an issuer of covered bonds shall report annually to DNB on the results of the audit with regard to Articles 40g and 40k of the Decree.

In the explanatory notes accompanying the CB Regulations it is clarified that the option to appoint an internal cover pool monitor is also intended to allow for the continuation of the existing contractual and practical arrangements which have been set up by the Dutch covered bond issuers in this respect prior to the CB Regulations entering into force.

#### *Extendable maturity structures*

Pursuant to Article 40m of the Decree, an issuer of covered bonds may issue covered bonds with an extendable maturity date in case such extension is included in the contractual arrangements of the covered bond programme prior to the first issue of covered bonds thereunder and provided such extension may not be at the discretion of the issuer of covered bonds and may only occur in one or more of the following events under (a) and one or more of the events under (b):

- (a) the issuer defaults in its obligations, including its payment obligations, or is subject to a bankruptcy, liquidation, a dissolution, a restructuring of its debts, any composition with its creditors or any special resolution measures; and
- (b) the covered bond company which owns the cover assets does not have sufficient funds to repay the principal sum outstanding under the covered bonds on their maturity date or the covered bond company does not meet the legal or any other contractual requirements in relation to safeguarding of the coverage.

The CB Regulations provide that in case of an insolvency or resolution of the issuer, the maturity extensions must not affect the ranking of covered bondholders or their dual recourse rights or invert the sequencing of the covered bond programme's original maturity schedule.

In the explanatory notes accompanying the CB Regulations it is clarified that if an issuer of covered bonds extends the maturity of a covered bond, DNB has no supervisory role in this regard. However, DNB must be informed in a timely manner if an issuer of covered bonds intends to extend the maturity of a covered bond.

#### *Investor information*

Article 14 of the Covered Bond Directive (as implemented in article 3:33ba subsection 1 of the Wft) requires issuers of covered bonds to provide investors at least on a quarterly basis with information that is sufficiently detailed to allow investors to assess the profile and risks of that covered bond programme and to carry out their due diligence. The Issuer shall make this information available on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library> (see also section 16 (*General Information*) under '12').

Also, Article 40p of the Decree provides for ongoing reporting obligations towards DNB.

#### *Implementation of Member State options in the Netherlands*

The below table lists whether and how Member State options included in the Covered Bond Directive have been implemented in the Netherlands by means of the CB Regulations:

<b>Covered Bond Directive</b>	<b>CB Regulations</b>
Article 4(3) ( <i>Different ranking of claims for specialised mortgage credit institutions</i> ) →	Not implemented
Article 7 ( <i>Collateral assets outside the European</i> ) →	Physical cover assets must be located within the

<i>Union)</i>		European Union or EEA
Article 8 ( <i>Intragroup pooled covered bond structures</i> )	→	Not implemented
Article 9(3) ( <i>Assets that are originated by an undertaking other than a bank</i> )	→	Not implemented
Article 13 ( <i>Cover pool monitor</i> )	→	Cover pool monitor must be appointed
Article 15 ( <i>Coverage requirements</i> )	→	Valuation and calculation principles based on nominal values
Article 15 ( <i>Overcollateralisation requirement</i> )	→	Yes, 5 per cent.
Article 15(6)-(7) ( <i>Coverage requirements calculations based on other principles than the nominal principle</i> )	→	Not implemented
Article 16(3) ( <i>Further restrictions for the types of liquid assets</i> )	→	No restriction  Calculation of the principal for extendable maturity structures to be based on the extended due for payment date
Article 16(6) ( <i>Exemption for match funding requirements</i> )	→	Not implemented
Article 17 ( <i>Conditions for extendable maturity structures</i> )	→	Issue of covered bonds with extendable maturity date permitted subject to conditions
Article 20(2)-(3) ( <i>Appointment of a special administrator</i> )	→	Not implemented, no appointment of special administrator

*Compliance with the CB Regulations and the 'European Covered Bond (Premium)' label*

The Programme complies with the CB Regulations and as of 8 July 2022 the Issuer is required to comply with the rules of the CB Regulations with respect to Covered Bonds issued after such date. As the Issuer has elected to amend the Programme to comply with the CB Regulations as a whole, the CB Regulations also apply with respect to Covered Bonds issued before 8 July 2022. As a result, the Issuer is also required to comply with the rules of the CB Regulations with respect to Covered Bonds issued prior thereto and transitional measures based on Article III of the Decree and Article 30 of the Covered Bond Directive apply. Therefore all Covered Bonds issued prior to and after this date must comply with the CB Regulations and shall therefore have the 'European Covered Bond (Premium)' label. With respect to Covered Bonds issued under the Programme the Covered Bondholder can, subject to satisfaction of the other requirements for such benefits, enjoy the benefits of the CRR.

In the Trust Deed, the Issuer has undertaken to use its best efforts to procure that the Covered Bonds that have obtained the Regulated Status, will keep the Regulated Status until their Maturity Date or any earlier date on which such Covered Bonds have been redeemed in full.

The "best efforts" undertakings set out in this section shall no longer apply if, as a result of a change in laws or regulations, Dutch residential mortgage receivables are insufficient for collateralisation of the Covered Bonds to keep the Regulated Status or are no longer eligible to collateralise covered bonds under the CRR.

## 5. ASSET BACKED GUARANTEE

### GUARANTEE

Pursuant to the Guarantee, if (i) an Issuer Acceleration Notice and a Notice to Pay are served or (ii) a CBC Acceleration Notice is served, the CBC will be liable to pay Guaranteed Amounts when the same become Due for Payment or, if applicable, on the Extended Due for Payment Date. Following the service of an Issuer Acceleration Notice on the Issuer, the Security Trustee shall serve a Notice to Pay on the CBC.

All payments of Guaranteed Amounts by or on behalf of the CBC will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law. In such event, the CBC will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The CBC will not be obliged to pay any additional amount to the Security Trustee or any Covered Bondholder in respect of the amount of such withholding or deduction.

Payments in respect of the Covered Bonds might be subject to FATCA Withholding. Any FATCA Withholding will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid on the Covered Bonds with respect to any FATCA Withholding.

An Extended Due for Payment Date will apply to each Series of Covered Bonds to be issued under the Programme.

In respect of each Series, if the CBC is obliged under the Guarantee to pay a Guaranteed Final Redemption Amount, then:

- (a) the obligation of the CBC to pay the Guaranteed Final Redemption Amount shall be deferred to, and shall under the Guarantee be due on, the Extended Due for Payment Date, unless on the Extension Date or any subsequent Interest Payment Date which applies pursuant to paragraph (b) below and which falls prior to the Extended Due for Payment Date, any moneys are available to the CBC to be paid (or reserved for payment of principal on any Series of Covered Bonds), after the CBC shall under the relevant Priority of Payments have paid or provided for (1) all higher ranking amounts and (2) all Guaranteed Final Redemption Amounts pertaining to any Series with an Extended Due for Payment Date falling prior to the CBC Payment Period in which the Extended Due for Payment Date for this Series falls, then the CBC shall (a) give notice thereof to the relevant Covered Bondholders (in accordance with Condition 14 (*Notices*)), the Rating Agency, the Security Trustee, the Principal Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event on the Extension Date (whereby such notice shall be deemed to have been given on the first Business Day following the date on which such notice was given by the CBC to the relevant clearing system) or at least two (2) Business Days prior to such Interest Payment Date, respectively, and (b) apply such remaining available moneys in payment, in whole or in part, of the Guaranteed Final Redemption Amount pertaining to a Series of Covered Bonds with an Extended Due for Payment Date falling in the same CBC Payment Period in which the Extended Due for Payment Date for this Series falls, if applicable *pro rata* by reference to the Principal Amount Outstanding of such Covered Bonds (and to such extent the Guaranteed Final Redemption Amount shall for the purpose of the relevant Priority of Payments and all other purposes be due) on such Extension Date and/or such Interest Payment Date, respectively; and
- (b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount, which shall accrue and be payable on the basis set out in the applicable Final Terms or, if not set out therein, Condition 5 (*Interest*), provided that for this purpose all references in Condition 5 (*Interest*) to the Maturity Date are deemed to be references to the Extended Due for Payment Date, *mutatis mutandis*,

all without prejudice to the CBC's obligation to pay any other Guaranteed Amount (i.e. other than the Guaranteed Final Redemption Amount) when Due for Payment.

Failure by the CBC to pay Guaranteed Final Redemption Amounts or the balance thereof, as the case may be, on the Extended Due for Payment Date and/or pay the other Guaranteed Amounts on any Scheduled Payment Date or the Extended Due for Payment Date will (subject to any applicable grace period) be a CBC Event of Default.

Under Dutch law an independent guarantee like the Guarantee is normally regarded as an independent claim and not

an accessory right (*afhankelijk recht*) and is unlikely to be an ancillary right (*nevenrecht*) that by operation of law follows the receivables it secures upon transfer thereof. The Issuer and the CBC have been advised that, in the case of Bearer Covered Bonds, such a transfer of the Guarantee can be accomplished by ensuring that the Guarantee forms an integral part of the Covered Bonds. For this reason the Guarantee and the Covered Bonds will provide that the rights under the Guarantee (a) form an integral part of the Covered Bonds, (b) are of interest to a Covered Bondholder only if, to the extent that, and for so long as, it holds Covered Bonds and (c) can only be transferred together with all other rights under the relevant Covered Bond. The Issuer and the CBC have been advised that as a result, in case of a transfer of a Covered Bond to a transferee by way of book-entry transfer (*girale overboeking*) or physical transfer of a Bearer Covered Bond, such transfer includes the corresponding rights under the Guarantee according and subject to any applicable laws, rules and regulations of the relevant clearing system. For Registered Covered Bonds, the rights under the Guarantee are to be separately assigned, together with the corresponding rights under the relevant Registered Covered Bonds.



## SECURITY

### Parallel Debt

In the Parallel Debt Agreement the CBC has irrevocably and unconditionally undertaken to pay to the Security Trustee (the "**Parallel Debt**") an amount equal to the aggregate amount due (*verschuldigd*) by it (i) to the Covered Bondholders under the Covered Bonds, (ii) as fees or other remuneration to the Directors under the Management Agreements, (iii) as fees and expenses to the Servicer under the Servicing Agreement, (iv) as fees and expenses to the Administrator under the Administration Agreement, (v) as fees and expenses to the Paying Agents and the Registrar under the Agency Agreement, (vi) as fees and expenses to the Calculation Agent under the Calculation Agency Agreement, (vii) to the Swap Counterparties under the Swap Agreements (if any), (viii) as fees and expenses to the Asset Monitor under the Asset Monitor Appointment Agreement, (ix) to the CBC Account Bank under the CBC Account Agreement, (x) to the Subordinated Loan Provider, (xi) to the Transferor, and (xii) to such other party as may be designated by the Security Trustee as secured creditor. The Parallel Debt constitutes a separate and independent obligation of the CBC and represents the Security Trustee's own separate and independent claim (*eigen en zelfstandige vordering*) to receive payment of the Parallel Debt from the CBC. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the CBC to the Secured Creditors shall be reduced by an amount equal to the amount so received.

### Pledge Agreements - distribution of proceeds

The Parallel Debt is secured by the first ranking security rights created under the Pledge Agreements. To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Creditors in accordance with the Post CBC Acceleration Notice Priority of Payments, save for Swap Collateral. The amounts due to the Secured Creditors will, broadly, be equal to amounts recovered (*verhaald*) by the Security Trustee on the Mortgage Receivables and other assets pledged to the Security Trustee under any Security Trustee Receivables Pledge Agreement, any Security Trustee Rights Pledge Agreement and any other Pledge Agreements, excluding Swap Collateral.

### Security in favour of the Security Trustee in respect of the Mortgage Receivables

Pursuant to the Security Trustee Receivables Pledge Agreement the CBC has undertaken to vest a right of pledge in favour of the Security Trustee on the Mortgage Receivables and the Beneficiary Rights immediately following the transfer thereof to the CBC, which will secure the payment obligations of the CBC to the Security Trustee under the Parallel Debt Agreement and any other Transaction Documents. The pledge on the Mortgage Receivables will not be notified to the Borrowers and the Life Insurance Companies, respectively, except in the event that certain notification events occur relating to the CBC, including the occurrence of a CBC Event of Default, by the Security Trustee. Prior to notification of the pledge to the Borrowers or the Life Insurance Companies, the pledge will be an "undisclosed" right of pledge (*stil pandrecht*) within the meaning of section 3:239 of the Dutch Civil Code.

### Security in favour of the Security Trustee over other Transferred Assets

The CBC has also undertaken to vest a first ranking right of pledge or such other appropriate first ranking security interest in favour of the Security Trustee on any other Transferred Assets transferred to the CBC on the relevant Transfer Date.

### Security in favour of the Security Trustee over Transaction Documents

In addition, under the Security Trustee Rights Pledge Agreement a right of pledge was vested by the CBC in favour of the Security Trustee on the Programme Date over all rights of the CBC under or in connection with the CBC Transaction Documents and in respect of the CBC Transaction Accounts. This right of pledge has been notified to the relevant obligors and will, therefore, be a disclosed right of pledge (*openbaar pandrecht*).

## THE CBC

Van Lanschot Kempen SB Covered Bond Company B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated on 1 February 2022 and operating under Dutch law. The statutory seat (*statutaire zetel*) of the CBC is in Amsterdam, the Netherlands. The registered address of the CBC is at Basisweg 10, 1043 AP Amsterdam, the Netherlands, and its telephone number is +31 20 521 4777. The CBC is registered with the Commercial Register of the Dutch Chamber of Commerce under number 85363375. The Legal Entity Identifier (LEI) of the CBC is 724500IC69ZTA8APTC70.

The CBC is a special purpose vehicle, which objectives are, in the framework of a Covered Bond Programme of the Issuer, (a) to issue guarantees in favour of holders of covered bonds issued by the Issuer, (b) to acquire, purchase, conduct the management of, dispose of and to encumber assets including receivables under or in connection with loans granted by a third party or by third parties and to exercise any rights connected to such assets, (c) to acquire monies to finance the acquisition of the assets including the receivables mentioned under b., by way of issuing notes or other securities or by way of entering into loan agreements, (d) to on-lend and invest any funds held by the CBC, (e) to hedge interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps, (f) in connection with the foregoing: (i) to borrow funds, amongst others to repay the obligations under the loan agreements, notes or other securities mentioned under c.; and (ii) to grant guarantees, to commit the CBC and to grant security rights to third parties and the release of such security rights to third parties, and (g) to acquire, to dispose of, to encumber, to manage and to operate registered property and assets in general, and (h) to do anything which, in the widest sense of the words, is connected with or may be conducive to the attainment of these objects.

The CBC has an authorised share capital of EUR 1.00 of which EUR 1.00 has been issued and is fully paid. All shares of the CBC are held by Stichting Holding Van Lanschot Kempen SB Covered Bond Company.

Stichting Holding Van Lanschot Kempen SB Covered Bond Company is a foundation (*stichting*) established under Dutch law on 31 January 2022. The statutory seat (*statutaire zetel*) of Stichting Holding is in Amsterdam, the Netherlands. Stichting Holding is registered with the Commercial Register of the Dutch Chamber of Commerce under number 85354546.

The objects of Stichting Holding are (a) to incorporate, to acquire and to hold shares in the capital of the CBC, to conduct the management of and to administer shares in the CBC, to exercise any rights connected to shares in the CBC, to grant loans to the CBC and to alienate and to encumber shares in the CBC, (b) to make donations and (c) to do anything which, in the widest sense of the words, is connected with and/or may be conducive to the attainment of these objects. The sole managing director of Stichting Holding is Intertrust Management B.V.

### Statement by managing director of the CBC

There has been no significant change in the financial performance and financial position of the CBC since 31 December 2023, the last day of the financial period for which financial information of the CBC has been published, to the date of this Securities Note and there has been no material adverse change in the prospects of the CBC since 31 December 2023, the last day of the financial period in respect for which audited annual accounts of the CBC have been prepared.

There are no governmental, legal or arbitration proceedings (including any such proceedings of which are pending or threatened of which the CBC is aware) during the twelve (12) months prior to the date of this Securities Note which may have, or have had in the recent past, a significant effect on the CBC's financial position or profitability.

The CBC has the corporate power and capacity to issue the Guarantee, to acquire the Transferred Assets and to enter into and perform its obligations under the Transaction Documents, see section 4 (*Covered Bonds*) under '*Terms and Conditions of Covered Bonds*'.

The sole managing director of the CBC is Intertrust Management B.V. The managing directors of Intertrust Management B.V. are E.M. van Ankeren, M.M. Vermeulen-Atikian, K. Adamovich-van Doorn and B.G. Dinkla-Vente. The managing director of the CBC has chosen domicile at the office address of Intertrust Management B.V., being Basisweg 10, 1043 AP Amsterdam, the Netherlands. The objectives of Intertrust Management B.V. are (a) to represent financial, economic and administrative interests domestically and abroad, (b) to act as trust office, (c) to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises, (d) to provide advice and other services; (e) to acquire, use and/or assign industrial and intellectual property rights, as well as real property, (f) to provide security for the debts of legal entities or of other companies with which the company is affiliated, or for the debts of third

parties, (g) to invest funds and (h) to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof, all in the widest sense of the words.

Each of the managing directors of Stichting Holding and the CBC has entered into a management agreement with the entity of which it has been appointed managing director. In these management agreements each of the managing directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do and refrain from what an adequate managing director should not do, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current ratings assigned to the Covered Bonds outstanding. In addition each of the managing directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the CBC other than the Transaction Documents to which it is a party, without the prior written consent of the Security Trustee and without notification to the Rating Agency.

There are no potential conflicts of interest between any duties to the CBC of its managing director and private interests or other duties of the managing director.

## 6. THE SECURITY TRUSTEE

Stichting Security Trustee Van Lanschot Kempen SB Covered Bond Company is a foundation (*stichting*) established under Dutch law on 31 January 2022. The statutory seat (*statutaire zetel*) of the Security Trustee is in Amsterdam, the Netherlands. The Security Trustee is registered with the Commercial Register of the Dutch Chamber of Commerce under number 8354562.

The objects of the Security Trustee are (a) to act as (security) trustee for the benefit of the creditors of the CBC, including the holders of notes to be issued by the CBC and holders of covered bonds issued by the Issuer in whose favour the CBC has issued guarantees, (b) to acquire, hold and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the CBC, including the holders of notes to be issued by the CBC and holders of covered bonds issued by the Issuer in whose favour the CBC has issued guarantees, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from the CBC, which is conducive to the acquiring and holding of the abovementioned security rights, (c) to act as the representative of the CBC's creditors towards the CBC, (d) to borrow money, (e) to make donations and (f) to do anything which, in the widest sense of the words, is connected with and/or may be conducive to the attainment of the above. The Security Trustee does not have the intent to make profits.

The sole director of the Security Trustee is IQ EQ Structured Finance B.V., having its registered address at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

The Security Trustee has agreed to act as security trustee for the Covered Bondholders and to pay any amounts received from the Issuer or the CBC or amounts collected by the Security Trustee under the Security to the Covered Bondholders subject to and pursuant to the Parallel Debt Agreement and the Trust Deed subject to and in accordance with the Post CBC Acceleration Notice Priority of Payments.

In addition, the Security Trustee has agreed to act as security trustee *vis-à-vis* the other Secured Creditors and to pay to such Secured Creditors any amounts received from the Issuer or the CBC or amounts collected by the Security Trustee under the Security to which the relevant Secured Creditor is a party subject to and pursuant to the Parallel Debt Agreement and the Trust Deed subject to and in accordance with the Post CBC Acceleration Notice Priority of Payments.

The Security Trustee shall not be liable for any action taken or not taken by it or for any breach of its obligations under or in connection with the Trust Deed or any other Transaction Document to which it is a party, except in the event of its wilful misconduct (*opzet*) or gross negligence (*grove nalatigheid*), and it shall not be responsible for any act or negligence of persons or institutions selected by it in good faith and with due care.

Without prejudice to the right of indemnity by law given to it, the Security Trustee and every attorney, manager, agent, delegate or other person appointed by it under the Trust Deed shall be indemnified by the Issuer against and shall on first demand be reimbursed in respect of all liabilities and expenses properly incurred by it in the execution or purported execution of the powers of the Trust Deed or of any powers, authorities or discretions vested in it or him pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Trust Deed or otherwise.

As set out in the Trust Deed, the relevant Management Agreement and the Security Trustee's articles of incorporation, the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable by the Issuer or the CBC to the Secured Creditors have been paid in full.

However, the Covered Bondholders can resolve to dismiss the Director of the Security Trustee as the director of the Security Trustee by a Programme Resolution pursuant to the Trust Deed. The Director of the Security Trustee shall only resign from its position as director of the Security Trustee as soon as a suitable person, trust or administration office, reasonably acceptable to the Issuer and the CBC, after having consulted the Secured Creditors, other than the Covered Bondholders, and following notification to the Rating Agency, has been contracted to act as director of the Security Trustee.

## 7. GUARANTEE SUPPORT

### SALE AND TRANSFERS

The Issuer and the Transferor have agreed in the Guarantee Support Agreement that the Issuer and the Transferor will use its best efforts to transfer or procure the transfer of sufficient Eligible Assets, either directly by it as Transferor or, after accession of a New Transferor and upon the instruction of the Issuer, by another Transferor, to the CBC. The Transferor may sell and transfer Eligible Assets to the CBC. The transfers are effectuated as follows:

- (a) in the case of Eligible Receivables, by way of undisclosed assignment (*stille cessie*). This takes place through due execution by the Transferor and the CBC of a deed of sale, assignment and pledge in the form attached to the Guarantee Support Agreement and offering the same for registration to the Dutch tax authorities (*Belastingdienst*) or by way of a notarial deed incorporating such deed of assignment. Notification (*mededeling*) of the assignment to the Borrowers will only take place if an Assignment Notification Event occurs in respect of the Transferor. Following receipt of notification by the relevant Borrowers, in principle, only payment to the CBC will be capable of discharging a Borrower's obligations under the relevant Mortgage Receivable; and/or
- (b) in the case of Eligible Collateral, by way of book-entry transfer (*girale overboeking*) and such further deed shall be executed as required and customary to effect the sale and transfer of such Eligible Collateral.

On the first Transfer Date, the Transferor will sell and transfer to the CBC the respective Eligible Receivables. Thereafter:

- (i) the Issuer and the Transferor may at any time offer for sale and transfer further Eligible Assets to the CBC; and
- (ii) the Issuer will use its best efforts, upon request of the CBC, to offer to sell and transfer or, after the accession of a New Transferor, procure that the other Transferor offers to sell and transfer further Eligible Receivables to the CBC. The CBC will only make such a request if it (or the Administrator on its behalf) determines that the Asset Cover Test has been breached (or would be breached when at that moment the Asset Cover Test would be performed) under the Asset Monitoring Agreement. The Issuer will have the right to comply with this best efforts undertaking by any other Transferor (if any) offering to transfer (part of) such Eligible Assets to the CBC.

The CBC shall accept each such offer to purchase new Mortgage Receivables if the relevant conditions precedent set out in the Guarantee Support Agreement have been met, including in the case of sale and transfer of New Mortgage Receivables receipt of a confirmation that the Mortgage Receivables Warranties are true and correct in all material respects and not misleading in any material respect as at the relevant Transfer Date.

The purchase price for the Mortgage Receivables shall consist of the Initial Purchase Price which shall be payable on the Transfer Date and the Deferred Purchase Price. A part of the relevant Initial Purchase Price equal to the aggregate Construction Deposits will be withheld by the CBC and will be credited to the Construction Account. The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments and each Deferred Purchase Price Instalment will, with respect to a CBC Payment Date, be equal to (A) prior to delivery of a CBC Acceleration Notice, an amount equal to the part of the Interest Available Amount and Principal Available Amount that exceeds (if any) the sum of all amounts payable by the CBC under (a) up to and including (m) of the CBC Priority of Payments or (B), after the delivery of a CBC Acceleration Notice the amount remaining after all payments as set forth in the Post CBC Acceleration Notice Priority of Payments under (a) up to and including (i) have been made (see section 14 (*Cash Flows*)).

If an Assignment Notification Event has occurred, the Transferor shall or, at its option, shall procure that the other Transferors shall, unless the Security Trustee, following notification to the Rating Agency, instructs it otherwise, forthwith notify or ensure that the relevant Borrowers and any other relevant parties and, solely in relation to the Beneficiary Rights, the Life Insurance Companies are forthwith notified of the assignment of the relevant Mortgage Receivables and the Beneficiary Rights relating thereto.

The CBC has the right to make these notifications itself.

The Transferor will undertake that it will use its best efforts upon the occurrence of an Assignment Notification Event to terminate its appointment as beneficiary under the Life Insurance Policies and the Life Risk Insurance Policies and to appoint the CBC or the Security Trustee, as the case may be, as first beneficiary under the Life Insurance Policies or the Life Risk Insurance Policies, as the case may be.

Pursuant to the Guarantee Support Agreement, the CBC will be entitled to any proceeds from the Transferred Assets as of the first day of the month immediately preceding the date on which such New Mortgage Receivables are transferred or, in respect of other Transferred Assets, the date of purchase and transfer (the "**Cut-Off Date**").

The Subordinated Loan Provider has made available and will make a Subordinated Loan available to finance the Initial Purchase Price for New Mortgage Receivables.

In the Guarantee Support Agreement the Transferor covenants, among other things, that if (i) it makes any Further Advance under any mortgage loan agreement, (ii) such Further Advance is secured by the same Mortgage that secures the Mortgage Receivable and (iii) (a) such Further Advance results in an Eligible Receivable, then it will offer to sell and transfer such further Eligible Receivable to the CBC as soon as reasonably practicable and, if possible, prior to the following Calculation Date, or (b) such Further Advance does not result in an Eligible Receivable, then it will offer to repurchase and request the retransfer of the relevant Mortgage Receivable in accordance with the Guarantee Support Agreement.

Neither the CBC, nor the Security Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Transferred Assets. Instead, each is relying entirely on the Transferor Warranties by the Transferor contained in the Guarantee Support Agreement. The parties to the Guarantee Support Agreement may, with the prior written consent of the Security Trustee and provided that the Rating Agency has been notified, amend the Transferor Warranties and the Mortgage Receivables Warranties, including the Eligibility Criteria. The mortgage receivables warranties, (the "**Mortgage Receivables Warranties**") are as follows and are given on the relevant Transfer Date by the Transferor in respect of the Eligible Receivables and the New Mortgage Receivables to be transferred by it to the CBC:

- (i) each New Mortgage Receivable is an Eligible Receivable; and
- (ii) the particulars of the Eligible Receivables set out in Annex 1 to the relevant deed of sale, assignment and pledge, are true, complete and accurate in all material respects and the Outstanding Principal Amount in respect of each Eligible Receivable as at the relevant Transfer Date and the aggregate Outstanding Principal Amount of the Eligible Receivables is correctly stated in the relevant deed of assignment.

The Programme Agreement provides a mechanism for (i) at the option of the Issuer, members of the Van Lanschot Kempen Group wishing to transfer Eligible Assets to the CBC, to accede to the Transaction Documents as a New Transferor, provided that the Rating Agency has been notified and (ii) a Transferor that has not originated any of the CBC's Transferred Assets held by the CBC at such time, to withdraw from the Transaction Documents as a Transferor. New Transferors will be required to provide the same covenants, representations and warranties described in the Guarantee Support Agreement as the initial Transferor, provided that it will not undertake its best efforts to transfer Eligible Assets if requested by the CBC.

In the Trust Deed, the Security Trustee agrees to, upon receipt of each Asset Cover Report, verify whether such Asset Cover Report states that an Assignment Notification Event or a Breach of Asset Cover Test has occurred.

For the purpose hereof:

**"Assignment Notification Event"** means in respect of a Transferor the earliest to occur of the following:

- (i) a default is made by the Transferor in the payment on the due date of any amount due and payable by it under any Transaction Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the CBC or the Security Trustee to the Transferor;
- (ii) the Transferor fails duly to perform or comply with any of its obligations under any Transaction Document to which it is a party and if such failure is capable of being remedied, such failure, is not remedied within ten (10) Business Days after notice thereof has been given by the CBC or the Security Trustee to the Transferor or such other party;
- (iii) the Transferor takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding*), liquidation (*vereffening*) or legal demerger (*juridische splitsing*) involving the Transferor or for its being converted in a foreign entity (*omzetting*), or its assets are placed under administration (*onder bewind gesteld*);

- (iv) the Transferor has taken any corporate action or other steps are started or threatened against it for (i) its suspension of payments (*surseance van betaling*), (ii) its bankruptcy (*faillissement*), (iii) any analogous insolvency proceedings under any applicable law or (iv) the appointment of a liquidator, administrator or a similar officer of it or of any or all of its assets;
- (v) a Notice to Pay is served on the Issuer and the CBC;
- (vi) an Issuer Acceleration Notice is served on the Issuer;
- (vii) a CBC Event of Default has occurred; or
- (viii) following a Security Trustee Pledge Notification Event, the Security Trustee has either notified the Borrowers or instructed the CBC to notify the relevant Borrowers subject to and in accordance with the Security Trustee Receivables Pledge Agreement.

## REPURCHASE AND RETRANSFERS

Pursuant to the Guarantee Support Agreement:

### *Mandatory repurchase*

1. The Transferor shall repurchase and request the retransfer of a Mortgage Receivable from the CBC if a material breach of the Mortgage Receivables Warranties occurs on or appears after the relevant Transfer Date in respect of such Mortgage Receivable.
2. The Transferor shall repurchase and request a retransfer of a Mortgage Receivable from the CBC if (a) the Transferor becomes entitled to a Further Advance, (b) such Further Advance is secured by the same Mortgage that secures the Mortgage Receivable and (c) such Further Advance does not result in an Eligible Receivable and, as a consequence thereof, such Mortgage Receivable would not qualify as an Eligible Receivable if it were tested against the Eligibility Criteria at that time.

### *Voluntary repurchase*

3. Prior to the occurrence of a CBC Event of Default or the service of a Notice to Pay, the Transferor may from time to time request a repurchase and retransfer from the CBC to it of any Transferred Asset.

### *Right of first refusal of Transferor*

4. If the CBC intends to sell Transferred Assets on terms permitted or required by the Asset Monitoring Agreement, it shall first offer such Transferred Assets for sale on the same terms to the Transferor (or any party appointed by such Transferor) in accordance with the Guarantee Support Agreement.

A sale, repurchase and retransfer of a Mortgage Receivable will take place in accordance with the Guarantee Support Agreement. A sale, repurchase and retransfer by the CBC as abovementioned will be effectuated in substantially the same manner as the sale and transfers to the CBC described above, *mutatis mutandis*. If the sale, repurchase and retransfer concerns Mortgage Receivables which are transferred to the Transferor further to the Transferor's right of first refusal (*voorkeursrecht*), the underlying sale and purchase will be concluded through execution and registration of a deed of sale, assignment and pledge. In each case the repurchase price for the relevant Transferred Asset will be equal to the Outstanding Principal Amount in respect of a Mortgage Receivable plus Accrued Interest, except with respect to Defaulted Receivables in respect of which no breach of the Mortgage Receivables Warranties has occurred, and will be equal to the market value of all Transferred Collateral ("**Collateral Market Value**") in respect of other Transferred Assets. The repurchase price for the relevant Defaulted Receivable in respect of which no breach of the Mortgage Receivables Warranties has occurred will be at least the lesser of (i) the sum of (a) an amount equal to the foreclosure value of the Mortgaged Assets and (b) the value of all other collateral and (ii) the sum of the Outstanding Principal Amount of such Mortgage Receivable, together with Accrued Interest due but unpaid, if any, and any other amounts due under such Mortgage Receivable.

The Guarantee Support Agreement provides that the Transferor may amend the terms and conditions of the Mortgage Loans, in respect of Mortgage Receivables, provided that (i) after such amendment the Mortgage Loan or, as the case may be, the Mortgage Receivable meets the Eligibility Criteria and (ii) such amendment does not adversely affect the enforceability of the Mortgage Loan or, as the case may be, the Mortgage Receivable and the security rights granted in connection therewith. Therefore, if the Transferor wishes to amend the terms and conditions of the Mortgage Loans, in respect of Mortgage Receivables, in such manner that such Mortgage Loan or, as the case may be, the Mortgage Receivable will no longer meet the Eligibility Criteria, it must first repurchase the relevant Mortgage Receivable prior to such amendment.



**ELIGIBLE ASSETS**

The following assets are eligible to be transferred to the CBC by the Transferor pursuant to the Guarantee Support Agreement:

- Eligible Receivables; and
- Eligible Collateral.

## ELIGIBILITY CRITERIA

For a Mortgage Receivable to be an Eligible Receivable it must meet the following eligibility criteria:

### General

- (a) the mortgage loans are denominated in euro and either:
  - a. Interest-only Mortgage Loans (*aflossingsvrije hypotheken*);
  - b. Linear Mortgage Loans (*lineaire hypotheken*);
  - c. Annuity Mortgage Loans (*annuïteitenhypotheken*);
  - d. Investment Mortgage Loans (*beleggingshypotheken*);
  - e. Life Mortgage Loans (*levenhypotheken*); or
  - f. Mortgage Loans which combine any of the abovementioned types of Mortgage Loans (*combinatiehypotheken*) and, for the avoidance of doubt, any of the abovementioned types of Mortgage Loans which qualify as starters Mortgage Loans (*startershypotheekleningen*);
- (b) the Mortgage Receivable and the Beneficiary Rights relating thereto are duly and validly existing, not subject to annulment or dissolution as a result of circumstances which have occurred prior to the relevant Transfer Date;
- (c) each Mortgage Receivable, the Mortgage and the right of pledge, if any, securing such receivable constitute legal, valid, binding and enforceable obligations of the relevant Borrower *vis-à-vis* the Transferor, subject to any limitations arising from bankruptcy, insolvency and any other laws of general application relating to or affecting the rights of creditors;
- (d) the Mortgage Loans and, if offered by the Transferor, the Life Insurance Policy connected thereto, has been granted, in all material respects, in accordance with all applicable legal requirements prevailing at the time of origination, and insofar applicable at such time the Code of Conduct on Mortgage Loans (*Gedragcode Hypothecaire Financieringen*) and the relevant originator's standard underwriting criteria and procedures, including borrower income requirements, prevailing at that time and these underwriting criteria and procedures are in a form as may reasonably be expected from a prudent lender of Netherlands residential mortgages;
- (e) the maximum Outstanding Principal Amount of each Mortgage Loan, or all Mortgage Loans secured on the same Mortgaged Asset, as the case may be, (a) originated in and after August 2011 did not at origination exceed (i) 104 per cent. or, in the event of energy saving improvements, 106 per cent. of the Original Market Value of the relevant Mortgaged Assets, which Outstanding Principal Amount may, where applicable, be supplemented by the stamp duty payable under the Dutch Legal Transactions (taxation) Act upon its creation or, if lower, (ii) the maximum amount as may be applicable under the relevant regulations at the time of origination, and (b) originated before August 2011 the Outstanding Principal Amount of the Mortgage Loan from which it results does not exceed 125 per cent. of the foreclosure value of the related Mortgaged Asset at the time of origination;
- (f) with respect to Mortgage Receivables secured by a Mortgage on a long lease, the Mortgage Loan (a) has a maturity that is equal to or shorter than the term of the long lease and/or, if the maturity date of the Mortgage Loan falls after the maturity date of the long lease, the acceptance conditions used by the Transferor provide that certain provisions should be met as would in such case be required by a reasonable lender and (b) becomes due if the long lease terminates for whatever reason;
- (g) there are no other receivables having the same details, and (i) in the administration of the Transferor the Mortgage Receivables, which are purported to be assigned and pledged, can be identified without uncertainty, and (ii) one can determine in the administration of the Transferor without any uncertainty which Beneficiary Rights and ancillary rights belong to which Mortgage Receivables;
- (h) each Borrower under the Mortgage Loans has given a power of attorney to direct debit its account for amounts due under the Mortgage Loans;
- (i) none of the Borrowers is an employee of the Issuer or the Transferor;
- (j) each Borrower is a private individual and a resident of the Netherlands;

- (k) in the Mortgage Loans, it is stipulated that all payments by the Borrowers should be made without any deduction or set-off;
- (l) each Mortgage Loan is governed by Dutch law;
- (m) to the best knowledge of the Transferor, the Borrowers are not in material breach of their Mortgage Loans;
- (n) none of the Mortgage Loans has a maturity date beyond 30 years after the date of the transfer of the related Mortgage Receivable to the CBC, except that the Long-Term Mortgage Loans may have a longer or no maturity date;
- (o) the principal sum was in case of each Mortgage Loan fully disbursed to the relevant Borrower whether or not through the relevant civil law notary and no amounts are held in deposit with respect to premia and interest payments (*rente en premiedepots*) except for any Construction Deposits;
- (p) at least the first instalment of each Mortgage Receivable is paid by the relevant Borrower;

#### *Transfer*

- (q) the Transferor has full right and title to the Mortgage Receivables and the Beneficiary Rights and ancillary rights relating thereto and no restrictions on the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned;
- (r) the Transferor has power (*is beschikkingsbevoegd*) to assign the Mortgage Receivables and the Beneficiary Rights relating thereto;
- (s) the Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments (*beslagen*) and no option rights to acquire the Mortgage Receivables and the Beneficiary Rights relating thereto have been granted by the Transferor in favour of any third party with regard to the Mortgage Receivables and the Beneficiary Rights relating thereto;
- (t) neither the Mortgage Loan nor the Mortgage contains any reference or indication or wording to the effect that in case of assignment or pledge of the receivable the mortgage or pledge will not follow the receivable if assigned or pledged;

#### *Security*

- (u) each Mortgage Receivable is secured by a Mortgage governed by Dutch law on at least one Mortgaged Asset which is located in the Netherlands and such Mortgaged Asset is predominantly used for a residential purpose in the Netherlands;
- (v) all Mortgages and rights of pledge granted to secure the Mortgage Receivable (i) constitute valid Mortgages (*hypothekerechten*) and rights of pledge (*pandrechten*) respectively on the Mortgaged Assets and the assets which are the subject of the rights of pledge respectively and, to the extent relating to the Mortgages, entered into the appropriate public register (*Dienst voor het Kadaster en de Openbare Registers*), (ii) have first or first and sequentially lower ranking priority and (iii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the Transferor on behalf of the Borrower;
- (w) each Mortgaged Asset is occupied by the Borrower at the moment of (or shortly after) origination or, in case a Mortgage Receivable is secured by more than one Mortgaged Asset, one of the primary Mortgaged Assets is occupied by the Borrower at such moment;
- (x) each Mortgaged Asset concerned was valued according to the then prevailing guidelines of the Transferor, which guidelines are in a form as may reasonably be expected from a prudent lender of residential mortgage loans in the Netherlands. No revaluation of the Mortgaged Assets has been made for the purpose of the Programme;

- (y) if the Transferor is not the originator of the Mortgage Loan, the relevant Mortgage Loan was transferred by means of a contract transfer to which the relevant Borrowers have not abstained their cooperation and the Mortgage no longer secures any claims of the originator after transfer;

#### *Insurance*

- (z) with respect to Mortgage Loans whereby it is a condition for the granting of the Mortgage Loan that a life insurance policy is entered into by the Borrower (i) a Borrower Insurance Pledge is granted on the rights under such policy in favour of the Transferor, (ii) the Mortgage Loan and the life insurance policy are in the Transferor's or the Life Insurance Company's promotional materials not offered as one product or under one name (iii) the Borrowers are free to choose the relevant Life Insurance Company and (iv) the Life Insurance Company is not a group company of the Transferor;
- (aa) with respect to each Mortgage Loan to which a life insurance policy or risk insurance policy is connected, the Transferor has the benefit of a valid right of pledge on the rights under a life insurance policy or risk insurance policy and either (i) the Transferor (or originator) has been validly appointed as beneficiary under such policy or (ii) the relevant insurance company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivables;
- (bb) the Mortgage Conditions contain a requirement to have and to maintain the benefit of a buildings insurance (*opstalverzekering*) for at least the full reinstatement value (*herbouwwaarde*);

#### *Investment Mortgage Loans*

- (cc) with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the Transferor and the securities are purchased on behalf of the relevant Borrower by:
  - (i) an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, being either a broker (*bemiddelaar*) or an asset manager (*vermogensbeheerder*), which is by law obliged to administer the securities in the name of the relevant Borrower through a bank (see the next paragraph) or a separate securities giro (*effectengiro*); or
  - (ii) a bank, which is by law obliged to (x) administer the securities through a separate depositary vehicle and/or (y) only administer securities the transfer of which is subject to the Wge;
- (dd) there is no connection between any of the Investment Mortgage Loans and any Investment Portfolio, other than the Borrower Investment Pledge;

#### *Entire Loan*

- (ee) each receivable under a Mortgage Loan (*hypothecaire lening*) which is secured by the same Mortgage is assigned to the CBC pursuant to the Guarantee Support Agreement; and
- (ff) each Mortgage Loan constitutes the entire Mortgage Loan granted to the relevant Borrower and not merely one or more loan parts (*leningdelen*).

## 8. SUBORDINATED LOAN

On the first Transfer Date and each Transfer Date thereafter, the Subordinated Loan Provider will under the Subordinated Loan Agreement make available to the CBC the Subordinated Loan Facility and advance Subordinated Loan Advances to finance the acquisition of the Mortgage Receivables, New Mortgage Receivables and Substitution Assets (in each case with a maximum of the Initial Purchase Price for the Mortgage Receivables, New Mortgage Receivables and Substitution Assets purchased on such date) and, on any date, advance subordinated loan advances for an amount required to credit the Reserve Account up to the Reserve Account Required Amount.

Each Subordinated Loan Advance and any interest accrued thereon will bear interest, by reference to successive CBC Payment Periods, from (and including) the relevant Utilisation Date until (but excluding) the day such Subordinated Loan Advance (and all accrued interest thereon) is repaid in full, initially at a rate of 3.25 per cent. per annum, which rate (i) will be reset on the CBC Payment Date falling in June of each year by the Subordinated Loan Provider at a rate which is in line with the current trading yield of the last publicly issued senior unsecured debt obligations of the Issuer under its EUR 5,000,000,000 Debt Issuance Programme (or any successor or alternative issuance programme of the Issuer) or (ii) will be similar to rate applied in the previous year in case no reset takes place on such CBC Payment Date, unless the Subordinated Loan Provider determines that publicly issued senior unsecured debt obligations are no longer outstanding or that such rate substantially deviates from the rate which at such date would be expected to be payable by the Subordinated Loan Provider on such senior unsecured debt obligations, in which case the Subordinated Loan Provider will set the interest rate at a level which it, in its reasonable discretion, determines to be a fair interest rate for the Subordinated Loan Provider's senior unsecured debt obligations and based on the interest rate levels as indicated for new senior unsecured issues by (prospective) dealers on the EUR 5,000,000,000 Debt Issuance Programme (or any successor or alternative issuance programme of the Issuer) on or about such CBC Payment Date. The interest rate on each Subordinated Loan Advance and the Subordinated Loan will accrue on a monthly basis. The interest payable under the Subordinated Loan and each Subordinated Loan Advance outstanding will be due on each CBC Payment Date, provided that if the amount remaining from the Principal Available Amount and the Interest Available Amount after all items ranking above (l) (payment of interest on the Subordinated Loan) or, as the case may be, item (h) of the Post CBC Acceleration Notice Priority of Payments, have been paid or provided for in full, is insufficient to pay the interest due on the Subordinated Loan, the amount available (if any) shall be applied to the amount of interest due on such Subordinated Loan. In the event of a shortfall, the CBC shall credit a ledger established for such purpose with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Loan on any CBC Payment Date falls short of the aggregate amount of interest payable on the Subordinated Loan on that date. Such shortfall shall not be treated as due on that date, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Loan for such period and such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated as if it were interest due, subject to this limitation, on the Subordinated Loan on the next succeeding CBC Payment Date.

On each CBC Payment Date the CBC will apply the Subordinated Loan Available Redemption Amount towards redemption of the Subordinated Loan up to a maximum of the Subordinated Loan Maximum Redemption Amount. Each Subordinated Loan shall be repaid ultimately on the CBC Payment Date falling in the month in which the 48<sup>th</sup> anniversary of the last Issue Date under the Programme falls.

In connection with the CBC issuing the Guarantee, the Subordinated Loan Provider, the Issuer and the CBC will agree that each time when the CBC has paid any Guaranteed Amount under the Guarantee, the Subordinated Loan may be reduced by the CBC with notice to the Issuer and to the Subordinated Loan Provider with an amount equal to the Guaranteed Amounts to be paid by the CBC to the Covered Bondholders. The Subordinated Loan will after such notice be reduced automatically with an amount equal to the amount paid by the CBC under the Guarantee.

The obligations of the CBC under the Subordinated Loan Agreement, and recourse of the Subordinated Loan Provider to the CBC, is limited to the amounts remaining for such purpose if all higher-ranking items in the relevant Priority of Payments have been paid in full and will cease if the CBC no longer holds any Transferred Assets.

If a CBC Event of Default occurs the Subordinated Loan Provider may by notice to the CBC declare that the Subordinated Loan shall become immediately due and payable upon which the Subordinated Loan shall become immediately due and payable. The CBC shall immediately notify the Subordinated Loan Provider of the occurrence of such CBC Event of Default.

## 9. OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

This section **Error! Reference source not found.** (*Overview of the Dutch Residential Mortgage Market*) is derived from the overview which is available at the website of the Dutch Securitisation Association (<https://www.dutchsecuritisation.nl/dutch-mortgage-and-consumer-loan-markets>) regarding the Dutch residential mortgage market and was lastly updated in March 2024. For the avoidance of doubt, this website does not form part of this Securities Note. The Issuer confirms that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by the Dutch Securitisation Association, no facts have been omitted which would render the information in this section **Error! Reference source not found.** (*Overview of the Dutch Residential Mortgage Market*) inaccurate or misleading.

### Dutch residential mortgage market

The Dutch residential mortgage debt stock is relatively sizeable, especially when compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage loans, financial deregulation and increased competition among originators. Moreover, Loan-to-Value (LTV) ratios have been relatively high, as the Dutch tax system implicitly discouraged amortisation, due to the tax deductibility of mortgage interest payments. After a brief decline between 2012 and 2015, mortgage debt reached a new peak of EUR 823.3 billion in Q3 2023<sup>1</sup>. This represents a rise of EUR 12.3 billion compared to Q3 2022.

### Tax system

The Dutch tax system plays an important role in the Dutch mortgage market, as it allows for partial deductibility of mortgage interest payments from taxable income. Historically, this has resulted in various deferred amortisation mortgage products, most importantly the use of interest-only loan parts.

Since 1 January 2013, all new mortgage loans have to be repaid in full in thirty (30) years, at least on an annuity basis, in order to be eligible for tax relief (linear mortgage loans are also eligible). The tax benefits on mortgage loans, of which the underlying property was bought before 1 January 2013, have remained unchanged and are grandfathered, even in case of refinancing and relocation. As such, new mortgage originations still include older loan products, including interest-only. However, any additional loan on top of the borrower's grandfathered product structure, has to meet the mandatory full redemption standards to allow for tax deductibility.

A second reform imposed in 2013 was to reduce the tax deductibility by gradually lowering the maximum deduction percentage. As a result, the highest tax rate against which the mortgage interest may be deducted is 36.97 per cent. (equal to the lowest income tax bracket) in 2024. No further reductions are currently planned.

There are several housing-related taxes which are linked to the fiscal appraisal value ("**WOZ**") of the house, both imposed on national and local level. Moreover, a transfer tax of 2 per cent. is due when a house is acquired for owner-occupation. From 2021, house buyers aged between 18 and 35 years will no longer pay any transfer tax. Currently, this exemption only applies to houses sold for EUR 510,000 or less) and can only be applied once. For 2024, a transfer tax of 10.4 per cent. is due upon transfer of houses which are not owner-occupied (same as in 2023).

Although these taxes partially unwind the benefits of tax deductibility of interest payments, and several restrictions to this tax deductibility have been applied, tax relief on mortgage loans is still substantial.

### Loan products

The Dutch residential mortgage market is characterised by a wide range of mortgage loan products. In general, three types of mortgage loans can be distinguished.

Firstly, the "classical" Dutch mortgage product is an annuity loan. Secondly, there is a relatively big presence of interest-only mortgage loans in the Dutch market. Full interest-only mortgage loans were popular in the late nineties and in the early years of this century. Mortgage loans including an interest-only loan part were the norm until 2013, and even today, grandfathering of older tax benefits still results in a considerable amount of interest-only loan origination.

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<sup>1</sup> Statistics Netherlands, household data.

Thirdly, there is still a big stock of mortgage products including deferred principal repayment vehicles. In such products, capital is accumulated over time (in a tax-friendly manner) in a linked account in order to take care of a bullet principal repayment at maturity of the loan. The principal repayment vehicle is either an insurance product or a bank savings account. The latter structure has been allowed from 2008 and was very popular until 2013. Mortgage loan products with insurance-linked principal repayment vehicles used to be the norm prior to 2008 and there is a wide range of products present in this segment of the market. Most structures combine a life-insurance product with capital accumulation and can be relatively complex. In general, however, the capital accumulation either occurs through a savings-like product (with guaranteed returns), or an investment-based product (with non-guaranteed returns).

A typical Dutch mortgage loan consists of multiple loan parts, e.g., a bank savings loan part that is combined with an interest-only loan part. Newer mortgage loans, in particular those for first-time buyers after 2013, are full annuity and often consists of only one loan part. Nonetheless, tax grandfathering of older mortgage loan product structures still results in the origination of mortgage loans including multiple loan parts.

Most interest rates on Dutch mortgage loans are not fixed for the full duration of the loan, but they are typically fixed for a period between five (5) and fifteen (15) years. Rate term fixings differ by vintage, however. In recent years, there was a strong bias to longer term fixings (twenty (20) to thirty (30) years) but since Q2 2022 ten (10) year fixings have rapidly increased in popularity as the sharply increased mortgage rates drove borrowers to seek lower mortgage payments by going for shorter fixings. Most borrowers remain subject to interest rate risk, but compared to countries in which variable rates are the norm, Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.

#### *Underwriting criteria*

Most of the Dutch underwriting standards follow from special underwriting legislation (*Tijdelijke regeling hypothecair krediet*). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100 per cent. or 106 per cent. when financing energy saving measures. The new government has indicated not to lower the maximum LTV further. LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the consumer budget advisory organisation "NIBUD" and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

Prior to the underwriting legislation, the underwriting criteria followed from the Code of Conduct as applicable at the time of origination for Mortgage Lending. Although the Code of Conduct is currently largely overruled by the underwriting legislation, it is still in force. The major restriction it currently regulates, in addition to the criteria in the underwriting legislation, is the cap of interest-only loan parts to 50 per cent. of the market value of the residence. This cap was introduced in 2011 and is in principle applicable to all new mortgage contracts. A mortgage lender may however diverge from the cap limitation if certain conditions have been met.

#### **Recent developments in the Dutch housing market**

Prices of homes for sale continued to rise in recent months and were only 1.85 per cent. away from a new price record in January 2024. This has already made up the lion's share of the 6.2 per cent. price decline between the summer of 2022 and the spring of 2023.

In 2022, mortgage rates rose rapidly, allowing households to borrow less. But with wages now rising strongly, borrowing capacity is recovering rapidly. The effect of this on the borrowing space of homebuyers is large enough to offset the effect of higher interest rates: households with an income of three times modal can still borrow slightly less than in 2022, but it is estimated that homebuyers with an income of one- or two-times modal can borrow more than before the interest rate increase in 2022.

Just over 182,000 existing homes were sold last year, significantly less than in the previous five years when an average of about 218,000 owner-occupied homes changed hands each year. This is not due to a lack of demand, but to a lack of supply: the number of homes for sale is steadily declining.

Despite years of firm policy ambitions to boost new construction, we now seem to be heading into another few years in which fewer new homes are being added to the housing stock. This puts pressure on the flow in the housing market and also reduces the opportunities for first-time buyers. Although many newly built homes are purchased by people who already own owner-occupied homes, almost every completed home eventually yields a home that becomes available to a rental or owner-occupied starter. Only if the buyer at the end of the chain permanently withdraws the home from the housing market – for example, by turning it into a vacation home – does this not apply.

### **Forced sales**

Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates<sup>2</sup>. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn post-financial crisis was increasingly also a reason for payment problems. The ultimate attempt to loss recovery to a defaulted mortgage borrower is the forced sale of the underlying property.

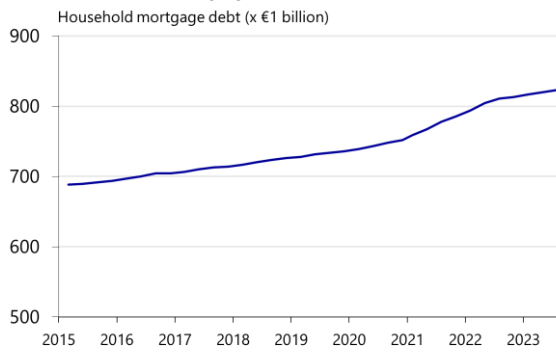
For a long time, mortgage servicers opted to perform this forced sale by an auction process. The advantage of this auction process is the high speed of execution, but the drawback is a discount on the selling price. The Land Registry recorded seventy-two (72) forced sales by auction in Q4 2023 (0.143 per cent. of total number of sales in those months).

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<sup>2</sup> Comparison of S&P RMBS index delinquency data.



Chart 1: Total mortgage debt



Sources: Statistics Netherlands, Rabobank Netherlands (CBS)

Chart 2: Sales

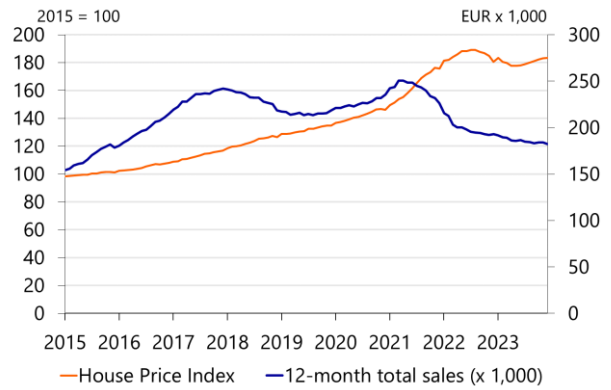
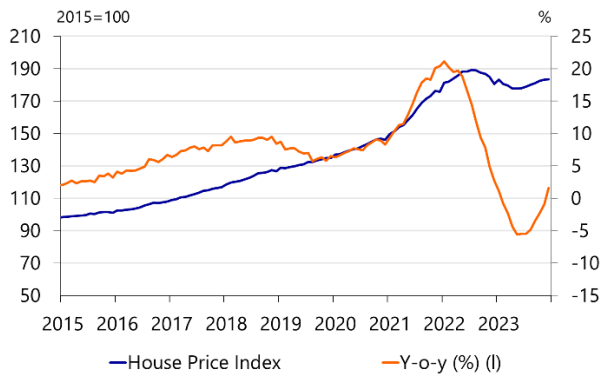
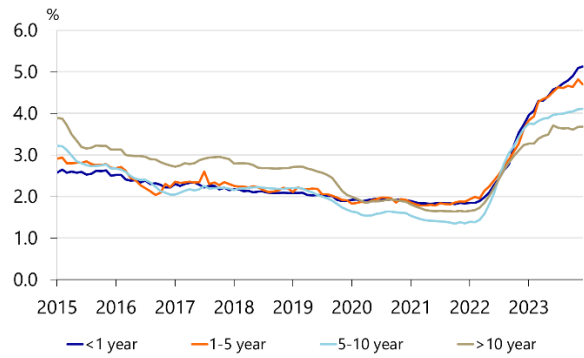


Chart 3: Price index development



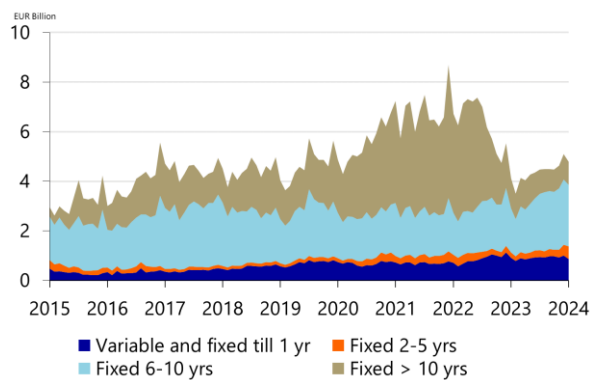
Sources: Statistics Netherlands, Rabobank

Chart 4: Interest rate on new mortgage loans



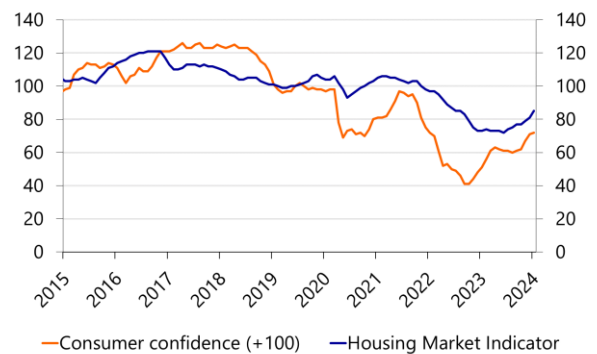
Source: Dutch Central Bank

Chart 5: New mortgages by interest type



Source: Dutch Central Bank

Chart 6: Confidence



Sources: Statistics Netherlands, OTB TU Delft

## 10. ORIGINATION AND SERVICING

### Mortgage Application and Approval, Servicing, Arrears and Foreclosure Management Processes

#### General overview

The Van Lanschot Kempen Credit Risk Committee sets the credit risk management strategy, policy assumptions, loan origination policies and credit limits. The Group Risk Committee approves the various risk appetite limits. Responsibility for preparing the policies and supervising its implementation has been delegated to the Financial Risk Management Department.

The following departments take part in the processes of application, approval, servicing, arrears and foreclosure management and/or risk reporting:

#### *Credit Approval*

The Credit Approval Department (*Fiattering*) and its risk managers are responsible for the approval of credit applications, credit reviews as well as general credit management. Under certain conditions the certified mortgage specialist can also approve credit applications. Furthermore, this department also provides advice to the mortgage specialists. All risk managers have a proven track record within the Van Lanschot Kempen organisation and have significant expertise in analysing, evaluating and monitoring (mortgage) loans.

#### *Financial Restructuring and Recovery*

The Financial Restructuring and Recovery Department is responsible for the management and recovery of non-performing loans. The activities are divided in (i) special monitoring of borrowers with a less favourable financial position and (ii) control & administration of defaulted loans. Van Lanschot Kempen will take provisions for defaulted loans if repayment of the loan is doubtful as defined in the applicable IFRS, as adopted by the European Union. Bookmark not defined..

#### *Credit Risk*

The Credit Risk Department executes the second line of defence in credit risk management within Van Lanschot Kempen. Other responsibilities include Credit Portfolio Management and Credit Policy (initiation, coordination and implementation). Developments in the credit portfolio are reported on a quarterly basis to the Credit Risk Committee.

#### *Quantitative Modelling*

The Quantitative Modelling Department is responsible for the development, validation and monitoring of the models used for measurement of credit risk. The activities are divided in retail modelling, non-retail modelling and economic capital modelling.

### Mortgage application and approval process

#### *The Application Process*

On the recommendation of the private banker the mortgage specialist writes the loan application. The mortgage specialist is responsible for the entire application process, so for both the content as well as the duration of the process. After the application is approved, the administration uses Van Lanschot Kempen's business partner Stater to offer and administrate the mortgage loan. They support Van Lanschot Kempen's administration from application to repayment of mortgage loans. Van Lanschot Kempen as well as Stater register all securities and relevant documents related to the mortgage loan: valuation reports, income tax declarations and annual reports. The mortgage specialist ensures that all relevant items of the application are sent to the Credit Approval Department (*Fiattering*). In specific cases a certified and appointed mortgage specialist can approve applications submitted by another mortgage specialist. After approval, the mortgage specialist is responsible for sending the offer directly to the client or to the private banker. Once the client has accepted the offer, all relevant information will be sent to Stater to be entered into the back office systems. Every change in the offer that is requested by the client or the private banker or mortgage specialist has to be approved again by the Credit Approval Department or the certified mortgage specialist under certain circumstances. When the mortgage loan is paid out, the approved application and all signed documents are documented and kept in the back office systems of Stater and Van Lanschot Kempen.

#### *Required Documentation*

The private banker and mortgage specialist are responsible for the upfront delivery of the necessary documents so the Credit Approval Department can form a considered judgment (primary documents). The Van Lanschot Dossier (VLD)

program registers and is capable of storing these documents, such as valuation reports, income tax declarations, an affordability test (ILT), annual reports, etc. (the actual electronic filing is done in another application).

## **Mortgage loan criteria**

### *Qualified Borrowers*

Employees of a Dutch employer and with a Dutch permanent employment contract can be accepted as borrowers. Employees with a temporary contract can only be accepted as borrowers when the likelihood of re-employment is considered high, dependent on characteristics such as education, position, prior professional experience, etc. A mortgage loan can also be granted based on the income of a double income family, when the borrowers are within the target client base of Van Lanschot Kempen. Both incomes may be from a temporary contract when the likelihood of re-employment is considered high (see above). Self-employed clients such as lawyers, doctors and independent accountants can be accepted as borrowers when the respective company has existed for at least three years and/or (in case of a starting company) future income can be determined with a high degree of certainty.

### *Income and Capital Criteria*

All relevant income and expense information is analysed in the affordability test (ILT) to determine whether the interest and redemption of the mortgage can be met in a sustainable and affordable way within the legal guidelines. Particularly the overall financial position, the stability of income and amount of income combined with the wealth of the borrower, determines the limits of the mortgage offer. In the affordability test (ILT) the nationally acknowledged NIBUD-benchmark (*Woonquote*) is used to determine the maximum loan amount. The mortgage specialist report will also incorporate an extensive analysis of the quality of income in general and particularly in respect of (starting) self-employed professionals, manager / shareholders. The banker may refer to the borrower's assets and wealth to assess affordability; although such information may in certain instances be omitted from the mortgage loan file. Van Lanschot Kempen does have access to such verification from its files held elsewhere in the organisation, which will be used for the purpose of such income verification. When doubts exist about the stability of the income and/or the proposed financing is largely based on growth forecasts, the application will be rejected or, to cover these income risks, additional security in the form of (liquid) wealth should be pledged to the bank.

Since August 2011 the benchmarks in the '*Gedragcode Hypothecaire Financieringen*' are leading in respect of the mortgage loans, which code was renewed in August 2020. This Code of Conduct forces criteria upon the loan capacity and will also be checked by the Credit Approval Department. In 2013 the government laid down the guidelines contained in this code in a law (*Tijdelijke Regeling Hypothecair Krediet* and *Wijzigingsregeling hypothecair krediet 2021*). On 1 January 2024 the *Tijdelijke Regeling Hypothecair Krediet* was renewed. The criteria are for example:

- an affordability test (ILT) for the payments of the mortgage loan a 30 years annuity is the standard, without regarding the real redemption of the mortgage loan;
- the affordability test (ILT) uses an interest rate of 5 per cent. per annum (for mortgage loans shorter than 10 years) or the real rate (for mortgage loans longer than 10 years);
- for the mortgage loans shorter than 10 years the interest rate is reviewed every quarter by the AFM;
- for the mortgage loans shorter than 10 years or mortgage loans with a remaining duration shorter than 10 years and interest rate period is equal to the duration of the loan the rate is based on the real rate.

The income determined by the mortgage specialist is the income with which the maximum mortgage loan is calculated. The *Woonquote* is the percentage of the income that may be used to pay interest and redemptions on the mortgage per year. The maximum mortgage amount is calculated with the maximum mortgage burden per month, which is seen as so-called monthly annuities. That is the amount that one pays gross per month in interest and repayment for an annuity mortgage. When there are multiple borrowers NIBUD is based on the borrower with the highest income.

From July 2016 onwards, Directive 2014/17/EU (Mortgage Credit Directive) is implemented in the policies of Van Lanschot Kempen and from June 2021, the EBA Guidelines on Loan Origination and Monitoring apply as well.

If the income criteria are not met, the credit application is rejected. When additional capital is available to the client that can be used to supplement his income, the application can be accepted and a special condition (*zorgplichtclausule*) has to be mentioned in the mortgage loan agreement, sometimes in combination with additional collateral (liquid assets or stocks).

Maximum LTV at start (since 10 January 2024):

- 100 per cent. of the market value with regard to mortgage loans up to and including EUR 2 million;
- 70 per cent. of the market value with regard to mortgage loans higher than EUR 2 million but less than EUR 3 million;
- 40 per cent. of the market value with regard to mortgage loans higher than EUR 3 million;
- 115 per cent. of the market value with a maximum of EUR 2 million in case of refinancing an existing mortgage or a residual debt (*restschuld*).

Granting of interest only mortgage loans: up to 50 per cent. of the market value or 75 per cent. of the market value in case of refinancing an existing mortgage. For mortgage loans higher than EUR 2 million, interest only mortgage loans can be granted for up to 50 per cent. over the maximum possible advance (*bevoorschotting*).

Other mortgage loan criteria:

- the maximum duration of a mortgage loan is 30 years;
- all mortgage loans are offered in euros, other currencies are not allowed;
- for a second ranking mortgage loan the same underwriting conditions as for first ranking mortgage loans apply.

### **Collateral**

The property has to be situated in the European part of the Netherlands. When the collateral is a house it has to be the primary residence of the borrower and occupied by the borrower. Some property types we consider as normal collateral are villas, bungalows, country houses, family houses and apartments.

A full valuation of the property should be carried out conform the requirements of DNB and the European Banking Authority. Valuation reports are only accepted from quality appraisers (registered at NRV) and valuation agents and need to be validated by an authorized external party. Van Lanschot Kempen does, as of the date of the Programme Date, not accept desktop valuations.

No valuation report is required for newly built houses which are part of a public project construction, given that the mortgage loan does not exceed EUR 1 million.

A new valuation report is in principle also necessary for the application of a new or additional mortgage loan or for the conversion of an existing mortgage loan into an interest only mortgage loan. No new valuation report is required when the WOZ value (*Wet waardering onroerende zaken*) is sufficient for the approval of the interest only mortgage loan when the mortgage loan is smaller than EUR 1 million.

### **Client solvency**

*Dutch National Credit Register (Bureau Krediet Registratie)*

The BKR is consulted to check the solvency of the borrower. Van Lanschot Kempen is complying with all existing rules related to the BKR, which implies that with every application the borrower is fully checked. The liabilities which become apparent after consultation of the BKR system will be reflected in the credit evaluation. When the BKR system exhibits a delinquency or some other form of credit irregularity, in general, Van Lanschot Kempen will not take the application in consideration.

### **Compulsory insurance**

The property has to be sufficiently insured during the duration of the mortgage loan against fire and storm damage, based on the reconstruction value. The client also has to hold an additional life insurance or additional security in the form of liquid assets or stocks for the part of the mortgage amount exceeding 85 per cent. of the market value with a mortgage loan exceeding EUR 1 million.

### **Energy labels**

An A, B, C or D energy performance certificate is not compulsory yet for a mortgage loan at Van Lanschot Kempen, but Van Lanschot Kempen does expect their bankers to inquire about the sustainability plans of clients with an energy performance certificate E, F or G. The Issuer has introduced a new mortgage proposition in which it provides a discount for clients with a Van Lanschot Kempen mortgage loan with collateral having a C or higher energy label (up to A++++). As a result of this new mortgage proposition, the Issuer expects to gather more energy labels in the upcoming years.

**Arrears management**

Payments are typically scheduled to be received by Van Lanschot Kempen on the last business day of each month by way of a direct debit. If the direct debit fails, the borrower will receive a first reminder on the tenth business day after non-payment.

All arrears are calculated and reported via a credit management tool to private and business bankers on a daily basis. After 20 calendar days employees of the Prevention Team or the account manager will contact the client in order to assess the reason of arrears and to discuss to catch up on the arrears. After 1 month of arrears a reminder letter is automatically generated by the system and sent out to the client. This letter contains the amount of arrears and the arrears interest penalty to be paid.

**Financial Restructuring and Recovery Department**

After a default trigger is hit, for example after 90 days of material arrears, the client is said to be in default and is handed over to the Financial Restructuring and Recovery Department. The employees of the Financial Restructuring and Recovery Department are experienced bankers in this area and often have additional private banking or credit experience. No performance incentives are given.

The risk manager of the Financial Restructuring and Recovery Department will contact the account manager and/or the client and will assess the client's position with Van Lanschot Kempen, both in terms of value and relationship.

If the Financial Restructuring and Recovery Department considers the situation to be curable, based on its assessment of the payment problems (e.g., divorce, temporary income decline, temporary unemployment, etc.), the income expectations and some more general features (e.g., age, experience, education, etc.), it will work out a tailor-made restructuring plan with the client which is implemented thereafter. In some cases the account manager of a client remains involved next to the risk manager of the Financial Restructuring and Recovery Department.

When the Financial Restructuring and Recovery Department does not believe the situation to be curable, it will initiate a foreclosure process. This process of selling the security such as the property, a securities deposit or the buy-off of a life insurance policy is done preferably through a voluntary sale, which is possible in the majority of these cases. However, if the client does not want to sell the property on a voluntary basis, or the voluntary sale takes too long, the sale will be forced and will normally lead to a public auction of the property.

If the property is sold and there is no other collateral, but there still is a remaining debt, the risk manager will try entering into an agreement with the client regarding the residual debt.

## 11. SERVICING, ADMINISTRATION AND CUSTODY

### Servicing

The CBC has entered into the Servicing Agreement with Van Lanschot Kempen. In the Servicing Agreement Van Lanschot Kempen agrees to act as the Servicer in respect of the Mortgage Receivables. The Servicer has agreed (i) to provide management services to the CBC on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including the enforcement of Mortgages, see section 0 (*Origination and Servicing*); (ii) to communicate with the Borrowers; and (iii) to investigate payment delinquencies. An entity which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the CBC, must have a licence under the Wft. An exemption from the licence requirement is available if such entity outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Wft. Pursuant to the Servicing Agreement, the CBC has outsourced the servicing and administration of the Mortgage Loans to Van Lanschot Kempen in its capacity as servicer. The Servicer is a licensed bank and is therefore licensed to act as intermediary (*bemiddelaar*) and offeror of credit (*aanbieder van krediet*) under the Wft and the CBC thus benefits from the exemption.

The Servicer will be obliged to service the Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own portfolio.

The Servicer is permitted to sub-contract its servicing role to a member of the Van Lanschot Kempen Group or, subject to any applicable conditions in the Servicing Agreement, to any other third-party servicer (such as Stater), provided that the Servicer shall continue to be liable as if no such delegation had taken place. Additional servicers may be appointed, provided that the Rating Agency has been notified. As at the date of this Securities Note, the Servicer has sub-contracted (parts of) its servicing role to Stater.

### Stater

Stater is the leading service provider for the Dutch mortgage market. In fulfilling this role, Stater focuses on support for mortgage funders in the sale, handling and financing of mortgage portfolios.

After starting life as part of Bouwfonds Hypotheken, Stater started its activities in January 1997 as an independent service provider in the mortgage market. Stater has since grown to become an international force in the market.

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 311 billion and 1,330,208 mortgage loans. In the Netherlands, Stater has a market share of about 38 per cent. at 30 June 2023 (based on Centraal Bureau Statistiek's total mortgage number of EUR 820 billion as of Q2 2023).

The activities are provided in a completely automated and paperless electronic format. Stater has pioneered the use of technology through its e-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

Stater provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each product. A credit-scoring model and a fraud detection system form part of automated underwriting.

In December 2023, credit rating agency Fitch Ratings Ireland Limited again assigned Stater a Residential Primary Servicer Rating of 'RPS1-'. With this rating, which Stater received for its role as "primary servicer", Stater is the top scoring service provider in Europe for mortgage services. Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking.

In 2023, Deloitte Risk Advisory B.V., Stater's external auditor, issued an ISAE 3402 Type II assurance report on internal processes at Stater. For the purpose of this report, Stater requested Deloitte Risk Advisory B.V. to test the design, existence and functioning of the defined control measures for the 1 January to 31 October 2023 reporting period. With this report, Stater aims to provide its clients and their internal and external auditors transparent insight into its services and procedures.

The head office is located at Podium 1, 3826 PA, Amersfoort, the Netherlands. Stater is a 100 per cent. subsidiary of Stater N.V., of which 75 per cent. of the shares are held by Infosys Consulting Pte. Ltd. and 25 per cent. of the shares are held by ABN AMRO Bank N.V.

The information under this heading has been provided for by Stater.

### **Administration**

In the Administration Agreement, the Administrator agrees to provide certain administration, calculation and cash management services to the CBC, including (i) all calculations to be made in respect of the Covered Bonds and the Transaction Documents and (ii) to prepare monthly asset cover reports for the CBC including the relevant calculations in respect of the Asset Cover Test.

### **Termination**

The Servicing Agreement and the Administration Agreement may be terminated by the Security Trustee or the CBC (with the consent of the Security Trustee) in certain circumstances (in respect of the relevant party only), including (a) a default by the Servicer and/or the Administrator in the payment on the due date of any payment due and payable by it under the Servicing Agreement or, as the case may be, Administration Agreement, (b) a default is made by the Servicer and/or the Administrator in the performance or observance of any of its other covenants and obligations under the Servicing Agreement or, as the case may be, Administration Agreement, (c) the Servicer and/or the Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its suspension of payments or for its bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of its or any or all of its assets or (d) the Servicer is no longer licensed to act as intermediary (*bemiddelaar*) or offeror (*aanbieder*) under the Wft.

Upon termination of the Servicing Agreement or, as the case may be, the Administration Agreement in respect of the Administrator or the Servicer, the Security Trustee and the CBC undertake to appoint a substitute servicer and/or administrator, as the case may be, and such substitute servicer and/or administrator, as the case may be, shall enter into an agreement with the CBC and the Security Trustee substantially on the terms of the Servicing Agreement or, as the case may be, Administration Agreement, provided that such substitute servicer and/or administrator shall have the benefit of a servicing fee and an administration fee at a level to be then determined. Any such substitute servicer must (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Wft. The CBC shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Security Trustee Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The Servicing Agreement and the Administration Agreement may be terminated by the CBC or the Servicer or, as the case may be, the Administrator upon the expiry of not less than twelve (12) months' notice of termination given by the Servicer or, as the case may be, the Administrator to each of the CBC and the Security Trustee or by the CBC to the Servicer or Administrator and the Security Trustee provided that, *inter alia*, (a) the Security Trustee consents in writing to such termination and (b) a substitute servicer or administrator, as the case may be, shall be appointed, such appointment to be effective not later than the date of termination of the Servicing Agreement or, as the case may be, the Administration Agreement and the Servicer or Administrator shall not be released from its obligations under the Servicing Agreement or, as the case may be, the Administration Agreement until such substitute servicer or administrator has entered into such new agreement.

### **Custody**

If Substitution Assets in the form of securities are transferred to the CBC, the CBC will appoint a custodian to provide custody services in relation to such Substitution Assets. The Substitution Assets will be serviced in accordance with a Custody Agreement, the terms and conditions of which will be agreed with the Security Trustee.

## 12. ASSET MONITORING

### ASSET COVER TEST

Under the Asset Monitoring Agreement and the Guarantee Support Agreement, the CBC and the Issuer, respectively, have undertaken their reasonable efforts or best efforts respectively, that as at the end of each calendar month until the service of an Issuer Acceleration Notice and a Notice to Pay or a CBC Acceleration Notice, that:

- (i) the Adjusted Aggregate Asset Amount will be an amount at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below, up to the date specified in item B), all as calculated on the immediately succeeding Calculation Date;
- (ii) the First Regulatory Current Balance Amount will be at least equal to 105 per cent., or such other percentage as may be required from time to time under the CB Regulations, of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below, up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date; and
- (iii) the Second Regulatory Current Balance Amount will be at least equal to 100 per cent., or such other percentage as may be required from time to time under the CB Regulations, of the nominal value of the obligations in respect of the Covered Bonds, which include repayment of principal, payment of interest, payment obligations under derivative contracts and expected costs related to maintenance and administration for the winding-down of the Programme (in each case within the meaning of the CB Regulations), at the end of such calendar month (or with respect to item B as defined below, up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date,

(item (i) up to and including item (iii), the "**Asset Cover Test**").

Pursuant to the Administration Agreement the Administrator will calculate the Asset Cover Test on each Calculation Date. If at the end of a calendar month (or with respect to item B as defined below, up to the date specified in item B) the Asset Cover Test has not been met, then the Administrator will notify the CBC thereof pursuant to the Asset Monitoring Agreement, and the CBC will notify the Issuer thereof under the Guarantee Support Agreement, and the Issuer will undertake its best efforts to transfer or procure the transfer of sufficient further Eligible Assets to the CBC in accordance with the Guarantee Support Agreement to ensure that the Asset Cover Test is met at the end of the next succeeding calendar month.

Such a breach of the Asset Cover Test will not constitute an Issuer Event of Default. However, it will prevent the Issuer from issuing any further Series after such Calculation Date, until remedied and, if it is not remedied on the next Calculation Date (such failure to remedy the Asset Cover Test as calculated on the next succeeding Calculation Date being a "**Breach of Asset Cover Test**") the Security Trustee will be entitled to serve a Breach of Asset Cover Test Notice on the Issuer and the CBC. Upon receipt of such a Breach of Asset Cover Test Notice the Issuer will (continue to) use its best efforts to transfer or procure the transfer of sufficient Eligible Assets to the CBC, either directly by the Issuer or, upon instruction of the Issuer, by the other Transferors to the CBC. A Breach of Asset Cover Test may be remedied and after being remedied the Issuer may issue new Series subject to other conditions being met. After the service of a Breach of Asset Cover Test Notice and provided that the Breach of Asset Cover Test has not been remedied, the CBC is not allowed to make any payments to the Issuer and the Subordinated Loan Provider.

Save where otherwise agreed with any Rating Agency, the Asset Percentage will be adjusted in accordance with the various methodologies prescribed by any Rating Agency or will otherwise be in compliance with the relevant methodologies agreed with any Rating Agency from time to time with a view to maintain the rating of the highest rated Series of Covered Bonds. Any adjustment of the Asset Percentage will appear from the relevant Investor Report as the new Asset Percentage as determined in accordance with the Asset Monitoring Agreement. If more than one Rating Agency assigns a rating to a Series of Covered Bonds, then in the event the Asset Percentages (as computed in response to the relevant Rating Agency calculations) prior to any Calculation Date differ, the CBC (or the Administrator on its behalf) shall on such Calculation Date apply the lowest Asset Percentage. Prior to the date on which a relevant Rating Agency has provided the CBC (or the Administrator on its behalf) with a new Asset Percentage, the CBC (or the Administrator on its behalf) will be entitled to rely on the previously provided Asset Percentage.

The most recent Asset Percentage will be included in the Investor Report.



In the Administration Agreement, the Administrator agrees to prepare the Asset Cover Reports and to provide certain administration, calculation and cash management services to the CBC on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Covered Bonds, subject to and in accordance with the Administration Agreement. Each Asset Cover Report will be included in the Investor Report. In the Trust Deed, the Security Trustee agrees to, upon receipt of each Asset Cover Report, verify whether such Asset Cover Report states that the Asset Cover Test has been passed or failed and, if failed, whether the following Asset Cover Report states that the Asset Cover Test has been failed for the second time, meaning that a Breach of Asset Cover Test shall have occurred.

For the purpose hereof:

**"Adjusted Aggregate Asset Amount"** means  $A + B + C + D - Z$ .

**"A"** means the lower of:

- (a) the sum of all Adjusted Current Balances of all Mortgage Receivables. The "Adjusted Current Balance" of a Mortgage Receivable is the lower of:
  - (i) the Current Balance of such Mortgage Receivable minus  $\alpha$ ; and
  - (ii) the LTV Cut-Off Percentage of the Indexed Valuation relating to such Mortgage Receivable, minus  $\beta$ ; and
- (b) the Asset Percentage of the sum of the Current Balances minus  $\alpha$  of all Mortgage Receivables.

**" $\alpha$ "** means for each Mortgage Receivable the lower of its Current Balance and the sum of the following elements, to the extent applicable to it:

- (i) if it was in breach of the Mortgage Receivables Warranties as of the relevant Transfer Date: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero;
- (ii) if it is three (3) months or more in arrears or it is a Defaulted Receivable: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero;
- (iii) if the related Mortgage Loan (or a relevant loan part thereof) has a fixed interest rate or a floating interest rate which is lower than the Minimum Mortgage Interest Rate, an amount equal to the Minimum Mortgage Interest Rate Reduction;
- (iv) if the Long-Term Issuer Credit Rating of the Issuer from S&P falls below 'BBB', an additional amount in connection with the possible set-off risk pertaining to deposits maintained by Borrowers with the Issuer for mortgage loans issued by the Issuer being equal to (i) the amount deposited with the Issuer by the relevant Borrower minus any amounts which are guaranteed under the Deposit Guarantee Scheme from time to time or (ii) such lower amount as long as this will not adversely affect the rating of any Series;
- (v) if it corresponds to a Construction Deposit: the amount of the Construction Deposit;
- (vi) if the Transferor has an Other Claim (excluding, for the avoidance of doubt, a Further Advance): an amount equal to the Deductible Other Claim;
- (vii) if it is a Long-Term Mortgage Loan: an amount equal to the outcome of (i) the Current Balance of such Long-Term Mortgage Loan multiplied by (ii) the Excess Long-Term Mortgage Loans Ratio, provided that the outcome shall not be lower than zero.

**"Deductible Other Claim"** means, in respect of a Mortgage Receivable, zero, in case the sum of the outstanding balance of the Other Claim and Outstanding Principal Amount of such Mortgage Receivable is lower than the Indexed Valuation of the Mortgaged Asset times (1- MVD Assumption) and in all other cases, an amount equal to the lower of (i) the amount by which the sum of the outstanding balance of the Other Claim and the Outstanding Principal Amount of such Mortgage Receivable exceeds the Indexed Valuation of the Mortgaged Asset times (1- MVD Assumption) or (ii) the lower of (a) the outstanding balance of the Other Claim and (b) the Outstanding Principal Amount of such Mortgage Receivable.

**"Excess Long-Term Mortgage Loans Ratio"** means a ratio equal to (i) the aggregate Current Balance of the Long-Term Mortgage Loans that exceeds 5.0 per cent. of the aggregate Current Balance of the Mortgage Loans, divided by (ii) the aggregate Current Balance of the Long-Term Mortgage Loans.

**"Minimum Mortgage Interest Rate"** means the minimum mortgage interest rate of 0.95 per cent. which the Transferor and/or the Servicer will offer to the relevant Borrowers in respect of Mortgage Loans for the next succeeding interest rate period (*rentevastperiode*) which rate may be amended by the CBC and the Issuer, subject to Rating Agency Confirmation

and with the consent of the Security Trustee, subject to the Mortgage Conditions and to applicable law (including, without limitation, principles of reasonableness and fairness).

**"Minimum Mortgage Interest Rate Reduction"** means in relation to a Mortgage Receivable, an amount equal to the product of (i) the difference between the Minimum Mortgage Interest Rate and the actual interest rate of such Mortgage Loan (or the relevant loan part thereof); and (ii) the Current Balance of such Mortgage Loan (or the relevant loan part thereof); and (iii) the remaining (fixed) interest period in years for such fixed or floating interest rate (unless such period is less than five (5) years, in which case such period is set to five (5) years or, if the maturity date of such Mortgage Loan is earlier, the maturity date) (rounded if necessary to the first decimal, with 0.05 being rounded upwards).

**"MVD Assumption"** means the most conservative market value decline assumption as applied by S&P in order to achieve a rating in relation to any issue of Covered Bonds following the first issue of Covered Bonds equal to the current rating assigned to the outstanding Series of Covered Bonds.

**"β"** means for each Mortgage Receivable the lower of (i) the LTV Cut-Off Percentage of its Indexed Valuation and (ii)  $\alpha$  minus L.

**"L"** means for each Mortgage Receivable its Current Balance minus the LTV Cut-Off Percentage of its Indexed Valuation provided that if the result is negative, L shall be zero and if the result exceeds  $\alpha$ , L shall equal  $\alpha$ .

**"Asset Percentage"** means 82 per cent. or such other percentage figure as is determined from time to time in accordance with the Asset Monitoring Agreement as described above.

**"Current Balance"** means in relation to an Eligible Receivable at any date, the aggregate (without double counting) of the Outstanding Principal Amount and Accrued Interest (unless it concerns calculations for either the Asset Cover Test or the Amortisation Test Aggregate Asset Amount, in which case Accrued Interest will not be included) as at that date.

**"LTV Cut-Off Percentage"** means 80 per cent. for all Mortgage Receivables or such other percentage as may be notified to the Rating Agency from time to time in respect of the relevant Mortgage Receivables, or such lower percentage as is (a) required from time to time for Covered Bonds to qualify as 'covered bonds' as defined in Article 129 CRR or (b) otherwise determined from time to time in accordance with the Asset Monitoring Agreement.

**"B"** means the aggregate amount of all Principal Receipts on the Mortgage Receivables up to the end of the immediately preceding calendar month which have not been applied in accordance with the Trust Deed.

**"C"** means the aggregate amount of (i) all Transferred Collateral in cash which has not been applied in accordance with the Trust Deed and (ii) the amounts standing to the credit of the Reserve Account.

**"D"** means the aggregate outstanding principal balance of all Transferred Collateral in Substitution Assets and accrued interest thereon, which has not been applied in accordance with the Trust Deed. Substitution Assets will be valued on a monthly basis and be taken into account for their mark-to-market value at a discount, based on a methodology proposed to the Rating Agency.

**"Z"** means an amount equal to the Interest Cover Required Amount.

**"Interest Cover Required Amount"** means on the date with respect to which the Asset Cover Test is calculated, the higher of zero and (i) U minus W on such date; or (ii) such lower amount as notified by the Issuer to the CBC as long as this will not adversely affect the rating of any Series; whereas:

**"U"** means the sum of the aggregate amount of interest payable in respect of all Series of Covered Bonds from the relevant date up to and including the relevant Maturity Date minus any amount of interest to be received under any Swap Agreement in connection with a Series of Covered Bonds and in the event floating rate interest has to be calculated, it is assumed that such rates remain at the same level as at the relevant Calculation Date preceding the relevant CBC Payment Date.

**"W"** means the Estimated Portfolio Interest Income multiplied by (1 minus the Swap Fraction) and minus any amount of interest to be paid under any Swap Agreement (other than any Portfolio Swap Agreement) in connection with a Series of Covered Bonds.

**"Estimated Portfolio Interest Income"** means on the date with respect to which the Asset Cover Test is determined (i.e. the end of each calendar month), the aggregate amount, as determined by the CBC (or the Administrator on its behalf) (and such estimation, absent manifest error, being final and binding), of future interest receipts on the Mortgage Receivables and future interest income derived from Substitution Assets on such date, and such estimation to be calculated as the sum of:

- (i) all Fixed Interest Loan Payment Amounts;
- (ii) all Variable Interest Loan Payment Amounts; and
- (iii) all Substitution Assets Payment Amounts.

**"Fixed Interest Loan Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each outstanding Mortgage Receivable with a fixed interest rate, the product of (x) the expected weighted average life (expressed in years) of all Mortgage Receivables with a fixed interest rate; and (y) the weighted average interest rate (expressed as a percentage) of all Mortgage Receivables (where upon the interest reset date of such Mortgage Receivable the interest rate is assumed to be reset at the Assumed Mortgage Interest Rate); and (z) the aggregate Outstanding Principal Amount of such Mortgage Receivable.

**"Variable Interest Loan Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each outstanding Mortgage Receivable with a variable interest rate, the product of (x) the expected weighted average life (expressed in years) of all Mortgage Loans with a variable interest rate, (y) the Assumed Mortgage Interest Rate; and (z) the aggregate Outstanding Principal Amount of such outstanding Mortgage Receivable.

**"Substitution Assets Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each Substitution Asset the sum of the aggregate interest expected to be received up to and including the maturity date of the respective Substitution Asset.

**"Assumed Mortgage Interest Rate"** means the expected mortgage interest rate to be offered by the Servicer (acting on behalf of the CBC) in relation to Mortgage Loans which have an interest rate reset, which interest rate will be notified by the Servicer to the CBC and the Rating Agency upon request.

**"Indexed Valuation"** in relation to any Mortgaged Asset at any date means:

- (a) where the Original Market Value of that Mortgaged Asset is equal to or greater than the Price Indexed Valuation as at that date, the Price Indexed Valuation; or
- (b) where the Original Market Value of that Mortgaged Asset is less than the Price Indexed Valuation as at that date, the Original Market Value plus 90 per cent. (or, if a different percentage is required or sufficient from time to time for the Covered Bonds to qualify as "covered bonds" as defined in the CRR and the Issuer wishes to apply such different percentage, then such different percentage) of the difference between the Price Indexed Valuation and the Original Market Value.

**"Original Market Value"** in relation to any Mortgaged Asset means the market value (*marktwaarde*) given to that Mortgaged Asset by the most recent valuation addressed to the Transferor that transferred the relevant Mortgage Receivable to the CBC.

**"Price Indexed Valuation"** in relation to any property at any date means the Original Market Value of that property increased or decreased as appropriate by the increase or decrease in the Index since the date of the Original Market Value.

**"Index"** means the index of increases or decreases, as the case may be, of house prices issued by the Dutch land registry (*kadaster*) in relation to residential properties in the Netherlands.

**"Selected Mortgage Receivables"** means Mortgage Receivables to be sold or refinanced by the CBC pursuant to the terms of the Asset Monitoring Agreement.

**"First Regulatory Current Balance Amount"** means an amount equal to the sum of (A) the Outstanding Principal Amount of the Mortgage Receivables and (B) the Substitution Assets Amount, in each case subject to the limits and the deductions set forth in the CB Regulations (including by reference to Article 129 CRR), or in each case such other amount as may be permitted to be taken into account for the purpose of calculating eligible cover assets pursuant to the CB Regulations from time to time.

**"Substitution Assets Amount"** means an amount equal to the Transferred Collateral, which amount will be limited to a maximum of 20 per cent. of the nominal value of the Transferred Assets, subject to the limits and deductions set forth in the CB Regulations or such other amount as may be permitted to be taken into account for the purpose of calculating the (claims resulting from) eligible cover assets pursuant to the CB Regulations from time to time.

**"Second Regulatory Current Balance Amount"** means an amount equal to the sum of the nominal value of the claims resulting from (A) the Mortgage Receivables and (B) the Substitution Assets Amount, in each case subject to the limits and the deductions set forth in the CB Regulations, or such other amount as may be permitted to be taken into account for the purpose of calculating the (claims resulting from) eligible cover assets pursuant to the CB Regulations from time to time.

**"Regulatory Cut-Off Percentage"** means 80 per cent. for all Mortgage Receivables, or such other percentage as may be required from time to time under the CB Regulations.

**"Swap Fraction"** means the fraction to be calculated in relation to all Swap Agreements by dividing (i) the Principal Amount Outstanding, or the relevant part thereof, of the relevant Series of Covered Bonds subject to hedging arrangements pursuant to any Swap Agreement by (ii) the Principal Amount Outstanding of all Covered Bonds.

## AMORTISATION TEST

Under the Asset Monitoring Agreement and the Guarantee Support Agreement, the CBC must ensure that as at the end of each calendar month *following* the service of a Notice to Pay (but prior to service of a CBC Acceleration Notice), the Amortisation Test Aggregate Asset Amount will be an amount at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds as at the end of such calendar month (or with respect to item B as defined below, up to the date specified in item B), all as calculated on the immediately succeeding Calculation Date (the "**Amortisation Test**").

If on any Calculation Date following the service of a Notice to Pay the Amortisation Test is not met per the end of the previous calendar month, then that shall constitute a breach of the Amortisation Test and the CBC (or the Administrator on its behalf) shall immediately notify the Security Trustee thereof in writing, and the Security Trustee shall be entitled to serve a CBC Acceleration Notice under the Terms and Conditions.

For this purpose:

**"Amortisation Test Aggregate Asset Amount"** means  $A + B + C - Z$ .

**"A"** means the sum of all Amortisation Test Current Balances of all Mortgage Receivables. The **"Amortisation Test Current Balance"** of a Mortgage Receivable is the Current Balance of such Mortgage Receivable minus  $\alpha$ ;

**" $\alpha$ "** means for each Mortgage Receivable the lower of its Current Balance and the sum of the following elements, to the extent applicable to it:

- (i) if it was in breach of the Mortgage Receivables Warranties as of the relevant Transfer Date: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero; and
- (ii) if it is 3 months or more in arrears or it is a Defaulted Receivable: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero.

**"B"** means the amount of any cash standing to the credit of the CBC Account up to the end of the immediately preceding Calculation Period which have not been applied in accordance with the Trust Deed.

**"C"** means the outstanding principal balance of any Substitution Assets plus the amount deposited in the Reserve Account.

**"Z"** means an amount equal to the Interest Cover Required Amount.

**"Interest Cover Required Amount"** means on the date with respect to which the Amortisation Test is calculated, the higher of zero and (i)  $U$  minus  $W$  on such date; or (ii) such lower amount as notified by the Issuer to the CBC as long as this will not adversely affect the rating of any Series; whereas;

**"U"** means the sum of the aggregate amount of interest payable in respect of all Series of Covered Bonds from the relevant date up to and including the relevant Maturity Date minus any amount of interest to be received under any Swap Agreement in connection with a Series of Covered Bonds and in the event floating rate interest has to be calculated, it is assumed that such rates remain at the same level as at the relevant Calculation Date preceding the relevant CBC Payment Date.

**"W"** means the Estimated Portfolio Interest Income, multiplied by (1 minus the Swap Fraction) and minus any amount of interest to be paid under any Swap Agreement (other than any Portfolio Swap Agreement) in connection with a Series of Covered Bonds.

**"Estimated Portfolio Interest Income"** means on the date with respect to which the Amortisation Test is determined (i.e. the end of each calendar month), the aggregate amount, as determined by the CBC (or the Administrator on its behalf) (and such estimation, absent manifest error, being final and binding), of future interest receipts on the Mortgage Receivables and future interest income derived from Substitution Assets on such date, and such estimation to be calculated as the sum of:

- (i) all Fixed Interest Loan Payment Amounts;

- (ii) all Variable Interest Loan Payment Amounts; and
- (iii) all Substitution Assets Payment Amounts.

**"Fixed Interest Loan Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each outstanding Mortgage Receivable with a fixed interest rate, the product of (x) the expected weighted average life (expressed in years) of all Mortgage Receivables with a fixed interest rate; and (y) the weighted average interest rate (expressed as a percentage) of all Mortgage Receivables (where upon the interest reset date of such Mortgage Receivable the interest rate is assumed to be reset at the Assumed Mortgage Interest Rate); and (z) the aggregate Outstanding Principal Amount of such Mortgage Receivable.

**"Variable Interest Loan Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each outstanding Mortgage Receivable with a variable interest rate, the product of (x) the expected weighted average life (expressed in years) of all Mortgage Loans with a variable interest rate, (y) the Assumed Mortgage Interest Rate; and (z) the aggregate Outstanding Principal Amount of such outstanding Mortgage Receivable.

**"Assumed Mortgage Interest Rate"** means the expected mortgage interest rate to be offered by the Servicer (acting on behalf of the CBC) in relation to Mortgage Loans which have an interest rate reset, which interest rate will be notified by the Servicer to the CBC and the Rating Agency upon request.

**"Substitution Assets Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each Substitution Asset the sum of the aggregate interest expected to be received up to and including the maturity date of the respective Substitution Asset.

## SALE OR REFINANCING OF SELECTED ASSETS

The Asset Monitoring Agreement provides that the CBC shall sell or refinance Selected Transferred Assets following the service of a Notice to Pay on the CBC and an Issuer Acceleration Notice on the Issuer, but prior to the service of a CBC Acceleration Notice, if on any date the relevant Series that has the earliest Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a CBC Event of Default) (the "**Earliest Maturing Covered Bonds**") have an Extended Due for Payment Date which falls within twelve (12) months, or such other date as the Security Trustee may approve, of such date.

Failure by the CBC to sell or refinance Selected Mortgage Receivables in accordance with the Asset Monitoring Agreement (as described below) will not constitute a CBC Event of Default.

If the CBC is required to sell or refinance Selected Mortgage Receivables as abovementioned, the Asset Monitoring Agreement provides that the CBC shall ensure that the Selected Mortgage Receivables will be selected on a random basis as described in the Asset Monitoring Agreement, provided that no more Selected Mortgage Receivables will be selected than are necessary for the estimated sale or refinancing proceeds to equal the Adjusted Required Redemption Amount as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any), and provided that the Amortisation Test is not breached following the proposed sale or refinancing,

where:

**"Adjusted Required Redemption Amount"** means an amount equal to the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the CBC Account and the principal amount of any Substitution Assets (excluding all amounts to be applied on the following CBC Payment Date to repay higher ranking amounts in the CBC Priority of Payments and excluding those amounts that are required to repay any Series which mature prior to or on the same date as the relevant Series).

**"Required Redemption Amount"** means in respect of a Series, the amount calculated as follows: the aggregate Principal Amount Outstanding of such Series x  $(1 + (0.005 \times (\text{days to the Extended Due for Payment Date of such Series} / 365)))$ .

The CBC shall first offer all the Selected Transferred Assets for sale to the Transferor after the occurrence of an Issuer Event of Default. If, for whatever reason, the Transferor informs the CBC, within a period of twenty (20) Business Days after the CBC has made such offer, that it will not repurchase the Selected Transferred Assets, then the Selected Transferred Assets shall be offered for sale by the CBC to a third party or third parties.

If, after the non-exercise of the right of the Transferor to repurchase the Selected Transferred Assets, the CBC receives an offer from a third party to purchase the Selected Transferred Assets, the CBC will notify the Transferor of such offer and, within five (5) Business Days after such notice, the Transferor has the right to match the offer to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party and, if the Transferor offers to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party, the CBC shall accept such offer of the Transferor.

If the CBC undertakes to sell or refinance Selected Mortgage Receivables, the CBC will offer the Selected Mortgage Receivables for sale to purchasers for the best terms reasonably available but in any event for an amount not less than the Adjusted Required Redemption Amount as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any).

If, on the date falling six (6) months before the first Extended Due for Payment Date of any Series outstanding, the Selected Mortgage Receivables have not been sold or refinanced (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount (or a proportional part thereof if only a part of the Selected Mortgage Receivables have been sold) as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any), the CBC will, (i) offer the Selected Mortgage Receivables for sale for the best terms reasonably available, including but not limited to the best price

reasonably available, or (ii) seek to refinance the Selected Mortgage Receivables on the best terms reasonably available, both (i) and (ii) subject to the consent of the Security Trustee, notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

If the CBC intends to sell Selected Mortgage Receivables to a third party, it may appoint a Portfolio Manager. The CBC shall pay to the Portfolio Manager a success fee, which may consist of a percentage of the portfolio as agreed between the CBC and the Portfolio Manager and which shall only be payable upon sale of such portfolio and which may be deducted from the proceeds of the sale of the Selected Mortgage Receivables.

In respect of the sale or refinancing of Selected Mortgage Receivables following service of a Notice to Pay on the CBC, in addition to offering Selected Mortgage Receivables for sale to purchasers in respect of the Earliest Maturing Covered Bonds, the CBC (subject to the rights of pre-emption enjoyed by the Transferor pursuant to the Guarantee Support Agreement) is under the Asset Monitoring Agreement permitted to sell a portfolio of Selected Mortgage Receivables, in accordance with the provisions summarised above, in respect of other Series and the CBC shall be required to do so if the Extended Due for Payment Date of such Series falls within twelve (12) months (or such other later date as the Security Trustee may approve) of such date.

In respect of any sale or refinancing of Selected Mortgage Receivables following the service of an Issuer Acceleration Notice, but prior to the service of a CBC Acceleration Notice, the CBC will instruct the Portfolio Manager to use all best efforts to procure that Selected Mortgage Receivables are sold as quickly as reasonably practicable (in accordance with the recommendations of the Portfolio Manager) taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Guarantee Support Agreement and the Asset Monitoring Agreement.

#### **General Sales Requirements**

The CBC shall ensure that the purchaser to which it sells the Selected Mortgage Receivables shall on or before the date of such purchase represent that it has not been granted a suspension of payments (*surseance van betaling verleend*), been declared bankrupt (*failliet verklaard*) or become subject to analogous insolvency proceedings under applicable law or otherwise be limited in its right to dispose of its assets.

The terms of any sale and purchase agreement with respect to the sale of Selected Mortgage Receivables or the terms of any refinancing will be subject to the prior written approval of the Security Trustee.

If purchasers accept the offer or offers from the CBC, the CBC will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant purchasers which will require, amongst other things, a cash payment from the relevant purchasers.

Any such sale or any refinancing will not include any representations or warranties from the CBC in respect of the Selected Mortgage Receivables unless expressly agreed by the Security Trustee.

After a CBC Acceleration Notice has been served on the CBC, the Security Trustee may institute such proceedings or take such action as it thinks fit against the Issuer and the CBC to enforce its rights under the Trust Deed and the Security in accordance with the terms of the Trust Deed.

#### **Sale of Substitution Assets**

The Asset Monitoring Agreement provides that the CBC (or the Administrator on its behalf) shall sell all Substitution Assets as quickly as reasonably practicable, subject to the pre-emption rights enjoyed by the Transferor pursuant to the Guarantee Support Agreement, following service of an Issuer Acceleration Notice and a Notice to Pay.



## ASSET MONITOR AND COVER POOL MONITOR

On the Programme Date the Asset Monitor has been appointed as an independent accountant to perform the role of Asset Monitor. The Asset Monitor has agreed, subject to due receipt of the information to be provided by the Administrator to the Asset Monitor, to conduct tests on the arithmetic accuracy of certain calculations performed by the Administrator in respect of the Asset Cover Test, the Amortisation Test and the Mandatory Liquidity Required Amount with a view to confirmation of the accuracy of such calculations as required by and in accordance with the Wft.

The Dutch legislator has elected to implement article 13 of the Covered Bond Directive and requires the appointment of a cover pool monitor. Pursuant to the CB Regulations a cover pool monitor is to be appointed before the first issuance of Covered Bonds and it will at least on an annual basis check compliance with the CB Regulations in accordance with Article 40n of the Decree. The Issuer has appointed VLK Internal Audit (as part of Van Lanschot Kempen) as internal cover pool monitor for the purpose of the CB Regulations and the Issuer will ensure that it will comply with the requirements set out in subsection 2 and 3 of Article 40n of the Decree.

The Issuer and the CBC have appointed the Asset Monitor, which is also the external accountant of the Issuer under the terms of the Asset Monitor Appointment Agreement in accordance with subsection 2 and 3 of Article 40n of the Decree, to monitor compliance with Article 40g and 40k of the Decree on an annual basis (regardless whether the Issuer would be subjected to bankruptcy or resolution measures at such time).

The Asset Monitor will conduct such tests (i) in respect of the Asset Cover Test, on the Calculation Date immediately preceding each anniversary of the Programme Date; and (ii) in respect of the Amortisation Test, on each Calculation Date following service of a Notice to Pay (but prior to service of a CBC Acceleration Notice); and (iii) in respect of the Mandatory Liquidity Required Amount, on the Calculation Date immediately preceding each anniversary of the Programme Date.

Following a determination by the Asset Monitor of any material errors in the arithmetic accuracy of the calculations performed by the Administrator such that (a) the Asset Cover Test has been failed on the applicable Calculation Date (in respect of the previous month's end) (where the Administrator had recorded it as being satisfied) or (b) the Adjusted Aggregate Asset Amount or the Amortisation Test Aggregate Asset Amount is misstated by an amount exceeding 1 per cent. of the Adjusted Aggregate Asset Amount or the Amortisation Test Aggregate Asset Amount, as applicable, the Asset Monitor will be required to conduct such tests for each of the four consecutive Calculation Dates thereafter. If the test in relation to the Mandatory Liquidity Required Amount reveals errors in the relevant calculations and, consequently, such test has failed, then the Asset Monitor shall promptly notify the CBC, the Administrator, the Security Trustee and the Issuer thereof.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the Administrator for the purpose of conducting such tests is true and correct and is complete and not misleading, and is not required to conduct a test or otherwise take steps to verify the accuracy of any such information. The Asset Monitor Report will be delivered to the Administrator, the CBC, the Issuer and the Security Trustee and upon request of the Rating Agency, to the Rating Agency in accordance with the Asset Monitor Appointment Agreement. If the calculations performed by the Administrator have not been performed correctly, the Asset Monitor Report shall set out the correct calculation of the Asset Cover Test, the Amortisation Test or the Mandatory Liquidity Required Amount, as applicable.

In addition, subject to the terms of the Asset Monitoring Agreement, the Asset Monitor will monitor and perform agreed upon procedures which are required pursuant to Article 40g and 40k of the Decree, including agreed upon procedures on the calculations of (i) the First Regulatory Current Balance Amount and the Second Regulatory Current Balance Amount which, in each case form part of the Asset Cover Test and (ii) the amount to be retained by the CBC pursuant to Article 40k of the Decree.

Under the terms of the Asset Monitor Appointment Agreement the CBC will pay to the Asset Monitor a fee per test for the tests to be performed by the Asset Monitor.

The CBC may, at any time, but subject to the prior written consent of the Security Trustee, terminate the appointment of the Asset Monitor by providing at least thirty (30) days' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the CBC (such replacement to be approved by the Security Trustee if the replacement is an accountancy firm of international standing) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor

#### Appointment Agreement.

The Asset Monitor may, at any time, resign from its appointment under the Asset Monitor Appointment Agreement upon providing the CBC and the Security Trustee (copied to the Rating Agency) with sixty (60) days' prior written notice. If a replacement asset monitor has not been found by the CBC within sixty (60) days of notice of resignation by the Asset Monitor, the Asset Monitor shall immediately undertake to seek a replacement (if the replacement is an accountancy firm of international standing and such replacement to be approved by the Security Trustee) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

If a replacement asset monitor has not been found by the CBC within thirty (30) days of the giving of notice of termination by the CBC, the Asset Monitor may identify a replacement (if the replacement is an accountancy firm of international standing and such replacement to be approved by the Security Trustee) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

In the Trust Deed the Security Trustee agrees to, upon receipt of each Asset Cover Report, verify whether it states that the Asset Cover Test or Amortisation Test, as the case may be, has been passed or failed.

## 13. SWAPS

### *General*

The CBC is only permitted to enter into swap agreements with (a) Van Lanschot Kempen (with appropriate collateralisation requirements if at such time Van Lanschot Kempen is no longer an Eligible Swap Counterparty) or (b) third party Eligible Swap Counterparties, as the case may be. The Security Trustee shall be a party to such Swap Agreements only for the purposes of taking certain benefits and assuming certain obligations with respect to making determinations on behalf of the CBC. An Issuer Event of Default will not constitute an event of default or a termination event under any Swap Agreement.

The CB Regulations allow for derivative contracts, such as Swap Agreements, to be included in the cover pool to the extent such derivative contract (i) contributes to manage the risk for covered bondholders and the volume thereof is adjusted in the case of a reduction in the hedged risk and shall be removed when the hedged risk ceases to exist, (ii) is properly documented, (iii) cannot be terminated when the issuer becomes insolvent or, subject to resolution measures and (iv) is entered into with a financial counterparty that is subject to supervision and is subject to collateralisation requirements upon loss of certain ratings of the counterparty. All Swap Agreements must comply with the requirements set out in Article 40j of the Decree.

Rating downgrade language acceptable to the Rating Agency will be included in the Swap Agreements in relation to the Swap Counterparties.

Upon the termination of a Swap Agreement, the CBC or any Swap Counterparty may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Swap Agreement. The amount of this early termination payment will be calculated and made in euro or such other currency as may be agreed. In the event that such a termination payment is payable by the CBC following the service of an Issuer Acceleration Notice and a Notice to Pay, such amount will in most cases (see the applicable priority of payments below) rank ahead of any principal amounts in respect of Swap Agreements due on the Covered Bonds except where default by, or downgrade of, the relevant Swap Counterparty has caused the relevant Swap Agreement to terminate.

### *Portfolio Swap Agreements*

There may be differences between the amounts of interest (i) received in respect of the Mortgage Receivables (the rates applicable to which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate), the other Transferred Assets and the CBC Transaction Accounts and (ii) payable in respect of the outstanding Covered Bonds. The CBC may at the instruction of the Issuer elect to enter into Portfolio Swap Agreements in order to hedge certain mismatches in respect of one or more Series or all Series, in whole or in part, of Covered Bonds, whereby the revenue scheduled to be received on all or a proportion of the Transferred Assets is exchanged for a fixed or floating rate of interest on one or more Series or all Series, in whole or in part, of Covered Bonds, whereby the proportion of the Transferred Assets, if applicable, is calculated by dividing (i) the Principal Amount Outstanding, or the relevant part thereof, of the relevant Series of Covered Bonds which is subject to such hedging arrangements pursuant to any Portfolio Swap Agreement by (ii) the Principal Amount Outstanding of all outstanding Covered Bonds.

### *Interest Swap Agreements*

There may be differences between the amounts of interest (i) received in respect of the Mortgage Receivables (the rates applicable to which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate), the other Transferred Assets and the CBC Transaction Accounts (excluding the Swap Collateral Account) and (ii) payable in respect of the outstanding Covered Bonds. The CBC may at the instruction of the Issuer elect to enter into Interest Swap Agreements in order to hedge certain mismatches in respect of one or more Series.

### *EMIR*

EMIR may have a potential impact on a Swap Agreement as an OTC derivative contract to be entered into by the CBC. EMIR establishes certain requirements for OTC derivative contracts, including (i) mandatory clearing obligations, (ii) the mandatory exchange of initial and/or variation margin, (iii) other risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty and (iv) reporting requirements.

The Issuer does not expect the CBC to be or become subject to the margin requirements or the clearing obligation, as these only apply to certain financial counterparties (as defined in EMIR) and non-financial counterparties (as defined in

EMIR) that (are deemed to) exceed the applicable clearing threshold (established on a group basis). For the same reason, it does also not expect to be subject to the trading obligation under Regulation (EU) No 600/2014 (as amended) (commonly known as the Markets in Financial Instruments Regulation). Moreover, EMIR provides for an exemption from the margin requirements and clearing obligation for derivatives associated with covered bonds.

However, the possibility cannot be excluded that the CBC may in the future, whether as a result of changes to the legislation or group activity, qualify as such a counterparty. If it does not comply with the requirements for an exemption (such as the aforementioned exemption) and a Swap Agreement is deemed in-scope, it will have to comply with the margin requirements, trading obligation and/or the clearing obligation. This would lead to significantly more administrative burdens, higher costs and potential complications, for instance if the CBC will be required to enter into a replacement swap agreement or to amend a Swap Agreement in order to comply with these requirements.

## 14. CASH FLOWS

The CBC shall, subject to the rights of the Security Trustee as pledgee, be entitled to receive for its own benefit all proceeds of the Transferred Assets. Pursuant to the Trust Deed, the following will apply:

- (i) the CBC (or the Administrator on its behalf) will apply the Interest Available Amount and the Principal Available Amount in accordance with the CBC Priority of Payments; and
- (ii) if a CBC Acceleration Notice has been served, all moneys received or recovered by the Security Trustee or any other Secured Creditor and all moneys held by or on behalf of the CBC will be applied in accordance with the Post CBC Acceleration Notice Priority of Payments except for any Swap Collateral Amounts which shall first be subject to the provisions set out in the relevant Swap Agreement.

Any amounts drawn under the Subordinated Loan will either be deposited by the CBC on the Reserve Account to fund the Reserve Account up to the Reserve Account Required Amount or be used to fund the Initial Purchase Price for the New Mortgage Receivables.

*Payments with respect to Covered Bonds and Swap Agreements during a CBC Payment Period (other than on the CBC Payment Date on which the CBC Payment Period commences)*

Until a CBC Acceleration Notice has been served, pursuant to the Trust Deed, the Interest Available Amount and the Principal Available Amount (less any amounts payable to third parties incurred by the CBC in its ordinary course of its business, which may be paid on each day by the CBC) will be applied in accordance with the CBC Priority of Payments on each CBC Payment Date, which dates will occur monthly. Payments in respect of interest and principal on a Series of Covered Bonds and, in respect of Swap Agreements, may however become due and payable on other days than on the relevant CBC Payment Date during a CBC Payment Period. Such amounts will be payable by the CBC on the date on which such payments become due and payable as follows:

- (i) in respect of a Series of Covered Bonds to the extent that the CBC has entered into a Swap Agreement with respect to such Series of Covered Bonds, from the amounts received under the relevant Swap Agreement connected to such Series after the CBC Payment Date on which the relevant CBC Payment Period commenced;
- (ii) from the amounts reserved for such Series of Covered Bonds or such Swap Agreement pursuant to item (e) or (f) of the CBC Priority of Payments (as applicable) on the CBC Payment Date on which the relevant CBC Payment Period commenced; and
- (iii) in respect of a Series of Covered Bonds to the extent not so paid in full following application of the funds available in accordance with (i) and (ii) above, from the amounts as were credited to the CBC Transaction Accounts in accordance with item (i) of the CBC Priority of Payments on the CBC Payment Date on which the relevant CBC Payment Period commenced.

For the purposes hereof:

**"Principal Available Amount"** means on a Calculation Date an amount equal to the aggregate of (without double counting):

- (i) the amount of Principal Receipts received during the previous calendar month;
- (ii) any amounts of principal received from any Substitution Asset (not forming part of the Interest Available Amount);
- (iii) the principal amount of any Transferred Collateral in the form of cash (other than pursuant to a Swap Agreement) received during the previous calendar month;
- (iv) any amount required to be transferred to the CBC Account in accordance with item (i) of the CBC Priority of Payments (for this purpose of determining such amount this item (iv) will not be included in the Principal Available Amount for determining the amount available for application to such item (i));
- (v) all amounts in respect of principal (if any) received or to be received by the CBC under the Transaction Documents (other than any Swap Collateral Amounts posted under the Swap Agreements) on the relevant CBC Payment Date (or in the CBC Payment Period immediately preceding the relevant CBC Payment Date but excluding the preceding CBC Payment Date);
- (vi) any amounts received in the preceding calendar month as Excess Proceeds, to the extent such proceeds do not relate to interest;
- (vii) any amounts reserved on the immediately preceding CBC Payment Date to the extent not applied towards payment in respect of the relevant Series of Covered Bonds or the relevant Swap Agreement or towards a higher ranking item than payment in respect of the relevant Series of Covered Bonds or the relevant Swap Agreement in the CBC Priority of Payments prior to the relevant CBC Payment Date to the extent relating to principal; and

- (viii) as amounts released from the Construction Account on the preceding CBC Payment Date from the credit balance of the Construction Account in cases where the relevant Construction Deposit is paid to the relevant Borrower by means of set-off with the Mortgage Receivables.

**"Interest Available Amount"** means on a Calculation Date an amount equal to the aggregate of (without double counting):

- (i) the amount of Interest Receipts received during the previous calendar month;
- (ii) other net income of the CBC including all amounts of interest received on the CBC Transaction Accounts (excluding the Swap Collateral Account) and the Substitution Assets in the preceding calendar month;
- (iii) all amounts in respect of interest received or to be received by the CBC under the Swap Agreements on the relevant CBC Payment Date (or in the CBC Payment Period immediately preceding the relevant CBC Payment Date but excluding the preceding CBC Payment Date) except for any payments in respect of interest received under the Swap Agreements that have been applied towards payment in respect of a Series of Covered Bonds (and, for the avoidance of doubt, excluding Swap Collateral Amounts);
- (iv) any amounts on the Reserve Account released in accordance with the Trust Deed;
- (v) any amounts received as Excess Proceeds in the CBC Payment Period immediately preceding the relevant CBC Payment Date to the extent such proceeds do not relate to principal;
- (vi) any amounts to the extent not relating to principal, reserved on the immediately preceding CBC Payment Date to the extent not applied towards payment in respect of the relevant Series of Covered Bonds or the relevant Swap Agreement or towards a higher ranking item than payment in respect of the relevant Series of Covered Bonds or the relevant Swap Agreement in the CBC Priority of Payments prior to the relevant CBC Payment Date;
- (vii) any Excess Swap Replacement Amounts standing to the credit of the Swap Replacement Ledger on the relevant CBC Payment Date; and
- (viii) any other amounts standing to the credit of the CBC Account, to the extent not relating to principal, not excluded by virtue of (i) to (vii) above;

less

- (ix) on the first CBC Payment Date of each year, an amount equal to 10 per cent. of the annual fixed operational expenses of the CBC, with a minimum of euro 2,500.

**"Principal Receipts"** means:

- (i) any amount received as principal under the Mortgage Receivables (as repayment, prepayment, sale proceeds, refinancing proceeds, including payments of arrears, Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Receivable, but excluding prepayment penalties); and
- (ii) any amounts received or recovered as Net Proceeds to the extent relating to principal.

**"Mandatory Liquidity Required Amount"** means an amount equal to the amount which is at such time required to be maintained by the CBC to ensure compliance with Article 40k of the Decree after taking into account any amounts standing to the credit of the Reserve Account, as permitted to be taken into account pursuant to Article 40k of the Decree and any other amounts (whether held or generated and) permitted to be taken into account pursuant to Article 40k of the Decree (in each case all as calculated on each relevant Calculation Date for the relevant period prescribed by Article 40k of the Decree).

**"Reserve Account Required Amount"** means:

- a) until the occurrence of a Reserve Account Trigger Event: an amount equal to the Mandatory Liquidity Required Amount; and
- b) following the occurrence of a Reserve Account Trigger Event: an amount equal to the higher of:
  - (i) the Mandatory Liquidity Required Amount; and
  - (ii) the Reserve Trigger Required Amount;

**"Reserve Account Trigger Event"** means if any of the Long-Term Issuer Credit Ratings of the Issuer falls below the minimum ratings as determined to be applicable or agreed by a relevant Rating Agency from time to time, being as at the Programme Date a Long-Term Issuer Credit Rating of 'A' by S&P.

**"Reserve Trigger Required Amount"** means an amount equal to:

- (a) the aggregate for all Series of:
  - (i) to the extent that no Swap Transaction has been entered into in relation to a Series, the aggregate Scheduled Interest for each such Series due in the three following CBC Payment Periods; and
  - (ii) to the extent that any Swaps have been entered into in relation to any Series;
    - A. if Van Lanschot Kempen is the Swap Counterparty for any such Swaps in relation to the relevant Series, the higher of:
      - 1. the aggregate Scheduled Interest due; and
      - 2. the aggregate interest component due by the CBC under such Swap for such Series in the next three following CBC Payment Periods, all as calculated on each relevant Calculation Date; or
    - B. if a party other than Van Lanschot Kempen is the relevant Swap Counterparty for such Swaps entered into in respect of the relevant Series, the aggregate interest component due by the CBC under the relevant Swap Agreements in the three following CBC Payment Periods; or
    - C. if a party other than Van Lanschot Kempen is the relevant Swap Counterparty in respect of the Swaps entered into in respect of that Series and Van Lanschot Kempen is the Swap Counterparty in respect of the other Swap(s) entered into in respect of that Series, the higher of: (1) the aggregate Scheduled Interest due; and (2) the aggregate interest component due by the CBC under such Swaps for such Series in the three following CBC Payment Periods, all as calculated on each relevant Calculation Date,

plus

- (b) to the extent not covered in the relevant Swap, the sum of 0.03 per cent. of the Principal Amount Outstanding of the Covered Bonds on such Calculation Date (or, as applicable, such last issue date) and EUR 30,000.00.

#### **Cash Collection Arrangements**

Payments by the majority of the Borrowers of interest and scheduled principal under the Mortgage Loans are due on the first day of each month, interest being payable in arrears. All payments made by Borrowers will be paid into the Transferor Collection Account with ABN AMRO Bank N.V. This account is not pledged to any party. This account will also be used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to the Transferor.

The Transferor has undertaken to distribute all amounts of principal, interest and prepayment penalties received by it in respect of the Mortgage Receivables and paid to the Transferor Collection Account ultimately the 14<sup>th</sup> calendar day following receipt.

## CBC PRIORITY OF PAYMENTS

On each CBC Payment Date prior to the service of a CBC Acceleration Notice, the Interest Available Amount and the Principal Available Amount (less any amounts payable to third parties incurred by the CBC in the ordinary course of its business, which may be paid on each day by the CBC) will pursuant to the Trust Deed be applied or reserved (in respect of the immediately following CBC Payment Period (which, for the avoidance of doubt, in this priority of payments commences on such CBC Payment Date)), as the case may be, in the following order of priority (the "**CBC Priority of Payments**" and together with the Post CBC Acceleration Notice Priority of Payments, the "**Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Security Trustee in the immediately following CBC Payment Period under the provisions of the Trust Deed;
- (b) *second*, in or towards satisfaction of taxes owing by the CBC to any tax authority accrued and unpaid (to the extent such amounts cannot be paid out of item (ix) of the Interest Available Amount);
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto of any remuneration and any costs, charges liabilities and expenses then due and payable to the Paying Agents or the Registrar under or pursuant to the Agency Agreement and to any Calculation Agent under any Calculation Agency Agreement or Agency Agreement;
- (d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto of:
  - (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in the immediately following CBC Payment Period under the provisions of the Servicing Agreement;
  - (ii) any remuneration then due and payable to the Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the Administrator in the immediately following CBC Payment Period under the provisions of the Administration Agreement;
  - (iii) any amounts (if any) due and payable to the CBC Account Bank (including costs and negative interest) pursuant to the terms of the CBC Account Agreement;
  - (iv) any amounts (including costs and expenses) due and payable to the Directors; and
  - (v) any amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (k) below) pursuant to the terms of the Asset Monitor Appointment Agreement;
- (e) *fifth*, to each Portfolio Swap Counterparty in or towards satisfaction or to be reserved for payment *pro rata* and *pari passu* in accordance with the respective amounts owing thereto of all amounts (including any termination payment due and payable by the CBC under the relevant Portfolio Swap Agreement to the extent *not* paid from any Swap Replacement Amounts, but excluding any Excluded Swap Termination Amount) then due to it or as will become due and payable to it in the immediately following CBC Payment Period under the relevant Portfolio Swap Agreement;
- (f) *sixth*, in or towards satisfaction or to be reserved for payment *pro rata* and *pari passu* in accordance with the respective amounts owing thereto of:
  - (i) all amounts (including any termination payment due and payable by the CBC under the relevant Swap Agreement to the extent not paid from any Swap Replacement Amounts but excluding any Excluded Swap Termination Amount) then due to each Swap Counterparty (other than to a Portfolio Swap Counterparty, which is paid under item (e) above) or as will become due and payable to it in the immediately following CBC Payment Period under the relevant Interest Swap Agreement; and
  - (ii) all Scheduled Interest that is Due for Payment or will become Due for Payment in the immediately succeeding CBC Payment Period under the Guarantee in respect of any Series of Covered Bonds to the extent that such amounts (i) are not scheduled to be paid in the relevant CBC Payment Period from amounts received (or to be received) under any Swap Agreement connected to such Series or (ii) are scheduled to be paid in the immediately succeeding CBC Payment Period from amounts received (or to be received) under any Swap Agreement connected to such Series but the Administrator determines in its sole discretion may not be available as scheduled due to the potential non-performance by a Swap Counterparty of its obligations pursuant to the relevant Swap Agreement;
- (g) *seventh*, in or towards satisfaction of any sums required to replenish the Reserve Account up to the Reserve



Account Required Amount;

- (h) *eighth*, in or towards satisfaction or to be reserved for payment, *pro rata* and *pari passu according* to the respective amounts owing thereto, of all Scheduled Principal that is Due for Payment or will become Due for Payment in the immediately succeeding CBC Payment Period under the Guarantee in respect of any Series of Covered Bonds;
- (i) *ninth*, after the earlier to occur of (i) the service of a Breach of Asset Cover Test Notice (to the extent the Breach of Asset Cover Test is not remedied on such date) and (ii) the service of an Issuer Acceleration Notice and a Notice to Pay on the CBC, to deposit the remaining moneys in the CBC Account for application on the next following CBC Payment Date in accordance with this priority of payments, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series);
- (j) *tenth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto of any Excluded Swap Termination Amount due and payable by the CBC to the relevant Swap Counterparty under the relevant Swap Agreement;
- (k) *eleventh*, in or towards satisfaction of any indemnity amount due to the Transferor pursuant to the Guarantee Support Agreement and certain costs, expenses and indemnity amounts due by the CBC to the Asset Monitor pursuant to the Asset Monitor Appointment Agreement;
- (l) *twelfth*, in or towards satisfaction of any interest due on the Subordinated Loan;
- (m) *thirteenth*, in or towards satisfaction of any principal due on the Subordinated Loan; and
- (n) *fourteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Issuer.

## POST CBC ACCELERATION NOTICE PRIORITY OF PAYMENTS

Under the terms of the Trust Deed, each of the Secured Creditors agrees that all moneys received or recovered by the Security Trustee or any other Secured Creditor (whether in the administration, liquidation of the CBC or otherwise) following the occurrence of a CBC Event of Default and service of a CBC Acceleration Notice, except for Swap Collateral Amounts (which shall first be subject to the provisions set out in the relevant Swap Agreement) will be applied following the enforcement of the security rights in the following order of priority (the "**Post CBC Acceleration Notice Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Security Trustee under the provisions of the Trust Deed;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto, of any remuneration and any costs, charges, liabilities and expenses then due and payable to the Paying Agents or the Registrar under or pursuant to the Agency Agreement and to any Calculation Agent under any Calculation Agency Agreement or Agency Agreement;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto, of:
  - (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement;
  - (ii) any remuneration then due and payable to the Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the Administrator under the provisions of the Administration Agreement;
  - (iii) any amounts (if any) due and payable to the CBC Account Bank (including any costs and negative interest) pursuant to the terms of the CBC Account Agreement; and
  - (iv) amounts (including costs and expenses) due to the Directors;
- (d) *fourth*, to each Portfolio Swap Counterparty in or towards satisfaction *pro rata* and *pari passu* in accordance with the respective amounts owing thereto of any amounts due under the relevant Portfolio Swap Agreement (including any termination payment due and payable by the CBC under the relevant Portfolio Swap Agreement to the extent not paid from any Swap Replacement Amounts but excluding any Excluded Swap Termination Amount);
- (e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts owing thereto, of any amounts due and payable:
  - (i) to the Swap Counterparties under the relevant Swap Agreements (other than under a Portfolio Swap Agreement, which is paid under item (d) above) (including, but not limited to, any termination payment due and payable by the CBC under the relevant Interest Swap Agreement to the extent not paid from any Swap Replacement Amounts but excluding any Excluded Swap Termination Amounts); and
  - (ii) to the Covered Bondholders *pro rata* and *pari passu* in respect of interest due and payable on each Series in accordance with the Guarantee;
- (f) *sixth*, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts due and payable to the Covered Bondholders *pro rata* and *pari passu* in respect of principal due and payable on each Series in accordance with the Guarantee;
- (g) *seventh*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto, of any Excluded Swap Termination Amounts due and payable by the CBC to the relevant Swap Counterparty under the relevant Swap Agreement;
- (h) *eighth*, in or towards satisfaction of any costs, expenses and indemnity amounts due by the CBC to the Asset Monitor pursuant to the Asset Monitor Appointment Agreement;
- (i) *ninth*, in or towards satisfaction of any interest due on the Subordinated Loan;
- (j) *tenth*, in or towards satisfaction of any principal due on the Subordinated Loan; and

(k) *eleventh*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Issuer.

The Security Trustee shall give notice to the Covered Bondholders in accordance with Condition 14 (*Notices*) of the date fixed for any payment under the Priorities of Payments. Any payment to be made in respect of the Covered Bonds or Coupons of any Series by the Issuer, the CBC or the Security Trustee may be made in the manner provided in the Conditions, the Agency Agreement and the Trust Deed and any payment so made shall discharge (*kwijten*) the Security Trustee to the extent made.

## **CBC TRANSACTION ACCOUNTS AND SWAP REPLACEMENT LEDGER**

### **CBC Account**

Pursuant to the terms of the CBC Account Agreement entered into on the Programme Date between the CBC, the CBC Account Bank and the Security Trustee, the CBC will maintain, with the CBC Account Bank, the CBC Account:

- into which are paid all amounts received by the CBC in respect of Transferred Assets; and
- moneys standing to the credit of which will on each CBC Payment Date be applied by the Administrator in accordance with the relevant Priority of Payments as described above in more detail.

### **Construction Account**

The CBC will maintain with the CBC Account Bank a Construction Account. The CBC and the Transferor have agreed in the Guarantee Support Agreement that the CBC will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Construction Deposits. Such amount will be deposited on the Construction Account. On each CBC Payment Date, the CBC will release from the Construction Account such part of the relevant Initial Purchase Price which equals the difference between the aggregate Construction Deposits relating to the relevant Mortgage Receivables and the balance standing to the credit of the Construction Account and pay such amount to the Transferor, except if and to the extent that the Borrower has invoked defences or set-off and, as a result, in respect of which the CBC has no further obligation to pay such part of the remaining Initial Purchase Price. Such amount will be credited to the Collection Account and will form part of the Principal Available Amount.

Construction Deposits have to be paid out after the building activities or renovation activities have been finalised. Upon the expiry of such period, the remaining Construction Deposit will be set off against the relevant Mortgage Receivable up to the amount of the Construction Deposit, in which case the CBC shall have no further obligation towards the Transferor to pay the remaining part of the relevant Initial Purchase Price, and consequently any remaining part of the relevant Initial Purchase Price standing to the credit of the Construction Account will form part of the Principal Available Amount. If an Assignment Notification Event set out under (iv) (see section 7 (*Guarantee Support*) under '*Sale and Transfers*') has occurred, the CBC will no longer be under the obligation to pay such remaining part of the relevant Initial Purchase Price.

### **CBC Account Bank Rating**

If the CBC Account Bank ceases to be rated the relevant ratings (as required at the date of this Securities Note being at least the Requisite Credit Rating) then within the Relevant Remedy Period of such occurrence either (unless no financial institution is available that has the Requisite Credit Rating):

- (a) the CBC Account will be closed and new accounts will be opened under the terms of a new CBC account agreement substantially on the same terms as the CBC Account Agreement with a financial institution whose rating is at least the Requisite Credit Rating, or
- (b) the CBC Account Bank will procure that a guarantee is obtained of its obligations under the CBC Account Agreement on terms acceptable to the Security Trustee, acting reasonably, from a financial institution whose ratings are at least the Requisite Credit Rating, which guarantee is in accordance with the guarantee criteria of S&P prevailing at such time, or
- (c) the CBC Account Bank will find another solution with the consent of the parties to the CBC Account Agreement so that the then current rating of the Covered Bonds are not adversely affected as a result thereof.

In such event, all reasonable costs and expenses, if any, incurred by the CBC shall be borne by the CBC Account Bank and the CBC Account Bank shall reimburse the CBC for such costs and expenses immediately after it will have received a written statement from the CBC, detailing such costs and expenses.

### **Interest Rate**

Pursuant to the CBC Account Agreement, the CBC Account Bank has agreed to pay interest on the CBC Transaction Accounts Funds at the rate determined in accordance with the CBC Account Agreement. In the event that the interest rate accruing on the balance standing to the credit of any of the CBC Transaction Accounts is less than zero, any negative interest amount will be payable by the CBC to the CBC Account Bank, provided that the CBC Account Bank has notified the Issuer of its intention to charge a negative interest rate at least two (2) Business Days in advance.

### **Reserve Account**

Pursuant to the Trust Deed, the CBC has been required to open the Reserve Account which is, on the Programme Date,

credited with an amount equal to the Reserve Account Required Amount on such date.

From the Programme Date, the Reserve Account will be credited by the CBC, from the proceeds of a Subordinated Loan, with the Reserve Account Required Amount. The CBC may request new Subordinated Loan Advances to fund the Reserve Account up to the Reserve Account Required Amount. The Issuer will ensure that the amount credited to the Reserve Account is equal to the Reserve Account Required Amount by making available sufficient funds under the Subordinated Loan for such purpose.

After the earlier of (i) the date falling three (3) months after the occurrence of an Assignment Notification Event pursuant to which the relevant Borrowers have been notified and have been instructed to direct any payments under such Mortgage Receivables to the CBC or (ii) the date on which the CBC demonstrates that the relevant Borrowers pay the required amounts under the Mortgage Receivables to the CBC, the Reserve Account Required Amount will be reduced to zero. Any amounts which may be released from the Reserve Account will be added to certain other income of the CBC in calculating the Interest Available Amount and applied in accordance with the relevant Priority of Payments.

In case the Interest Available Amount and the Principal Available Amount are, on a CBC Payment Date, insufficient to meet items (a) to (f) inclusive of the CBC Priority of Payments, all amounts credited to the Reserve Account will be available on such CBC Payment Date to meet items (a) to (f) inclusive of the CBC Priority of Payments and will be released accordingly and form part of the Interest Available Amount.

In case a Notice to Pay is served on any day in the Interim Period all amounts credited to the Reserve Account will be available to meet any amount of interest due on any Series of Covered Bonds in such Interim Period and will be released accordingly to pay directly, outside any Priority of Payments, any amount of Scheduled Interest due on the Covered Bonds. If the amount credited to the Reserve Account exceeds the Reserve Account Required Amount, such excess will be released and will form part of the Interest Available Amount.

#### **Additional Accounts**

The CBC and the CBC Account Bank may from time to time agree to create additional accounts for the purpose of making deposits with a different interest rate in the name of the CBC with the CBC Account Bank (provided that the Security Trustee has consented in writing). Any such additional accounts will be kept separate from the CBC Account to which it is connected. The CBC may only transfer amounts from such additional accounts to the relevant CBC Account to which it is connected and any amount to be transferred to such additional accounts may only be transferred from the relevant CBC Account.

In the event the CBC is obliged to open any other accounts than the CBC Transaction Accounts, the CBC Account Bank will, on the instructions of the CBC, open such new accounts under the terms of the CBC Account Agreement in the name of the CBC.

#### **Swap Replacement Ledger**

The CBC shall maintain the Swap Replacement Ledger to which it shall credit the Swap Replacement Amounts if Swaps Agreements are entered into. Pursuant to the Administration Agreement, the CBC has agreed that it shall only debit to the Swap Replacement Ledger the following amounts:

- (i) those amounts payable to the replacement Swap Counterparty by the CBC in consideration of the entry into between the CBC and such replacement Swap Counterparty of a swap transaction to replace any Swap Agreement, to the extent that Swap Replacement Amounts have been received by the CBC in respect to such swap transaction as being so replaced;
- (ii) those amounts payable by the CBC to a Swap Counterparty in respect of the termination of any Swap Agreement, to the extent that Swap Replacement Amounts have been received by the CBC in respect to such swap transaction as being so terminated; and
- (iii) any Excess Swap Replacement Amounts, which amounts shall form part of the Interest Available Amount on the immediately succeeding CBC Payment Date and shall be distributed on such CBC Payment Date accordingly.

## 15. DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Securities Note and have been approved by the AFM or filed with it, shall be deemed to be incorporated into, and to form part of, this Securities Note:

- (a) the articles of association (*statuten*) of the CBC: <https://media.vanlanschot.nl/media/pdfs/True-copy-Incorporation-Van-Lanschot-Kempen-SB-Covered-Bond-Company-BV-01-02-2022.pdf>;
- (b) the audited financial statements of the CBC for the year ended 31 December 2023, which can be obtained from <https://www.vanlanschotkempen.com/-/media/files/documents/corporate/investor-relations-en/debt-investors/library/sb-cbp/2024/documents-incorporated-by-reference/2023-financial-statements---audited---van-lanschot-kempen-nv---soft-bullet-cbc.ashx>,

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

Where only certain sections of a document referred to above are incorporated by reference into this Securities Note, the non-incorporated parts of such document are either deemed not relevant for a prospective investor in the Covered Bonds or covered elsewhere in this Securities Note.

Copies of documents incorporated by reference in this Securities Note may be obtained (without charge) from the Issuer's website at: <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>.

Any information contained in or accessible through any website, including: <https://www.vanlanschotkempen.com>, <https://www.merciervanlanschot.be/> and <https://www.research.vanlanschotkempen.com> does not form a part of this Securities Note and has not been scrutinised or approved by the AFM, unless specifically stated in this Securities Note, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Securities Note that all or any portion of such information is incorporated by reference in this Securities Note. Any statements on the Issuer's competitive position included in a document which is incorporated by reference in this Securities Note and where no external source is identified are based on the Issuer's internal assessment of generally available information.

The Issuer will provide, without charge, to each person to whom a copy of this Securities Note has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are deemed to be incorporated in this Securities Note by reference. Written or oral requests for such documents should be directed to the Issuer at its office at Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands.

## 16. GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Covered Bonds under the Programme from time to time have been duly authorised by a resolution of the Management Board of the Issuer dated 15 February 2022 and pursuant to the authorisation of the Supervisory Board of the Issuer of 9 December 2021. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under Dutch law have been given for the issue of Covered Bonds and for the Issuer to undertake and perform its obligations under the Transaction Documents.

The update and amendment of the Programme was authorised by a resolution of the board of managing directors of the Issuer dated 12 March 2024.

The issuing of the Guarantee has been duly authorised by a resolution of the board of managing directors of the CBC dated 9 March 2022. The update and amendment of the Programme were authorised by the CBC by a resolution of the board of managing directors of the CBC dated 27 June 2024.

### Listing of Covered Bonds

Application may be made for Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of twelve (12) months from the date of this Securities Note. Notice of any terms and conditions not contained in of this Securities Note which are applicable to the Covered Bonds will be set out in the Final Terms which, with respect to such Covered Bonds to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam on or before the date of issue. Covered Bonds may also be listed on any other stock exchange specified in the applicable Final Terms or be unlisted.

### Clearing Systems

Application will be made for the Covered Bonds to be accepted for clearance through Euroclear and Clearstream, Luxembourg or Euroclear Nederland, or any other agreed clearing system, as the case may be. The appropriate common code, ISIN and security code allocated by Euroclear and Clearstream, Luxembourg or Euroclear Nederland, or any other agreed clearing system, as the case may be, will be specified in the applicable Final Terms.

### Documents available

Copies of the following documents may for the term of this Securities Note be inspected at the specified office of the Security Trustee and of each of the Paying Agents during normal business hours and will be made available, free of charge, on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>:

- (i) the Deeds of Incorporation, including the articles of association of the Issuer, the Security Trustee and the CBC;
- (ii) the Master Definitions Agreement;
- (iii) the Pledge Agreements;
- (iv) the Administration Agreement;
- (v) the Servicing Agreement;
- (vi) the CBC Account Agreement;
- (vii) the Trust Deed;
- (viii) the Parallel Debt Agreement;
- (ix) the Agency Agreement;
- (x) the Guarantee Support Agreement;
- (xi) the Asset Monitoring Agreement;
- (xii) the Asset Monitor Appointment Agreement;
- (xiii) the Management Agreements;
- (xiv) the Stater Third Party Stipulation Letter; and
- (xv) the Subordinated Loan Agreement.

A copy of the Registration Document together with any supplement may for the term of this Securities Note be inspected at the specified office of the Issuer and of each of the Paying Agents during normal business hours and will be made available, free of charge, on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>.

Copies of the consolidated financial statements of the Issuer prepared annually may for the term of this Securities Note be inspected at the specified office of the Issuer during normal business hours and will be made available, free of charge,

on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/financial-results>.

Copies of the audited financial statements of the CBC prepared annually may for the term of this Securities Note be inspected at the specified office of the CBC during normal business hours and will be made available, free of charge, on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>.

Copies of all Final Terms may be inspected at the specified office of each of the Paying Agents during normal business hours and, if such Final Terms relate to an issue or offer of Covered Bonds for which a prospectus is required to be published pursuant to Article 3 of the Prospectus Regulation, will be made available, free of charge, on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>. Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are available for inspection at the specified office of each of the Paying Agents during normal business hours and any Covered Bondholder must produce evidence satisfactory to the Issuer and the Security Trustee or, as the case may be, the relevant Paying Agent as to its holding of Covered Bonds and identity.

A monthly report on the Covered Bonds under the Programme will be published and can be obtained on <https://www.vanlanschotkempen.com/en-nl/about-us/investor-relations/debt-investors/library>.

### **Material Adverse Change**

At the date of this Securities Note, there has been no material adverse change in the prospects of the CBC since 31 December 2023, the last day of the financial period in respect for which audited financial statements of the CBC have been prepared.

### **Significant Change**

At the date of this Securities Note, there has been no significant change in the financial performance and the financial position of the CBC since 31 December 2023, the last day of the financial period in respect for which audited financial statements of the CBC have been prepared.

### **Litigation**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the CBC is aware) during the period covering the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, significant effects on the financial position or profitability of the CBC.

### **Auditors**

The financial statements of the CBC as of and for the year ended 31 December 2023, incorporated by reference in this Securities Note, have been audited by PricewaterhouseCoopers Accountants N.V., an independent registered public accounting firm, as stated in their auditor's reports incorporated by reference herein. The auditor signing the auditor's report on behalf of PricewaterhouseCoopers is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

### **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 724500D8WOYCL1BUCB80.

The Legal Entity Identifier (LEI) code of the CBC is 724500IC69ZTA8APTC70.



## 17. GLOSSARY OF DEFINED TERMS

"Accrued Interest"	means in relation to any Mortgage Receivable and as at any date interest on such Mortgage Receivable (not being interest which is currently payable on such date) which has accrued from and including the scheduled interest payment date under the associated Mortgage Loan immediately prior to the relevant date up to and including that date.
"Adjusted Aggregate Asset Amount"	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
"Adjusted Current Balance"	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
"Adjusted Required Redemption Amount"	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Sale or Refinancing of Selected Assets</i> ' of this Securities Note.
"Adjustment Spread"	has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
"Administration Agreement"	means the administration agreement dated the Programme Date entered into between the Administrator, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
"Administrator"	means Intertrust Administrative Services B.V. in its capacity as administrator under the Administration Agreement, or its successor or successors.
"AFM"	means the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> ).
"Agency Agreement"	means the agency agreement dated the Programme Date entered into between the Issuer, the CBC, the Security Trustee, the Principal Paying Agent and the Registrar and any other agents named therein as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
"All Moneys Mortgage"	means any mortgage right ( <i>hypotheekrecht</i> ) which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and any moneys that the Borrower, now or in the future, may owe to the relevant Originator and/or Transferor either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ( <i>kredietrelatie</i> ) of the Borrower and the relevant Originator and/or Transferor.
"All Moneys Pledge"	means any pledge ( <i>pandrecht</i> ) which secures (i) not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator and/or Transferor either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ( <i>kredietrelatie</i> ) of the Borrower and the relevant Originator and/or Transferor.
"All Moneys Security Rights"	means any All Moneys Mortgages and All Moneys Pledges jointly.
"Alternative Rate"	has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
"Amortisation Test"	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under

	<i>'Amortisation Test'</i> of this Securities Note.
<b>"Amortisation Test Aggregate Asset Amount"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under <i>'Amortisation Test'</i> of this Securities Note.
<b>"Amortisation Test Current Balance"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under <i>'Amortisation Test'</i> of this Securities Note.
<b>"Annuity Mortgage Loan"</b>	means a mortgage loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such mortgage loan will be fully redeemed at its maturity.
<b>"Arrangers"</b>	means Van Lanschot Kempen and Rabobank in their capacity as arrangers, or their successor or successors.
<b>"Arrears of Interest"</b>	means in relation to any Mortgage Receivable and as at any date interest on such Mortgage Receivable (not being interest which is currently payable on such date) which has accrued from and including the scheduled interest payment date under the associated Mortgage Loan immediately prior to the relevant date up to and including that date.
<b>"Asset Cover Report"</b>	means the asset cover report prepared each month by the Administrator for the CBC which includes the relevant calculations in respect of the Asset Cover Test.
<b>"Asset Cover Test"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under <i>'Asset Cover Test'</i> of this Securities Note.
<b>"Asset Monitor"</b>	means PricewaterhouseCoopers Accountants N.V. in its capacity as asset monitor under the Asset Monitoring Agreement, or its successor or successors.
<b>"Asset Monitor Appointment Agreement"</b>	means the asset monitor appointment agreement dated the Programme Date entered into between the Asset Monitor, the Issuer, the Administrator, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Asset Monitor Report"</b>	means the asset monitor report prepared by the Asset Monitor for the CBC which includes the results of the tests of arithmetical accuracy in relation to which the Asset Monitor carried out procedures in accordance with the Asset Monitor Appointment Agreement.
<b>"Asset Monitoring Agreement"</b>	means the asset monitoring agreement dated the Programme Date entered into between the Administrator, the Issuer, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Asset Percentage"</b>	means 82 per cent. or such other percentage as is determined from time to time in accordance with the Asset Monitoring Agreement.
<b>"Assignment Notification Event"</b>	means any of the events specified as such in section 7 ( <i>Guarantee Support</i> ) under <i>'Sale and Transfers'</i> of this Securities Note.
<b>"Assumed Mortgage Interest Rate"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.

<b>"Base Prospectus"</b>	means the base prospectus pertaining to the Programme, consisting of the Registration Document and this Securities Note.
<b>"Bearer Covered Bonds"</b>	means the Covered Bonds in bearer form.
<b>"Benchmark Amendments"</b>	has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
<b>"Benchmark Event"</b>	has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
<b>"Benchmarks Regulation"</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
<b>"Beneficiary Rights"</b>	means all rights and/or claims which the Transferor has <i>vis-à-vis</i> the Life Insurance Company in respect of a Life Insurance Policy or a Life Risk Insurance Policy, under which the Transferor has been appointed by the Borrower as (first) beneficiary ( <i>begunstigde</i> ) in connection with the relevant Mortgage Receivable.
<b>"BKR"</b>	means the Dutch National Credit Register ( <i>Bureau Krediet Registratie</i> ).
<b>"Borrower"</b>	means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan.
<b>"Borrower Insurance Pledge"</b>	means a right of pledge ( <i>pandrecht</i> ) on the rights of the relevant Borrower/insured against the relevant Life Insurance Company under (i) the relevant Life Insurance Policy securing the relevant Life Mortgage Receivable or (ii) the relevant Life Risk Insurance Policy securing the relevant Mortgage Receivable.
<b>"Borrower Insurance Proceeds Instruction"</b>	means an instruction ( <i>opdracht</i> ) and power of attorney ( <i>volmacht</i> ) by a beneficiary under a Life Insurance Policy or a Life Risk Insurance Policy to the Life Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created.
<b>"Borrower Investment Account"</b>	means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower.
<b>"Borrower Investment Pledge"</b>	means a right of pledge ( <i>pandrecht</i> ) on the rights of the relevant Borrower in connection with the Borrower Investment Account in relation to Investment Mortgage Loans.
<b>"Borrower Pledge"</b>	means a right of pledge ( <i>pandrecht</i> ) securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge and a Borrower Investment Pledge.
<b>"Breach of Asset Cover Test"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Breach of Asset Cover Test Notice"</b>	means a notice served by the Security Trustee addressed to the Issuer and the CBC informing them that a Breach of Asset Cover Test has occurred (i.e., the Asset Cover Test is breached for the second time in a row).

<b>"BRRD"</b>		means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended.
<b>"Business Day"</b>		means (i) a day on which banks are generally open for business in Amsterdam and London, provided that such day is also a day on which T2 or any successor or replacement for that system is operating credit or transfer instructions in respect of payments in euro, or (ii), if used in or by reference to Condition 5 ( <i>Interest</i> ), such day as determined in accordance with Condition 5 ( <i>Interest</i> ) and the applicable Final Terms.
<b>"Calculation Agency Agreement"</b>		means a calculation agency agreement substantially in the form set out in Schedule 3 to the Agency Agreement.
<b>"Calculation Agent"</b>		has the meaning ascribed thereto in Condition 5(B)(ii)(a) ( <i>ISDA Determination for Floating Rate Covered Bonds</i> ).
<b>"Calculation Amount"</b>		has the meaning ascribed thereto in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, the Specified Denomination.
<b>"Calculation Date"</b>		has the meaning ascribed thereto in Condition 10(b) ( <i>CBC Events of Default</i> ).
<b>"Calculation Period"</b>		has the meaning ascribed thereto in Condition 10(b) ( <i>CBC Events of Default</i> ).
<b>"Cap"</b>		means the maximum interest rate that may apply to a Floating Rate Covered Bond.
<b>"CB Regulations"</b>		means the Dutch covered bonds legislation effective as of 8 July 2022 and which implements the Covered Bond Directive in the Netherlands, which is set out in the covered bond directive implementation law ( <i>Implementatiewet richtlijn gedekte obligaties</i> ) dated 15 December 2021 and the Decree, as amended.
<b>"CBC"</b>		means Van Lanschot Kempen SB Covered Bond Company B.V., or its successor or successors.
<b>"CBC Acceleration Notice"</b>		means a notice from the Security Trustee in writing to the CBC, copied to the Issuer, that each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and, through the Guarantee, as against the CBC, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed and after delivery of such CBC Acceleration Notice, the Security shall become enforceable.
<b>"CBC Account"</b>		means the bank account of the CBC designated as such in the CBC Account Agreement.
<b>"CBC Account Agreement"</b>	<b>Account</b>	means the CBC account agreement dated the Programme Date entered into between the CBC, the CBC Account Bank and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"CBC Account Bank"</b>		means BNG Bank N.V. in its capacity as cbc account bank under the CBC Account Agreement, or its successor or successors.
<b>"CBC Event of Default"</b>		means any of the events specified as such in Condition 10(b) ( <i>CBC Events of</i>

		<i>Default</i> ).
"CBC Payment Date"		has the meaning ascribed thereto in Condition 10(b) ( <i>CBC Events of Default</i> ).
"CBC Payment Period"		means each period from (and including) a CBC Payment Date to (but excluding) the next CBC Payment Date.
"CBC Priority Payments"	of	has the meaning ascribed thereto in section 14 ( <i>Cash Flows</i> ) under ' <i>CBC Priority of Payments</i> ' of this Securities Note.
"CBC Transaction Accounts"		means the CBC Account, the Construction Account, the Reserve Account, the Swap Cash Collateral Account and any additional or replacement accounts, including any Other CBC Account, opened in the name of the CBC.
"CBC Transaction Accounts Funds"		means, on any day, the balance standing to the credit of the CBC Transaction Accounts other than the Swap Cash Collateral Account as at the opening of business on such day.
"CBC Transaction Documents"		means (i) the Guarantee Support Agreement, (ii) the Servicing Agreement, (iii) the Administration Agreement, (iv) the Subordinated Loan Agreement, (v) any Swap Agreement, (vi) the Asset Monitor Appointment Agreement; (vii) the Agency Agreement and (viii) the CBC Account Agreement.
"Clearstream, Luxembourg"		means Clearstream Banking, S.A.
"Code"		means the U.S. Internal Revenue Code of 1986.
"Code of Conduct"		means the Code of Conduct for Mortgage Loans ( <i>Gedragcode Hypothecaire Financieringen</i> ) effective from time to time, as published by the Dutch Association of Banks ( <i>Nederlandse Vereniging van Banken</i> ), including the version effective from August 2020.
"Collar"		means the structure in which both a Cap and a Floor apply to a Floating Rate Covered Bond.
"Collateral Market Value"		means in relation to Transferred Collateral, at any date, the market value of the relevant Transferred Collateral on such date.
"Collection Bank"	Account	means ABN AMRO Bank N.V. in its capacity as account bank for the Transferor Collection Account and where relevant any other account bank appointed for the Programme.
"Compounded €STR"	Daily	has the meaning ascribed thereto in Condition 5(B)(ii)(c) ( <i>Screen Rate Determination for Floating Rate Covered Bonds referencing Compounded Daily €STR</i> ).
"Conditions"		means in respect of a Series or Tranche the Terms and Conditions as supplemented, amended and/or disappplied by the relevant Final Terms.
"Confirmation"		has the meaning ascribed to it in the recital to the relevant ISDA Master Agreement forming part of the relevant Swap Agreement.
"CONSOB"		means Commissione Nazionale per le Società e la Borsa.
"Construction Account"		means the bank account of the CBC designated as such in the CBC Account Agreement.

<b>"Construction Deposit"</b>	means in relation to a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested to be disbursed into a blocked account held in his name with the Transferor, the proceeds of which can only be applied towards construction of, or improvements to, the relevant Mortgaged Asset.
<b>"Convertibility Event"</b>	means the (indirect or direct) determination by government of the Netherlands, that the euro is substituted by another currency.
<b>"Couponholders"</b>	means the holders of the Coupons.
<b>"Coupons"</b>	means any bearer interest coupons appertaining to the Covered Bonds of any Series and includes any replacement coupons issued pursuant to Condition 11 ( <i>Replacement of Covered Bonds, Coupons and Talons</i> ).
<b>"Covered Bond Directive"</b>	means Directive (EU) 2019/2162 of the European Parliament and of the Council on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.
<b>"Covered Bondholders"</b>	means the several persons who are for the time being holders of any Covered Bonds, including the Coupons and Talons appertaining thereto.
<b>"Covered Bonds"</b>	means the covered bonds issued or to be issued under the Programme.
<b>"CRA Regulation"</b>	means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.
<b>"CRR"</b>	means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended, and includes any regulatory technical standards and any implementing technical standards issued by the European Banking Authority or any successor body, from time to time.
<b>"Current Balance"</b>	means in relation to an Eligible Receivable at any date, the aggregate (without double counting) of the Outstanding Principal Amount and Accrued Interest (unless it concerns calculations for either the Asset Cover Test or the Amortisation Test Aggregate Asset Amount, in which case Accrued Interest will not be included) as at that date.
<b>"Custodian"</b>	means a custodian appointed pursuant to a Custody Agreement.
<b>"Custody Agreement"</b>	means a custody agreement in relation to Substitution Assets to be entered into between the CBC and a Custodian.
<b>"Cut-Off Date"</b>	means the first day of the month immediately preceding the date on which Mortgage Receivables are purchased and transferred or, in respect of other Transferred Assets, the date of purchase and transfer.
<b>"Day Count Fraction"</b>	has the meaning ascribed thereto in the applicable Final Terms.
<b>"Dealers"</b>	means Van Lanschot Kempen and Rabobank, in their capacity as dealers, and any other dealer appointed to the Programme for a particular Tranche of Covered Bonds pursuant to the Programme Agreement, which appointment may be for a specific issue or on an ongoing basis.
<b>"Decree"</b>	means the covered bond directive implementation decree ( <i>Implementatiebesluit richtlijn gedekte obligaties</i> ) dated 24 May 2022, as amended and/or, as applicable, the articles of <i>Besluit prudentiële regels</i>

implemented pursuant to such implementation.

<b>"Deductible Other Claim"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Deeds of Repurchase and Release"</b>	means the deed of repurchase and release of Mortgage Receivables substantially in the form attached as Schedule 3 to the Guarantee Support Agreement.
<b>"Deeds of Sale, Assignment and Pledge"</b>	means each deed of sale, assignment and pledge of Mortgage Receivables substantially in the form attached as Schedule 2 to the Guarantee Support Agreement.
<b>"Defaulted Receivable"</b>	<p>means any Mortgage Receivable (other than any Mortgage Receivable in respect of which payment is disputed (in whole or in part, with or without justification) by the Borrower owing such Mortgage Receivable or any Mortgage Receivable which has been written off by the Transferor as irrecoverable for accounting purposes in accordance with that Transferor's general accounting practices) in respect of which:</p> <ul style="list-style-type: none"><li>(a) a declaration has been made by the Transferor that such Mortgage Receivable is irrecoverable;</li><li>(b) legal proceedings have been commenced for its recovery;</li><li>(c) the related Borrower is declared bankrupt (<i>failliet verklaard</i>) or has been granted a suspension of payments (<i>surseance van betaling</i>) or debt rescheduling arrangement (<i>schuldsaneringsregeling</i>) or equivalent or analogous events or proceedings have occurred in relation to the relevant Borrower; or</li><li>(d) the relevant Borrower is in default with its payment obligation under such Mortgage Receivable (including, without limitation, payments made by third parties on behalf of the Borrower) by the end of the calendar month during which such Mortgage Receivable becomes more than ninety (90) days overdue for payment from the original date on which such Mortgage Receivable is due and payable within the meaning of Article 178 of the CRR (and the relevant guidelines issued on the application of this Article 178 CRR from time to time).</li></ul>
<b>"Deferred Purchase Price"</b>	means part of the purchase price for the Mortgage Receivables equal to the sum of all Deferred Purchase Price Instalments.
<b>"Deferred Purchase Price Instalment"</b>	means (A) with respect to a CBC Payment Date prior to delivery of a CBC Acceleration Notice, an amount equal to the amount by which the Interest Available Amount and Principal Available Amount exceeds (if any) the sum of all amounts payable by the CBC under (a) up to and including (m) of the CBC Priority of Payments on such date or (B) on any date after the delivery of a CBC Acceleration Notice, the amount remaining on such date after all payments set forth in the Post CBC Acceleration Notice Priority of Payments under (a) up to and including (i) have been made in full.
<b>"Definitive Covered Bonds"</b>	means Covered Bonds in definitive form in respect of any Series of Covered Bonds.
<b>"Delivery Event"</b>	means the event that Euroclear Nederland has been closed for business for a continuous period of fourteen (14) calendar days (other than by reason of holiday, statutory or otherwise) or has announced an intention to cease

business permanently or has in fact done so and no successor clearing system is available, provided always that in such case Definitive Covered Bonds may be delivered (*uitgeleverd*) pursuant to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

<b>"Deposit Scheme"</b>	<b>Guarantee</b>	means the Dutch Deposit Guarantee Scheme ( <i>depositogarantiestelsel</i> ).
<b>"Determination Period"</b>		has the meaning ascribed thereto in Condition 5(A) ( <i>Interest on Fixed Rate Covered Bonds</i> ).
<b>"Directors"</b>		means Intertrust Management B.V. in its capacity as managing director of the CBC, IQ EQ Structured Finance B.V. in its capacity as managing director of the Security Trustee or Intertrust Management B.V. in its capacity as managing director of Stichting Holding.
<b>"Distribution Compliance Period"</b>		has the meaning given to that term in Regulation S under the Securities Act.
<b>"DNB"</b>		means the Dutch Central Bank ( <i>De Nederlandsche Bank N.V.</i> ).
<b>"Due for Payment"</b>		means, with respect to a Guaranteed Amount, (i) prior to the service of a CBC Acceleration Notice, the Scheduled Payment Date in respect of such Guaranteed Amount or, if later, the day which is two (2) Business Days after service of an Issuer Acceleration Notice and a Notice to Pay on the CBC or (ii) after the service of a CBC Acceleration Notice, the date on which the CBC Acceleration Notice is served (or, in either case, if such day is not a Business Day, the first following Business Day).
<b>"Dutch Civil Code"</b>		means the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> ), as amended.
<b>"Earliest Maturing Covered Bonds"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.
<b>"Early Amount"</b>	<b>Redemption</b>	has the meaning ascribed thereto in Condition 7(e) ( <i>Early Redemption Amounts</i> ).
<b>"ECB"</b>		means the European Central Bank.
<b>"EEA"</b>		means the European Economic Area.
<b>"Eligibility Criteria"</b>		means the eligibility criteria set out in section 7 ( <i>Guarantee Support</i> ) under ' <i>Eligibility Criteria</i> ' of this Securities Note.
<b>"Eligible Assets"</b>		means the Eligible Receivables and the Eligible Collateral.
<b>"Eligible Collateral"</b>		means euro denominated cash and/or Substitution Assets.
<b>"Eligible Receivable"</b>		means a mortgage receivable or a mortgage loan to which it relates which complies with the Eligibility Criteria as at the relevant Transfer Date.
<b>"Eligible Counterparty"</b>	<b>Swap</b>	means a financial institution which is permitted under Dutch law to enter into derivative contracts with Dutch residents and whose unsecured, unsubordinated and unguaranteed securities are rated not lower than the minimum ratings as the Rating Agency may be comfortable with to maintain the then current rating of the Covered Bonds.
<b>"EMIR"</b>		means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade



	repositories.
"EMMI"	means the European Money Markets Institute.
"ESMA"	means the European Securities and Markets Authority.
"Established Rate"	has the meaning ascribed thereto in Condition 4 ( <i>Redenomination</i> ).
"€STR"	means (i) in respect of the Covered Bonds, the euro short-term rate (€STR) administered by the ECB (or any other person who takes over the administration of that rate) published by the ECB (or any other person who takes over publication of that rate) and (ii) in respect of the CBC Transaction Accounts, the euro short-term rate (€STR) as published by the ECB (or any replacement reference rate as agreed with the CBC Account Bank in accordance with the CBC Account Agreement).
"Estimated Portfolio Interest Income"	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.
"EU"	means the European Union.
"EURIBOR"	means the Eurozone inter-bank offered rate or its successor rate.
"EUR", "euro" and "€"	means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the EU Treaty.
"Euroclear"	means Euroclear Bank S.A./N.V., or its successor or successors as operator of the Euroclear System.
"Euroclear Nederland"	means <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> , or its successor or successors.
"Euronext Amsterdam"	means Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.
"Eurosysteem"	means the central banking system for the euro.
"Eurozone"	means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.
"EUWA"	means the European Union Withdrawal Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.
"Excess Proceeds"	means all moneys (including Swap Collateral) received by the Security Trustee from the Issuer or any administrator, liquidator, trustee or other similar official appointed in relation to the Issuer following the service of an Issuer Acceleration Notice and a Notice to Pay but prior to a CBC Acceleration Notice.
"Excess Swap Replacement Amounts"	means, in case of replacement of a Swap Agreement, the amount by which (i) the Swap Replacement Amount received by the CBC in connection with the Swap Agreement that is replaced exceeds (ii) the amounts debited to the Swap Replacement Ledger in respect of the replacement of such transaction.
"Exchange Date"	means the date, not earlier than forty (40) calendar days (nor (if the Temporary Global Covered Bond has been deposited with Euroclear Nederland) more than ninety (90) calendar days) after the issue date of the Covered Bonds (or the restricted period within the meaning of U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D)(7)) on which interest in the Temporary Global Covered

Bonds will be exchangeable for interests in the Permanent Global Covered Bonds.

<b>"Exchange Event"</b>	means that (i) the Covered Bonds become immediately due and repayable by reason of a CBC Event of Default or (ii) the Issuer has been notified that Euroclear and Clearstream, Luxembourg or, if applicable in respect of the relevant Series, Euroclear Nederland have been closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or have announced an intention to cease business permanently or have in fact done so and no successor clearing system is available or (iii) the Issuer or the CBC has or will become subject to adverse tax consequences which would not be suffered if the Covered Bonds represented by the Permanent Global Covered Bond, were in definitive form.
<b>"Exchange Notice"</b>	has the meaning ascribed thereto in Condition 4 ( <i>Redenomination</i> ).
<b>"Excluded Swap Termination Amount"</b>	means, in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable to the relevant Swap Counterparty as a result of an Event of Default or Termination Event (each as defined in such Swap Agreements) where the relevant Swap Counterparty is the Defaulting Party or the sole Affected Party.
<b>"Extended Due for Payment Date"</b>	means, subject to Condition 7(c) ( <i>Redemption at the option of the Issuer (Issuer Call)</i> ), the date falling one (1) year after the Maturity Date, as specified as such in the applicable Final Terms.
<b>"Extension Date"</b>	has the meaning ascribed thereto in Condition 3 ( <i>The Guarantee</i> ).
<b>"Extraordinary Resolution"</b>	has the meaning ascribed thereto in Condition 15 ( <i>Meetings of Covered Bondholders, modification and waiver</i> ).
<b>"FATCA"</b>	means sections 1471 through 1474 of the US IR Code.
<b>"FATCA Withholding"</b>	means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the US IR Code or otherwise imposed pursuant to sections 1471 through 1474 of the US IR Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental agreement thereto.
<b>"Final Redemption Amount"</b>	means the final redemption amount specified in, or determined in the manner specified in, the applicable Final Terms in euro on the Maturity Date.
<b>"Final Terms"</b>	means any duly completed final terms in the form as set out in section 4 ( <i>Covered Bonds</i> ) under ' <i>Form of Final Terms</i> '.
<b>"First Regulatory Current Balance Amount"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.
<b>"Fixed Interest Loan Payment Amount"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.
<b>"Fixed Rate Covered Bonds"</b>	means Covered Bonds which will bear interest at a fixed rate, payable on such date or dates, as set forth in the applicable Final Terms.
<b>"Floating Interest Amount"</b>	means the amount of interest payable on the Floating Rate Covered Bonds, in respect of each Calculation Amount for the relevant Interest Period.
<b>"Floating Rate Covered"</b>	means Covered Bonds which will bear a floating rate of interest and payable

<b>"Bonds"</b>		on such date or dates, as set forth in the applicable Final Terms.
<b>"Floor"</b>		means a minimum interest rate that may apply to Floating Rate Covered Bonds.
<b>"FSMA 2000"</b>		means the UK Financial Services and Markets Act 2000, as amended.
<b>"Further Advance"</b>		means, in relation to a Mortgage Receivable, a new Mortgage Loan or a further advance to the relevant Borrower by the Transferor, whether or not under the same mortgage loan agreement, which is secured by the same Mortgage as also secures such Mortgage Receivable.
<b>"Further Advance Receivable"</b>		means, any and all rights of the Transferor (and after assignment of such rights to the CBC, of the CBC) under or in connection with a Further Advance.
<b>"General Data Protection Regulation"</b>		means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as amended.
<b>"Global Covered Bond"</b>		means any Temporary Global Covered Bond or Permanent Global Covered Bond.
<b>"Guarantee"</b>		means the irrevocable and independent undertaking issued pursuant to the Trust Deed by the CBC to pay the Guaranteed Amounts when the same becomes Due for Payment.
<b>"Guarantee Support Agreement"</b>		means the guarantee support agreement dated the Programme Date entered into between the Issuer, the Transferor, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Guaranteed Amount"</b>		means, in respect of a Series: <ul style="list-style-type: none"> <li>(a) with respect to any Scheduled Payment Date falling prior to the service of a CBC Acceleration Notice, the sum of the Scheduled Interest and Scheduled Principal payable on such Scheduled Payment Date; or</li> <li>(b) with respect to any date after the service of a CBC Acceleration Notice, an amount equal to the aggregate of (i) the relevant Early Redemption Amount specified in the Terms and Conditions as being payable on that date and (ii) all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds and all amounts payable by the CBC under the Trust Deed, provided that any Guaranteed Amounts representing interest paid after the Maturity Date shall be paid on such dates and at such rates as specified in the applicable Final Terms.</li> </ul>
<b>"Guaranteed Final Redemption Amount"</b>		means the Guaranteed Amount relating to Scheduled Principal payable on the Maturity Date.
<b>"Guarantor"</b>		means the CBC, in its capacity as guarantor.
<b>"ICSDs"</b>		means one of the International Central Securities Depositories.
<b>"IDD"</b>		means Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), as amended.

<b>"IFRS"</b>		means the International Financial Reporting Standards, as adopted by the European Union.
<b>"Independent Adviser"</b>		has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
<b>"Index"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Indexed Valuation"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Initial Purchase Price"</b>		means, in respect of any Mortgage Receivable, its Outstanding Principal Amount on the Cut-Off Date.
<b>"Interest Amount"</b>	<b>Available</b>	has the meaning ascribed thereto in section 14 ( <i>Cash Flows</i> ) under ' <i>CBC Priority of Payments</i> ' of this Securities Note.
<b>"Interest Period"</b>	<b>Calculation</b>	means, in relation to the calculation of interest, a period starting or ending other than on an Interest Payment Date.
<b>"Interest Commencement Date"</b>		means the interest commencement date as specified in the applicable Final Terms.
<b>"Interest Cover Required Amount"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Interest Determination Date"</b>	<b>Determination</b>	means, in relation to a Covered Bond, such date or dates as are indicated in the applicable Final Terms as Interest Determination Date.
<b>"Interest Payment Date"</b>		means, in relation to any Fixed Rate Covered Bond, such date or dates as are indicated as such in the applicable Final Terms and, in relation to any Floating Rate Covered Bond, either: <ul style="list-style-type: none"> <li>(a) the date which falls the number of months or other period specified as the 'Specified Period' in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date; or</li> <li>(b) such date or dates as are indicated in the applicable Final Terms.</li> </ul>
<b>"Interest Period"</b>		means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
<b>"Interest Receipts"</b>		means: <ul style="list-style-type: none"> <li>(i) interest and fees and other amounts received by the CBC in respect of the Mortgage Receivables (including any penalties for late payments), other than Principal Receipts;</li> <li>(ii) prepayment penalties received or recovered by the CBC in respect of the Mortgage Receivables; and</li> <li>(iii) any amounts received as Net Proceeds to the extent such proceeds do not relate to principal.</li> </ul>
<b>"Interest Agreement"</b>	<b>Swap</b>	means a 1992 (Multicurrency Cross Border) or 2002 ISDA Master Agreement

together with the relevant schedule, confirmation(s) and, if applicable, credit support annex entered into between an interest swap counterparty, the CBC and the Security Trustee.

<b>"Interest Counterparty"</b>	<b>Swap</b>	means any interest swap counterparty under any Interest Swap Agreement.
<b>"Interim Period"</b>		means the period from the day of the service of a Notice to Pay up to the immediately succeeding CBC Payment Date.
<b>"Internal Monitor"</b>	<b>Cover Pool</b>	means VLK Internal Audit (as part of Van Lanschot Kempen) acting as internal cover pool monitor for the purpose of Article 40n of the Decree, <i>inter alia</i> , to monitor on an annual basis compliance with Article 3:33b and Article 3:33ba of the Wft and Article 40e up to and including Article 40m of the Decree (excluding Article 40g and Article 40k of the Decree) (which expression shall include such other person as may be appointed from time to time as Internal Cover Pool Monitor).
<b>"Investment Mortgage Loan"</b>		means a Mortgage Loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but undertakes to invest defined amounts through a Borrower Investment Account.
<b>"Investor Report"</b>		means the investor report, drawn up by the Administrator following the end of each calendar month in the form set out in a Schedule to the Administration Agreement and delivered to, <i>inter alia</i> , the CBC and the Security Trustee two (2) Business Days prior to the immediately succeeding CBC Payment Date.
<b>"ISDA"</b>		means the International Swaps and Derivatives Association, Inc.
<b>"Issue Date"</b>		means, in respect of a Series or Tranche, the date on which such Covered Bonds have been or will be issued as set out in the relevant Final Terms.
<b>"Issuer"</b>		means Van Lanschot Kempen.
<b>"Issuer Notice"</b>	<b>Acceleration</b>	has the meaning ascribed thereto in Condition 10(a) ( <i>Issuer Events of Default</i> ).
<b>"Issuer Event of Default"</b>		means any of the events specified as such in Condition 10(a) ( <i>Issuer Events of Default</i> ).
<b>"KiFID"</b>		means the Financial Services Complaints Tribunal ( <i>Klachteninstituut Financiële Dienstverlening</i> ).
<b>"Land Registry"</b>		the relevant Dutch land registry ( <i>het Kadaster</i> ) where the ownership of the relevant Mortgaged Assets together with the Mortgages thereon are registered.
<b>"Life Companies"</b>	<b>Insurance</b>	means any insurance companies with which the Borrowers have entered into (i) Life Insurance Policies in connection with any Life Mortgage Loans or (ii) Life Risk Insurance Policies in connection with any Mortgage Loans.
<b>"Life Insurance Policies"</b>		means any life insurance policies and combined risk and capital insurance policies ( <i>gecombineerde risico- en kapitaalverzekeringen</i> ) taken out by any Borrower with a Life Insurance Company in connection with any Mortgage Loans.
<b>"Life Mortgage Loan"</b>		means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead on a monthly basis pays

a capital premium to the relevant Life Insurance Company under a Life Insurance Policy.

<b>"Life Risk Insurance Policies"</b>	means any life risk insurance policies on the life of the Borrower or other insured ( <i>overlijdensrisicoverzekering</i> ) with an insurance company in connection with any Mortgage Loans.
<b>"Linear Mortgage Loan"</b>	means a mortgage loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity.
<b>"Listing Agent"</b>	Rabobank, in its capacity as listing agent, or its successor or successors.
<b>"Long-Term Mortgage Loan"</b>	means a Mortgage Loan (or one or more loan parts ( <i>leningdelen</i> ) thereof) which does not provide for a maturity date in its conditions or has a maturity date beyond thirty (30) years.
<b>"LTI"</b>	means Loan-to-Income.
<b>"LTV"</b>	means Loan-to-Value.
<b>"LTV Cut-Off Percentage"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Management Agreement"</b>	means the management agreement dated the Programme Date entered into by each of the CBC, the Security Trustee and Stichting Holding with the relevant Director as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Mandatory Liquidity Required Amount"</b>	has the meaning ascribed thereto in section 14 ( <i>Cash Flows</i> ) under ' <i>CBC Priority of Payments</i> ' of this Securities Note.
<b>"Margin"</b>	means, in relation to any Covered Bond, the relevant margin (if any) relating to a floating rate as specified in the applicable Final Terms as being the Margin.
<b>"Master Definitions Agreement"</b>	means the master definitions agreement dated the Programme Date entered into between, amongst others, the Issuer, the Transferor, the CBC and the Security Trustee dated the Programme Date as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Maturity Date"</b>	has the meaning ascribed thereto in Condition 5 ( <i>Interest</i> ).
<b>"Member States"</b>	means member states of the European Union.
<b>"MiFID II"</b>	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended.
<b>"MiFID II Product Governance Rules"</b>	means the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593.
<b>"Minimum Mortgage Interest Rate"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Minimum Mortgage Interest Rate Reduction"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.

<b>"Mortgage"</b>	means a mortgage right ( <i>hypotheekrecht</i> ) securing the relevant Mortgage Receivable.
<b>"Mortgage Conditions"</b>	means, in relation to a Mortgage Loan, the terms and conditions applicable to such Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for mortgages of the Transferor as from time to time in effect.
<b>"Mortgage Loans"</b>	means the mortgage loans granted by the Transferor to the relevant borrower as evidenced by the relevant loan agreements, which may consist of one or more loan parts ( <i>leningdelen</i> ) as set forth in the relevant list of mortgage loans attached to the relevant deed of assignment and pledge, to the extent the relating mortgage receivable is not redeemed, retransferred, sold or otherwise disposed of by the CBC.
<b>"Mortgage Receivable"</b>	means any and all rights of the Transferor (and after assignment of such rights to the CBC, of the CBC) against any Borrower under or in connection with any Mortgage Loans (including but not limited to any and all claims of the Transferor (or the CBC after assignment) on the Borrower as a result of the Mortgage Loans being terminated, dissolved or declared null and void).
<b>"Mortgage Receivables Warranties"</b>	means any of the events specified as such in section 7 ( <i>Guarantee Support</i> ) under ' <i>Sale and Transfers</i> ' of this Securities Note.
<b>"Mortgaged Asset"</b>	means, in respect of a Mortgage (i) a real property ( <i>onroerende zaak</i> ), (ii) an apartment right ( <i>appartementsrecht</i> ) or (iii) a long lease ( <i>erfpacht</i> ).
<b>"MVD Assumption"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Net Proceeds"</b>	means in respect of a Mortgage Receivable the sum of (a) the proceeds of a foreclosure on the Mortgage, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to life insurance and fire insurance, (d) the proceeds of any guarantees or sureties in relation to the relevant Mortgage Receivables, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs.
<b>"New Currency"</b>	has the meaning ascribed thereto in Condition 4 ( <i>Redenomination</i> ).
<b>"New Mortgage Loan"</b>	means a mortgage loan granted by the Transferor to the relevant Borrower, which may consist of one or more loan parts ( <i>leningdelen</i> ) as set forth in the relevant list of mortgage loans attached to any Deed of Assignment and Pledge.
<b>"New Mortgage Receivable"</b>	means the Mortgage Receivable resulting from a New Mortgage Loan.
<b>"New Transferor"</b>	means any member of the Van Lanschot Kempen Group which at the option of the Issuer accedes to the relevant Transaction Documents as a Transferor in accordance with the Programme Agreement.
<b>"NGN-form"</b>	means new global note form.
<b>"Notice to Pay"</b>	means the notice from the Security Trustee in writing to the CBC to pay pursuant to the Guarantee.

<b>"Notification Event"</b>		means any of the Assignment Notification Events and the Security Trustee Pledge Notification Events.
<b>"Old Currency"</b>		has the meaning ascribed thereto in Condition 4 ( <i>Redenomination</i> ).
<b>"Observation Period"</b>		Has the meaning ascribed thereto in Condition 5(B)(ii)(c) ( <i>Screen Rate Determination for Floating Rate Covered Bonds referencing Compounded Daily €STR</i> ).
<b>"Optional Redemption Amount"</b>		means the optional redemption amount(s) (if any) of the Covered Bonds as specified in the applicable Final Terms.
<b>"Optional Redemption Date"</b>		means the optional redemption date as specified in the applicable Final Terms.
<b>"Original Market Value"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Original Reference Rate"</b>		has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
<b>"Other CBC Account"</b>		means the bank account of the CBC designated as such in the CBC Account Agreement.
<b>"Other Claims"</b>		means any claim the Transferor has against the Borrower, other than a Mortgage Receivable, which is secured by the same Mortgage and/or Borrower Pledge.
<b>"Outstanding Principal Amount"</b>		means, in respect of a Mortgage Receivable, on any date the aggregate outstanding principal sum ( <i>hoofdsom</i> ) under such relevant Mortgage Loan, including any Further Advance Receivable transferred to the CBC, and after the foreclosure of the relevant Mortgage Receivable resulting in a loss being realised, zero.
<b>"Parallel Debt"</b>		has the meaning ascribed thereto in section 5 ( <i>Asset Backed Guarantee</i> ) under ' <i>Security</i> ' of this Securities Note.
<b>"Parallel Debt Agreement"</b>		means the parallel debt agreement dated the Programme Date entered into between, <i>inter alios</i> , the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Paying Agents"</b>		means, in relation to the Covered Bonds of any Series, the Principal Paying Agent, and any other paying agent appointed pursuant to the Agency Agreement.
<b>"Permanent Covered Bond"</b>	<b>Global</b>	means a permanent global covered bond in respect of a Series without interest coupons attached.
<b>"Pledge Agreements"</b>		means the Security Trustee Rights Pledge Agreement, the Security Trustee Receivables Pledge Agreement and any other agreement pursuant to which security is granted to the Security Trustee on any Transferred Asset other than the Mortgage Receivables and the Beneficiary Rights relating thereto entered into with the Security Trustee.
<b>"Portfolio Manager"</b>		means a portfolio manager appointed by the CBC to arrange the sale of Selected Mortgage Receivables to a third party.



<b>"Portfolio Agreement"</b>	<b>Swap</b>	means any portfolio swap agreement entered into by the CBC and the relevant Portfolio Swap Counterparty.
<b>"Portfolio Counterparty"</b>	<b>Swap</b>	means any swap counterparty under any Portfolio Swap Agreement.
<b>"Post CBC Acceleration Notice Priority of Payments"</b>		has the meaning ascribed thereto in section 14 ( <i>Cash Flows</i> ) under ' <i>Post CBC Acceleration Notice Priority of Payments</i> ' of this Securities Note.
<b>"Price Indexed Valuation"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"PRIIPs Regulation"</b>		means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended.
<b>"Principal Outstanding"</b>	<b>Amount</b>	has the meaning ascribed thereto in Condition 5 ( <i>Interest</i> ).
<b>"Principal Amount"</b>	<b>Available</b>	has the meaning ascribed thereto in section 14 ( <i>Cash Flows</i> ) under ' <i>CBC Priority of Payments</i> ' of this Securities Note.
<b>"Principal Paying Agent"</b>		Citibank N.A., London Branch, in its capacity as principal paying agent, or its successor or successors.
<b>"Principal Receipts"</b>		means: <ul style="list-style-type: none"> <li>(i) any amount received as principal under the Mortgage Receivables (as repayment, prepayment, sale proceeds, refinancing proceeds, including payments of arrears, Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Receivable, but excluding prepayment penalties); and</li> <li>(ii) any amounts received or recovered as Net Proceeds to the extent relating to principal.</li> </ul>
<b>"Priority of Payments"</b>		means the CBC Priority of Payments and the Post CBC Acceleration Notice Priority of Payments.
<b>"Programme"</b>		means the EUR 5,000,000,000 Covered Bond Programme of the Issuer.
<b>"Programme Agreement"</b>		means the programme agreement dated the Programme Date entered into between, <i>inter alia</i> , the Issuer and the CBC, as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Programme Date"</b>		means 9 March 2022.
<b>"Programme Resolution"</b>		has the meaning ascribed thereto in Condition 15 ( <i>Meetings of Covered Bondholders, modification and waiver</i> ).
<b>"Prospectus Regulation"</b>		means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71, including any commission delegated regulation thereunder, as amended.
<b>"Rabobank"</b>		means Coöperatieve Rabobank U.A.

<b>"Rate of Interest"</b>		means the rate of interest payable from time to time in respect of the Floating Rate Covered Bonds.
<b>"Rating Agency"</b>		means any credit rating agency (or its successor(s)) who, at the request of the Issuer, assign(s), and for as long as it/they assign(s), one or more ratings to the Covered Bonds under the Programme from time to time, which at the date of this Securities Note includes S&P.
<b>"Rating Confirmation"</b>	<b>Agency</b>	<p>means, with respect to a matter which requires Rating Agency Confirmation under the Transaction Documents and which has been notified to each Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:</p> <ul style="list-style-type: none"> <li>(a) a confirmation from each Rating Agency that its then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant matter (a <b>confirmation</b>);</li> <li>(b) if no confirmation is forthcoming from any Rating Agency, a written indication, by whatever means of communication, from such Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an <b>indication</b>); or</li> <li>(c) if no confirmation and no indication is forthcoming from any Rating Agency and such Rating Agency has not communicated that the then current ratings of the Covered Bonds will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter: <ul style="list-style-type: none"> <li>i. a written communication, by whatever means, from such Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or</li> <li>ii. if such Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that thirty (30) days have passed since such Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Rating Agency.</li> </ul> </li> </ul>
<b>"Record Date"</b>		means, in relation to Registered Covered Bonds, the close of business of the Business Day prior to the due date on which payments of principal, interest (if any) and other amounts will be made to the person shown on the Register as being entitled to the relevant amount of principal or interest or other amount.
<b>"Redeemed Bonds"</b>	<b>Covered</b>	means, in case of a partial redemption, the Covered Bonds to be redeemed.
<b>"Redenomination Date"</b>		means any date for payment of interest or redemption under the Covered Bonds, specified by the Issuer in the notice given to the Covered Bondholders pursuant to paragraph (a) above and which shall be the date the government of the Netherlands accepts payment in the New Currency as legal tender.
<b>"Refinance Date"</b>		means the date on which the CBC shall sell or refinance the Selected Transferred Asset after the occurrence of an Issuer Event of Default.
<b>"Register"</b>		means the register kept by the Registrar and in which the details, transfers and

amendments in relation to the Registered Covered Bonds are registered by the Registrar in accordance with the Agency Agreement.

<b>"Registered Bonds"</b>	<b>Covered</b>	means the Covered Bonds in registered form.
<b>"Registered Bonds Deed"</b>	<b>Covered</b>	means a deed of issuance of Registered Covered Bonds.
<b>"Registrar"</b>		means Citibank N.A., London Branch, in its capacity as registrar, or its successor or successors.
<b>"Registration Document"</b>		means the registration document of the Issuer dated 14 May 2024.
<b>"Regulated Status"</b>		means the status of the Programme and/or the Covered Bonds issued thereunder of being compliant with the requirements for the legal covered bonds as set out in the CB Regulations.
<b>"Regulation S"</b>		means Regulation S under the Securities Act.
<b>Regulatory Percentage"</b>	<b>Cut-Off</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.
<b>"Relevant Date"</b>		has the meaning ascribed thereto in Condition 8 ( <i>Taxation</i> ).
<b>"Relevant Body"</b>	<b>Nominating</b>	has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark Discontinuation</i> ).
<b>"Relevant Period"</b>	<b>Remedy</b>	means the maximum remedy period from time to time, as required to sustain the then current rating of the Covered Bonds, as of the date of the Programme Date being in case of a loss of the Requisite Credit Rating by S&P, the later of (i) sixty (60) calendar days of any such event and (ii) if, on or before the 60th calendar day following the relevant event, the responsible party has submitted a written proposal for a remedy to S&P and S&P has confirmed in writing to the responsible party, the CBC and/or the Security Trustee that the implementation of that proposal will not cause it to downgrade the Covered Bonds, ninety (90) days following such event.
<b>"Relevant Screen Page"</b>		means the screen page specified in the applicable Final Terms.
<b>"Required Amount"</b>	<b>Redemption</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Sale or Refinancing of Selected Assets</i> ' of this Securities Note.
<b>"Requisite Credit Rating"</b>		means in respect of the ratings other than the ratings of an Eligible Swap Counterparty, the minimum ratings from time to time, as at the Programme Date being equal to (i) the Long-Term Issuer Credit Rating of at least 'BBB' by S&P or (ii) such other lower rating or ratings as may be agreed by the Security Trustee, the CBC and the Issuer and which is based on the criteria of the relevant Rating Agency as would be sufficient to maintain the then current ratings of the Covered Bonds.
<b>"Reserve Account"</b>		means the bank account of the CBC designated as such in the CBC Account Agreement.
<b>"Reserve Required Amount"</b>	<b>Account</b>	has the meaning ascribed thereto in section 14 ( <i>Cash Flows</i> ) of this Securities Note.
<b>"S&amp;P"</b>		means S&P Global Ratings Europe Limited.

<b>"Scheduled Interest"</b>		means, in respect of a Series, any amount of scheduled interest payable (i) under the Covered Bonds as specified in Condition 5 ( <i>Interest</i> ) (but excluding (a) any additional amounts relating to premiums, default interest or interest upon interest payable by the Issuer following an Issuer Event of Default and (b) any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8 ( <i>Taxation</i> )), for this purpose disregarding any Excess Proceeds received by the Security Trustee on account of scheduled interest and on-paid to the CBC in accordance with the Trust Deed, or (ii) under the Guarantee as specified in Condition 3(b) ( <i>The Guarantee</i> ).
<b>"Scheduled Payment Date"</b>		means, in respect of a Series, each Interest Payment Date and the Maturity Date as specified in (i) in the case of Scheduled Interest, Condition 5 ( <i>Interest</i> ) or Condition 3(b) ( <i>The Guarantee</i> ), as the case may be, or (ii) in the case of Scheduled Principal, Condition 7(a) ( <i>Redemption at Maturity</i> ).
<b>"Scheduled Principal"</b>		means, in respect of a Series, any amount of scheduled principal payable under the Covered Bonds as specified in Condition 7(a) ( <i>Redemption at Maturity</i> ) (but excluding (a) any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable by the Issuer following an Issuer Event of Default and (b) any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8 ( <i>Taxation</i> )), for this purpose disregarding any Excess Proceeds received by the Security Trustee on account of scheduled principal and on-paid to the CBC in accordance with the Trust Deed.
<b>"Screen Rate Determination"</b>		has the meaning ascribed thereto in the applicable Final Terms.
<b>"Second Regulatory Current Balance Amount"</b>		has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this Securities Note.
<b>"Secured Creditors"</b>		means (a) the Covered Bondholders, (b) the Directors, (c) the Administrator, (d) the Servicer, (e) the Paying Agents, (f) the Calculation Agent, (g) the Registrar, (h) each Swap Counterparty (if any), (i) the Asset Monitor, (j) the CBC Account Bank, (k) the Subordinated Loan Provider, (l) the Transferor and (m) such other party as may be designated by the Security Trustee as a Secured Creditor.
<b>"Securities Act"</b>		means the U.S. Securities Act of 1933, as amended.
<b>"Securities Note"</b>		means this securities note dated 27 June 2024.
<b>"Security"</b>		means the rights of pledge granted pursuant to the Pledge Agreements and any other security for the obligations of the CBC in favour of the Security Trustee for the benefit of the Secured Creditors.
<b>"Security Trustee"</b>		means Stichting Security Trustee Van Lanschot Kempen SB Covered Bond Company.
<b>"Security Trustee Pledge Notification Events"</b>		means the events as set out in the Security Trustee Receivables Pledge Agreement pursuant to which the Security Trustee may notify the right of pledge, including but not limited to the occurrence of a CBC Event of Default.
<b>"Security Receivables Trustee Pledge"</b>		means the security trustee receivables pledge agreement dated the Programme Date entered into between the CBC and the Security Trustee as

<b>"Agreement"</b>		the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Security Trustee Rights Pledge Agreement"</b>		means the security trustee rights pledge agreement dated the Programme Date entered into between the CBC, the Security Trustee, the Transferor, the Servicer, the Subordinated Loan Provider, the Administrator, the CBC Account Bank, the Asset Monitor, the Registrar and the Paying Agent as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Security Director"</b>	<b>Trustee's</b>	means IQ EQ Structured Finance B.V. and/or such other person(s) who may be appointed as director(s) ( <i>bestuurder</i> ) of the Security Trustee from time to time.
<b>"Selected Receivables"</b>	<b>Mortgage</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Selected Assets"</b>	<b>Transferred</b>	means Mortgage Receivables and other Transferred Assets, if applicable, that are randomly selected by the CBC to be sold or refinanced pursuant to the terms of the Asset Monitoring Agreement on a Refinance Date.
<b>"Series"</b>		means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds expressed to be consolidated and form a single series with the Covered Bonds of the original Tranche and the terms of which are identical (save for the Issue Date, the Interest Commencement Date and/or Issue Prices but including as to whether or not the Covered Bonds are listed).
<b>"Servicer"</b>		means Van Lanschot Kempen, in its capacity as servicer, or any other person which has acceded to the Programme as a servicer, of Mortgage Receivables transferred to the CBC.
<b>"Servicing Agreement"</b>		means the servicing agreement dated the Programme Date entered into between the CBC, the Servicer and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Specified Denomination"</b>		has the meaning ascribed thereto in the applicable Final Terms.
<b>"Specified Interest Payment Date"</b>		means the specified interest payment date as specified in the applicable Final Terms.
<b>"Specified office of the Issuer"</b>		means Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands.
<b>"SRM"</b>		means the single resolution mechanism established by the SRM Regulation.
<b>"SRM Regulation"</b>		means Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (Single Resolution Mechanism).
<b>"Stabilising Manager"</b>		means the stabilising manager appointed in connection with the relevant issuance of Covered Bonds.
<b>"Stater"</b>		means Stater Nederland B.V.
<b>"Stichting Holding"</b>		means Stichting Holding Van Lanschot Kempen SB Covered Bond Company.

<b>"Stub Amount"</b>		has the meaning ascribed thereto in section 2 ( <i>Risk Factors</i> ).
<b>"Subordinated Loan"</b>		means the aggregate amount of all Subordinated Loan Advances outstanding at a time.
<b>"Subordinated Advance"</b>	<b>Loan</b>	means any advance of moneys granted by the Subordinated Loan Provider to the CBC under the Subordinated Loan Agreement or the principal amount outstanding for the time being of that loan.
<b>"Subordinated Agreement"</b>	<b>Loan</b>	means the subordinated loan agreement dated the Programme Date entered into between the Subordinated Loan Provider, the Issuer and the CBC as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"Subordinated Available Amount"</b>	<b>Loan Redemption</b>	means on any CBC Payment Date the lower of (a) any amount remaining from the Principal Available Amount and the Interest Available Amount after all items ranking above item (m) (repayment of principal on the Subordinated Loan) of the CBC Priority of Payments have been paid or provided for in full and (b) the outstanding amount under the Subordinated Loan minus the sum of the Outstanding Principal Amount of the Transferred Assets.
<b>"Subordinated Facility"</b>	<b>Loan</b>	means the subordinated loan facility made available by the Subordinated Loan Provider to the CBC under the Subordinated Loan Agreement (i) to finance the acquisition of New Mortgage Receivables (in each case with a maximum of the Initial Purchase Price for the Mortgage Receivables purchased on such date) or Substitution Assets and (ii) to credit the Reserve Account up to the Reserve Account Required Amount.
<b>"Subordinated Maximum Amount"</b>	<b>Loan Redemption</b>	means (a) the amount outstanding under the Subordinated Loan minus (b) (i) the Outstanding Principal Amount of the Mortgage Receivables plus (ii) the Collateral Market Value of the Substitution Assets and plus (iii) the balance standing to the credit of the Reserve Account.
<b>"Subordinated Provider"</b>	<b>Loan</b>	means Van Lanschot Kempen, in its capacity as provider of the Subordinated Loan.
<b>"Substituted Debtor"</b>		means any directly or indirectly wholly owned subsidiary of the Issuer which replaces or substitutes the Issuer as principal debtor in respect of the Covered Bonds and the relative Coupons subject to and in accordance with Condition 17 ( <i>Substitution of the Issuer</i> ).
<b>"Substitution Assets"</b>		means the classes of assets denominated in euro from time to time eligible under Article 129(1)(a)-(g) (but excluding (d)) of the CRR and the CB Regulations to collateralise covered bonds, provided that the aggregate value of such eligible assets, at any time, shall not exceed in aggregate an amount equal to 20 per cent., or such other percentage as required from time to time to comply with the CB Regulations, of the aggregate nominal value of the Transferred Assets at such time.
<b>"Substitution Amount"</b>	<b>Assets</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Substitution Payment Amount"</b>	<b>Assets</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Amortisation Test</i> ' of this Securities Note.
<b>"Successor Rate"</b>		has the meaning ascribed thereto in Condition 5(D) ( <i>Benchmark</i>

*Discontinuation*).

<b>"Swap Agreements"</b>	means any Portfolio Swap Agreement and any Interest Swap Agreement.
<b>"Swap Cash Collateral Account"</b>	means the bank account of the CBC designated as such in the CBC Account Agreement and any further account opened to hold Swap Collateral in the form of cash.
<b>"Swap Collateral"</b>	means, at any time, any asset (including cash and/or securities) which is paid or transferred by the relevant Swap Counterparty to the CBC as collateral to secure the performance by such Swap Counterparty of its obligations under any Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed.
<b>"Swap Collateral Account"</b>	means the Swap Cash Collateral Account and the Swap Custody Collateral Account.
<b>"Swap Collateral Amounts"</b>	means all amounts to be provided by a Swap Counterparty as collateral pursuant to the relevant Swap Agreement as a result of a downgrade or otherwise.
<b>"Swap Counterparty"</b>	means the Portfolio Swap Counterparty or Portfolio Swap Counterparties and/or the Interest Swap Counterparty or Interest Swap Counterparties.
<b>"Swap Custody Collateral Account"</b>	means the custody account of the CBC and any further custody accounts opened to hold Swap Collateral in the form of securities.
<b>"Swap Fraction"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Securities Note.
<b>"Swap Replacement Amounts"</b>	means (a) those amounts received from any replacement Swap Counterparty in consideration of the entry into between the CBC and such replacement Swap Counterparty of a swap transaction to replace any Swap Agreement and (b) those amounts received from any Swap Counterparty in respect of any Swap Agreement which has terminated for any reason.
<b>"Swap Replacement Ledger"</b>	means the swap replacement ledger held by the CBC in relation to the Swap Replacements Amounts.
<b>"Swap Transaction"</b>	means a swap transaction as set out in a Swap Agreement.
<b>"T2"</b>	means the real time gross settlement system operated by the Eurosystem or any successor or replacement thereof.
<b>"Talons"</b>	means, if indicated in the Final Terms, talons for further Coupons.
<b>"Tax Jurisdiction"</b>	has the meaning ascribed thereto in Condition 8 ( <i>Taxation</i> ).
<b>"Temporary Global Covered Bond"</b>	means a temporary global covered bond in respect of a Series of Covered Bonds without interest coupons attached.
<b>"Terms and Conditions"</b>	means the terms and conditions set forth in section 4 ( <i>Covered Bonds</i> ) of this Securities Note.
<b>"Tranche"</b>	means a tranche of a Series.
<b>"Transaction Documents"</b>	means the Programme Agreement, the Master Definitions Agreement, the

Pledge Agreements, any Swap Agreements, the Administration Agreement, the Servicing Agreement, the CBC Account Agreement, the Trust Deed, the Parallel Debt Agreement, the Agency Agreement, the Guarantee Support Agreement, the Deeds of Sale, Assignment and Pledge, the Deeds of Repurchase and Release, the Asset Monitoring Agreement, any Asset Monitor Appointment Agreement, the Management Agreements, the Stater Third Party Stipulation Letter, the Subordinated Loan Agreement, the ICSD agreement entered into on the Programme Date between the Issuer and the ICSDs and any other documents relating to the transaction envisaged in the above mentioned documents.

<b>"Transfer Date"</b>	means the date of transfer of any Eligible Assets to the CBC in accordance with the Guarantee Support Agreement.
<b>"Transferor"</b>	means Van Lanschot Kempen and each New Transferor (if any).
<b>"Transferor Collection Account"</b>	means the bank account maintained by the Transferor with the Collection Account Bank on which all payments made by the relevant Borrowers are collected.
<b>"Transferor Warranties"</b>	means the representations and warranties given by the Transferor with respect to it as set out in the Guarantee Support Agreement including the Mortgage Receivables Warranties.
<b>"Transferred Assets"</b>	means the Mortgage Receivables and the Beneficiary Rights relating thereto and the Transferred Collateral.
<b>"Transferred Collateral"</b>	means any Eligible Collateral transferred or purported to be transferred to the CBC pursuant to the Guarantee Support Agreement, to the extent not redeemed, retransferred, sold or otherwise disposed of by the CBC.
<b>"Treaty"</b>	means the treaty on the functioning of the European Union, as amended.
<b>"Trust Deed"</b>	means the trust deed dated the Programme Date entered into between the Issuer, the CBC, the Stichting Holding and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>"UK"</b>	means the United Kingdom of Great Britain and Northern Ireland.
<b>"UK CRA Regulation"</b>	means Regulation (EC) No 1060/2009 as it forms part of the laws of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended.
<b>"UK MiFIR Product Governance Rules"</b>	means the FCA Handbook Product Intervention and Product Governance Sourcebook.
<b>"US IR Code"</b>	means the U.S. Internal Revenue Code of 1986, as amended.
<b>"Utilisation Date"</b>	means each such day on which a Subordinated Loan Advance is advanced .
<b>"Van Lanschot Kempen"</b>	means Van Lanschot Kempen N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) organised under the laws of the Netherlands and established in 's-Hertogenbosch, the Netherlands.
<b>"Van Lanschot Kempen Group"</b>	means any member of the group formed by the Issuer and its affiliates ( <i>groepsmaatschappijen</i> ).
<b>"Variable Interest Loan"</b>	has the meaning ascribed thereto in section 12 ( <i>Asset Monitoring</i> ) of this



<b>Payment Amount"</b>	Securities Note.
<b>"VAT" and "Value Added Tax"</b>	means value added tax as levied in accordance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) as implemented in the Member States under their respective value added tax legislation and legislation supplemental thereto; and (b) any other tax of a similar fiscal nature (including but not limited to goods and services tax), whether imposed in a Member State in substitution for, or levied in addition to, such tax, or in any other jurisdiction.
<b>"VLK Internal Audit"</b>	means the internal audit function of the Issuer.
<b>"Wft"</b>	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ), as amended.
<b>"Wge"</b>	means the Dutch Securities Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> ), as amended.
<b>"Zero Coupon Covered Bonds"</b>	means Covered Bonds that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever, except in case of a late payment as specified in Condition 7(h) ( <i>Late payment on Zero Coupon Covered Bonds</i> ).

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