



Van Lanschot Kempen N.V.

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

SECURITIES NOTE

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

guaranteed as to payments of interest and principal by

Van Lanschot Conditional Pass-Through Covered Bond Company B.V.

*(a private company with limited liability incorporated under Dutch law
and having its statutory seat in Amsterdam, the Netherlands)*

This securities note (the “**Securities Note**”) constitutes a part of the Base Prospectus (as defined hereafter) within the meaning of Regulation (EU) 2017/1129 (as amended) (the “**Prospectus Regulation**”). Together with the registration document of Van Lanschot Kempen N.V. (formerly known as Van Lanschot Kempen Wealth Management N.V., the “**Issuer**” or “**Van Lanschot Kempen**”) dated 6 May 2021, as supplemented by the first supplement dated 9 July 2021, the second supplement dated 6 September 2021 and as further supplemented from time to time (the “**Registration Document**”), this Securities Note forms part of the Issuer’s base prospectus consisting of separate documents within the meaning of Article 8(6) of the Prospectus Regulation (the Registration Document together with this Securities Note, the “**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 Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (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 as imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer nor of the guarantor that are the subject of this Securities Note nor as an endorsement of the quality of any of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the conditional pass-through covered bonds (the “**Covered Bonds**”). This Securities Note will be published in electronic form on: <https://www.vanlanschotkempen.com/cptcbp>. This Securities Note is issued in replacement of the base prospectus dated 2 September 2020 and accordingly supersedes any earlier base prospectus (as supplemented) pertaining to the EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme (the “**Programme**”).

The Base Prospectus (comprising this Securities Note and the Registration Document and as supplemented as at the relevant time, if applicable) is valid for use only by Van Lanschot Kempen for a period of up to 12 months after approval of the Securities Note by the AFM and shall expire on 26 October 2022, 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 the Programme, the Issuer may from time to time issue Covered Bonds denominated in euro. Subject as set out herein, 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 herein.

Van Lanschot Conditional Pass-Through Covered Bond Company B.V. (the “**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 Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company (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 Transferred Assets (as defined below) and the rights of the CBC under or in connection with the Transaction Documents (as defined below) relating to the CBC (the "**Security**").

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers and any additional Dealer appointed in respect of Covered Bonds under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**") 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 of Covered Bonds (a "**Series**") (or tranche thereof (a "**Tranche**")) will be stated in the applicable final terms (the "**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 herein 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, the regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**"), will be filed and delivered to Euronext Amsterdam on or before the date of each issue of such Covered Bonds.

Application has been made for the Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of 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 issued under the Programme 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. 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).

Amounts payable on Covered Bonds may be calculated by reference to EURIBOR as specified in the applicable Final Terms. As at the date of this Securities Note, the administrator of EURIBOR, the European Money Markets Institute, appears on the register of administrators established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of Regulation (EU) 2016/1011 (as amended) (the "**Benchmark Regulation**").

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

It is expected that each issue of a Series of Covered Bonds will, on issue, be assigned an 'AAA' rating by S&P Global Ratings Europe Limited ("**S&P**") and an 'AAA' rating by Fitch Ratings Ireland Limited ("**Fitch**", and together with S&P and any other credit rating agencies (or its or their successor(s)) who, at the request of the Issuer, assign, and for as long as they assign, one or more ratings to the Covered Bonds under the Programme from time to time, the "**Rating Agencies**"), unless otherwise specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. Whether or not a credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union (the "**European Union**" or "**EU**") and registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**") will be disclosed in the applicable Final Terms. For a discussion of the risks associated with an investment in the Covered Bonds, see Chapter 1 *Risk Factors* of the Registration Document and Chapter 2 *Risk Factors* of this Securities Note. The Rating Agencies have been registered by ESMA as credit rating agencies in accordance with the CRA Regulation. Neither Fitch nor S&P is established in the United Kingdom (the "**UK**"), but each 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 the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). The Issuer ratings have been issued by Fitch and S&P in accordance with the CRA Regulation before the end of the transition period and have not been withdrawn. As such, the ratings issued by Fitch and S&P may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation until January 2022.

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 of each Tranche are 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 (each an “**Issue Date**”) either (i) with a common safekeeper or common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, SA (“**Clearstream, Luxembourg**”) or (ii) with the Dutch Central Securities Depository (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) (“**Euroclear Nederland**”) and/or (iii) any other agreed clearance system. Registered Covered Bonds will be issued to each relevant holder by a registered covered bonds deed. See Chapter 4 *Covered Bonds under Form of Covered Bonds*.

The Covered Bonds may be issued in a new global note form (“**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 International Central Securities Depositories (the “**ICSDs**”) as common safekeeper and 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.

IMPORTANT – 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 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIPs 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 PRIPs Regulation.

IMPORTANT – 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA 2000**”) and any rules or regulations made under the FSMA 2000 to implement the Insurance Distribution Directive, 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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by PRIIPS Regulation as it forms part of domestic law 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.

For the page reference of the definitions of capitalised terms used herein see Chapter 17 *Index of Defined Terms*.

The date of this Securities Note is 26 October 2021.

Arrangers

Van Lanschot Kempen N.V.

Coöperatieve Rabobank U.A.

Dealers

Van Lanschot Kempen N.V.

Coöperatieve Rabobank U.A.

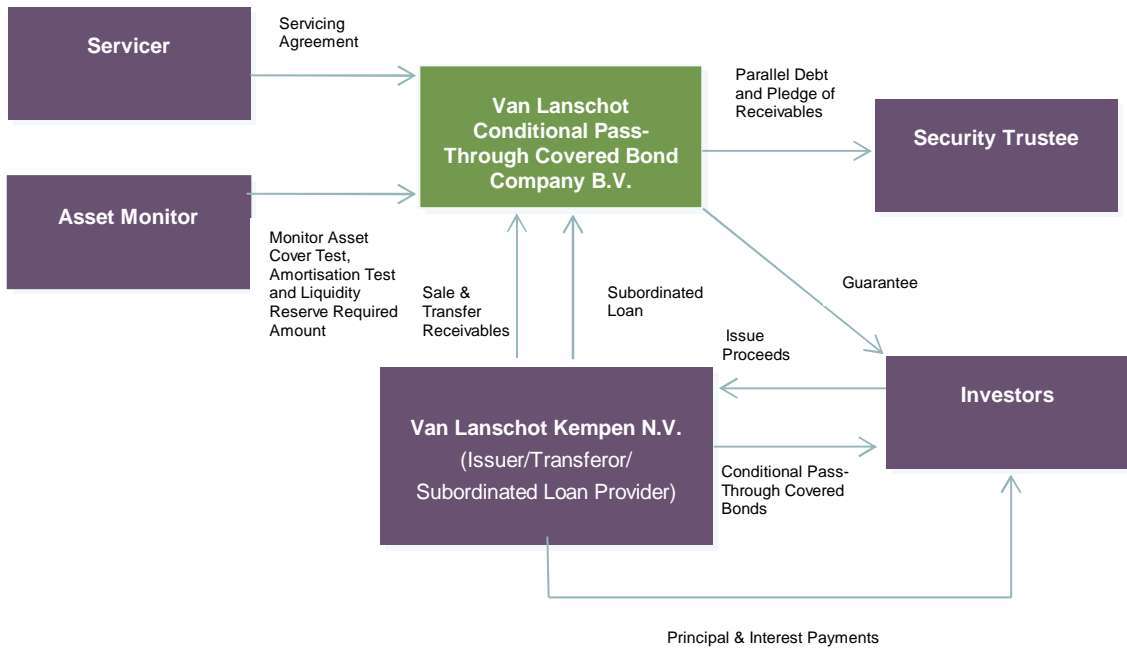
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1. GENERAL DESCRIPTION OF THE PROGRAMME

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 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 herein 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. It provides a general description 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 general description is not a summary within the meaning of article 7 of the Prospectus Regulation.

PARTIES

Issuer:	Van Lanschot Kempen N.V., a public company with limited liability (<i>naamloze vennootschap</i>) incorporated under Dutch law, having its statutory seat in 's-Hertogenbosch, the Netherlands, registered with the Commercial Register of the Dutch Chamber of Commerce under number 16038212 and having the legal entity identifier 724500D8WOYCL1BUCB80, in its capacity as issuer.
Transferor:	Van Lanschot Kempen (and/or any other subsidiary of Van Lanschot Kempen that has acceded to the Programme, as applicable and as the context may require), in its capacity as transferor.
CBC:	Van Lanschot Conditional Pass-Through 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 in Amsterdam, the Netherlands, registered with the Commercial Register of the Dutch Chamber of Commerce under number 62066587 and having the legal entity identifier 724500XPI3J4WVUP1E51.
Guarantor:	The CBC.
Programme:	The EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme of Van Lanschot Kempen guaranteed as to payments of interest and principal by the CBC.
Administrator:	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 in Amsterdam, the Netherlands, and registered with the Commercial Register of the Dutch Chamber of Commerce under number 33210270.
Servicer:	Van Lanschot Kempen (or any other person that has acceded to the Programme as a Servicer), in its capacity as servicer of Mortgage Receivables transferred to the CBC.
Asset Monitor:	PricewaterhouseCoopers Accountants N.V., a public company with limited liability (<i>naamloze vennootschap</i>) incorporated under Dutch law, having its statutory seat in Amsterdam, the Netherlands, and registered with the Commercial Register of the Dutch Chamber of Commerce under number 34180285, in its capacity as asset monitor.
Arrangers:	Van Lanschot Kempen and Coöperatieve Rabobank U.A. (" Rabobank "), in their capacity as arrangers.
Dealers:	Van Lanschot Kempen and Rabobank, in their capacity as dealers, and any other dealer appointed from time to time.
Security Trustee:	Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company, a foundation (<i>stichting</i>) established under Dutch law, having its statutory seat in Amsterdam, the Netherlands,

and registered with the Commercial Register of the Dutch Chamber of Commerce under number 62050486.

Stichting Holding:	Stichting Holding Van Lanschot Conditional Pass-Through Covered Bond Company, a foundation (<i>stichting</i>) established under Dutch law, having its statutory seat in Amsterdam, the Netherlands, and registered with the Commercial Register of the Dutch Chamber of Commerce under number 62054910.
Directors:	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, and Intertrust Management B.V., in its capacity as managing director of Stichting Holding.
CBC Account Bank:	Société Générale S.A. Agence Amsterdam, a public company (<i>société anonyme</i>) incorporated under French law, acting out of its Amsterdam branch, having its statutory seat in Paris, France, and registered with the Commercial Register of the Dutch Chamber of Commerce under number 33149169, in its capacity as CBC account bank.
Principal Paying Agent:	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, in its capacity as principal paying agent.
Paying Agent:	Any paying agent appointed under the Agency Agreement (and together with the Principal Paying Agent, the " Paying Agents ").
Listing Agent:	Rabobank, in its capacity as listing agent.
Registrar:	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, in its capacity as registrar in relation to any Registered Covered Bonds.
Calculation Agent:	In relation to the Covered Bonds of any Series, the institution appointed as calculation agent in relation to such Covered Bonds pursuant to a calculation agency agreement substantially in the form set out in schedule 3 to the Agency Agreement (the " Calculation Agency Agreement ") or the Agency Agreement.
Rating Agencies:	Any credit rating agencies (or their successor(s)) who, at the request of the Issuer, assign, and for as long as they assign, one or more ratings to the Covered Bonds under the Programme from time to time, and which at the date of this Securities Note include S&P and Fitch.
Portfolio Swap Counterparty:	Any swap counterparty under any Portfolio Swap Agreement.
Interest Swap Counterparty:	Any swap counterparty under any Interest Swap Agreement.
Swap Counterparty:	Any swap counterparty under any Portfolio Swap Agreement and/or any Interest Swap Agreement (together the " Swap Agreements ").
Subordinated Loan Provider:	Van Lanschot Kempen, in its capacity as provider of the Subordinated Loan.

THE COVERED BONDS

Programme size:	Up to EUR 5,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the programme agreement dated 2 March 2015 between, <i>inter alia</i> , the Issuer and the CBC as the same may be amended and/or
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supplemented and/or restated or otherwise modified from time to time (the “**Programme Agreement**”).

Issue Price: 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.

Form: Each Covered Bond will be in a bearer or registered form.

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 Global Covered Bond (a) which is intended to be issued in NGN-form 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 (i) with Euroclear Nederland (ii) with a common depository for Euroclear and/or Clearstream, Luxembourg and/or (iii) with (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 Chapter 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, 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 Chapter 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 that will be admitted to trading on a regulated market within a member state of the EEA or offered to the public within a member state of the EEA, in each case in circumstances which would otherwise require the publication of an approved 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 <i>pari passu</i> 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 (i) monthly, bi-monthly, quarterly, semi-annually, annually or upon redemption of the relevant Covered Bonds as further specified in the applicable Final Terms up to the earlier of (a) the Maturity Date and (b) the service of a Breach of Amortisation Test Notice and (ii) monthly after the earlier to occur of (a) the Maturity Date and (b) the date of the service of a Breach of Amortisation Test Notice, up to the Extended Due for Payment Date.
Fixed Rate Covered Bonds:	Fixed Rate Covered Bonds 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 (“ Fixed Rate Coupon ”) and on redemption and will be calculated on the basis of such Day Count Fraction as set forth in the applicable Final Terms. If on or after the Maturity Date the Fixed Rate Covered Bonds are not redeemed in full or if a Breach of Amortisation Test Notice has been served, the Fixed Rate Covered Bonds will continue to bear interest at a fixed rate up to the Extended Due for Payment Date.
Floating Rate Covered Bonds:	Floating Rate Covered Bonds means Covered Bonds on which interest is calculated at a floating rate payable in arrears in respect of such period or on such date(s) as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms). If on or after the Maturity Date the Floating Rate Covered Bonds have not been redeemed in full or if a Breach of Amortisation Test Notice has been served, as from the Maturity Date or the date of such notice, the Floating Rate Covered Bonds will switch to interest at a fixed rate up to (and including) the Extended Due for Payment Date.
Margin:	The relevant margin (if any) relating to such floating rate will be specified as being the Margin in the applicable Final Terms.
Other provisions in relation to Floating Rate Covered Bonds:	Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both 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.
Redemption:	The applicable Final Terms will indicate that (a) the relevant Covered Bonds cannot be redeemed prior to their stated maturity (other than following specified events, if applicable, or for taxation 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 holders of the Covered Bonds (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 47 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 15 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 32 years after the Maturity Date of the relevant Series of Covered Bonds.
Withholding Tax:	All payments of, or in respect of, principal of and interest on the Covered Bonds will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes or duties are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes or duties for the account of the Covered Bondholders and the Issuer will, in accordance with and subject to certain exceptions as provided in Condition 8 (Taxation), e.g. if withholding or deduction is required under the Dutch Withholding Tax Act 2021 (<i>Wet bronbelasting 2021</i>), be required to pay such additional amounts to cover such withholding or reduction to such Covered Bondholders or, if the Issuer so elects, it may redeem the Series affected. The CBC will not be required or liable to pay additional amounts or indemnify an investor in any other way for any withholding or deduction in respect of taxes or duties.
FATCA Withholding:	The Issuer and the CBC will be permitted to withhold or deduct any amounts 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 (" 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 (ii) as the case may be, in euro to the Principal Paying Agent for the credit of the respective accounts of the Covered Bondholders through Euroclear and Clearstream, Luxembourg or (iii) as the case may be, in accordance with the rules of another agreed clearing system.
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.
Listing:	Application has been made for the Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of 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 issued under the Programme 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.

Selling Restrictions: There are selling restrictions in relation to the United States, the EEA, the UK, France, Italy, the Netherlands and Japan and such other restrictions as may apply in connection with the offering and sale of a particular Tranche or Series. See Chapter 4 *Covered Bonds* under *Subscription and Sale*.

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 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: On the Programme Date, the CBC and the Security Trustee have entered into a parallel debt agreement for the benefit of the Covered Bondholders and the other Secured Parties 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 Parties, 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 (as defined below)) 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, provided that if on any CBC Payment Date which falls prior to the Extended Due for Payment Date, and after the CBC shall under the relevant Priority of Payments have paid or provided for all higher ranking amounts, any amounts are available to the CBC for payment of (or to be reserved for payment of) principal on a Series of Covered Bonds, such available amounts will be applied on the relevant CBC Payment Date towards payment of all Pass-Through Covered Bonds; and
- (b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount.

Pass-Through Covered Bonds:

- (a) If a Covered Bond has not been repaid in full on its Maturity Date, such Covered Bond becomes a Pass-Through Covered Bond; and
- (b) if an Issuer Event of Default has occurred and a Notice to Pay on the CBC and a Breach of Amortisation Test Notice have been served, all Covered Bonds become Pass-Through Covered Bonds.

Pass-Through structure:

The pass-through structure will particularly become relevant after the service of a Notice to Pay on the CBC. The CBC will be obliged to pass any available funds through and apply such funds towards redemption of all Pass-Through Covered Bonds and the CBC will also be obliged to use its best efforts to sell or refinance Transferred Assets on each sixth CBC Payment Date to enable it to redeem all Pass-Through Covered Bonds prior to the Extended Due for Payment Date, provided that it can sell or refinance the Transferred Assets and consequently redeem the Pass-Through Covered Bonds without negatively impacting the Amortisation Test. Failure by the CBC to sell or refinance Selected Transferred Assets in accordance with the Asset Monitoring Agreement will not constitute a CBC Event of Default.

**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).

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

- (i) the Adjusted Aggregate Asset Amount is an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B of the Asset Cover Test, up to the date specified in item B), all as calculated on the immediately succeeding Calculation Date;
- (ii) the Outstanding Principal Amount of all Mortgage Receivables, excluding any Defaulted Receivables, plus (a) the Collateral Market Value of all Transferred Collateral in the form of Substitution Assets plus (b) all amounts standing to the balance of the CBC Transaction Accounts, excluding Swap Collateral and excluding amounts standing to the balance of the Construction Account, will always be at least equal to 115% of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month all as calculated on the immediately succeeding Calculation Date;
- (iii) the First Regulatory Current Balance Amount will always be at least equal to 105%, or such other percentage as may be required from time to time under the CB Regulations (as defined below), of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B of the Asset Cover Test, up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date; and
- (iv) the Second Regulatory Current Balance Amount will always be at least equal to 100%, 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 of the 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 any and all rights under or in connection with any Mortgage Loans (“**Mortgage Receivables**“) of the Transferor against any borrowers (the “**Borrowers**“) and all rights of the Transferor as (first) beneficiary (*begunstigde*) under the relevant Insurance Policy (the “**Beneficiary Rights**“), subject to the fulfilment of certain conditions. The “**Mortgage Loans**“ shall, after the sale and assignment of Eligible Receivables having taken place and to the extent not redeemed, retransferred, sold or otherwise disposed of by the CBC, be the loans entered into or acquired by the Transferor *vis-à-vis* the relevant Borrowers set out in (the annex to) the relevant deed of sale, assignment and pledge and will result from loans secured by a first-ranking Mortgage over (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpacht*) (together with real property, apartment rights and long leases the “**Mortgaged Assets**“), situated in the Netherlands and entered into or acquired by the Transferor *vis-à-vis* the relevant Borrowers. 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.

For the purpose of this Securities Note:

“**Insurance Companies**“ means the Life Insurance Companies.

“**Life Insurance Companies**“ means any insurance companies with which the Borrowers have entered into Life Insurance Policies in connection with any Life Mortgage Loans.

“**Life Insurance Policies**“ means any life insurance policies and combined risk and capital insurance policies (*gecombineerde risico-en kapitaalverzekeringen*) taken out by any Borrower with a Life Insurance Company in connection with any Life Mortgage Loans.

“**Life Mortgage Loans**“ means mortgage loans 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.

Administration Agreement:

Under the terms of the Administration Agreement entered into on the Programme Date between the CBC, the Administrator and the Security Trustee, as amended, supplemented, restated or otherwise modified from time to time, 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 a servicing agreement entered into on the Programme Date between the CBC, the Servicer and the Security Trustee, as amended, supplemented, restated or otherwise modified from time to time, the Servicer agrees (i) to provide administration and management services in relation to the relevant Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the relevant Mortgage Loans and the implementation of arrears procedures including the enforcement of mortgages, any other related security and other collateral, if applicable; (ii) to communicate with the Borrowers; and (iii) to investigate payment delinquencies. The Servicer is permitted to sub-contract its servicing role to an affiliate of the Issuer or to any other third party servicer (such as Stater Nederland B.V. (“**Stater**“)), subject to Rating Agency

Confirmation having been obtained and provided that the Servicer shall continue to be liable as if no such delegation had taken place, and as at the date of this Securities Note the Servicer has so sub-contracted (parts of) its servicing role to Stater. In connection with Regulation (EU) 2016/679 (as amended) (the “**General Data Protection Regulation**”), the parties to the Servicing Agreement have entered into a joint controller agreement (the “**Joint Controller Agreement**”).

- Custody Agreement:** If Substitution Assets 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 then be serviced in accordance with a custody agreement to be entered into between the CBC and an eligible custodian (the “**Custody Agreement**”).
- Subordinated Loan Agreement:** The CBC and the Subordinated Loan Provider have entered into a subordinated loan agreement on the Programme Date, under which 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 New Mortgage Receivables or Substitution Assets and (ii) for an amount required to credit the Reserve Account up to the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount.
- CBC Account Agreement:** The CBC and the CBC Account Bank have entered into a floating rate guaranteed investment contract on the Programme Date, under which the CBC Account Bank agrees to pay a guaranteed rate of interest equal to the Euro OverNight Index Average rate (“**EONIA**”) minus 5 basis points per annum on the balance standing to the credit of each CBC Transaction Account from time to time (the “**CBC Transaction Accounts Funds**”) or such other interest rate as may be agreed between the CBC Account Bank and the CBC. According to the European Money Markets Institute, the administrator of EONIA, EONIA will be published until 3 January 2022, the date on which it will be discontinued. Since October 2019, EONIA has been calculated as the Euro Short-term Rate (“**€STR**”) plus a fixed spread of 8.5 basis points per annum.
- 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, such amount 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 ten Business Days in advance.
- CBC Account:** The CBC shall maintain with the CBC Account Bank an account, or such replacement account with the consent of the Security Trustee 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 an account to which amounts corresponding to the aggregate relevant Construction Deposits will be credited. A “**Construction Deposit**” is 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.
- 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 with the CBC Account Bank a swap cash collateral account (the “**Swap Cash Collateral Account**”) to hold swap collateral in the form of cash, and will open with a custody bank a swap custody collateral account (the “**Swap Custody Collateral Account**”) to hold

swap collateral in the form of securities, together the “**Swap Collateral Accounts**”.

Reserve Account:	The CBC shall maintain with the CBC Account Bank an account to which the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount will be credited (such account together with the CBC Account, the Construction Account, the Swap Collateral Account and any additional or replacement accounts, including any other CBC Accounts, opened in the name of the CBC, referred to as the “ CBC Transaction Accounts ”).
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 enter into appropriate hedging arrangements 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 enter into appropriate hedging arrangements subject to Rating Agency Confirmation whereby a certain fixed or floating rate is exchanged for a specific rate on one or more Series or all Series of Covered Bonds.
Management Agreements:	Each of the CBC, the Security Trustee and Stichting Holding have entered into a management agreement with the relevant Director, under which such relevant Director will undertake to act as director of the CBC, the Security Trustee or Stichting Holding, respectively, and to perform certain services in connection therewith.
Deposit Agreement:	Each of the CBC, the Security Trustee, the Servicer, the Transferor and a civil law notary have entered into a deposit agreement on the Programme Date, as amended, supplemented, restated, otherwise modified or replaced, pursuant to which the Servicer will deposit personal data with respect to Borrowers with the civil law notary which may only release such information to the CBC and/or the Security Trustee upon the occurrence of a Notification Event. In connection with the General Data Protection Regulation, the parties to the Deposit Agreement have entered into a data processing agreement (the “ Data Processing Agreement ”).
Sale or Refinancing of Transferred Assets:	If an Issuer Event of Default occurs, then upon the earliest to occur on or after such Issuer Event of Default of (i) any amount remaining unpaid in respect of a Series on the Maturity Date, (ii) any Maturity Date of a Series of Covered Bonds falling within a period of 6 calendar months of such date and (iii) the service of a Breach of Amortisation Test Notice, the CBC shall use its best efforts to sell or refinance as soon as possible after the occurrence of such event set out under item (i), (ii) or (iii) above, (such date the first Refinance Date (as defined below)) the Transferred Assets that are randomly selected by the CBC pursuant to the terms of the Asset Monitoring Agreement (the “ Selected Transferred Assets ”), provided that such proceeds are at least sufficient to redeem the relevant Series in full (or a proportional part thereof if only a part of the Selected Transferred Assets have been sold or refinanced) on their Maturity Date.

Such sale or refinance and subsequent redemption of the respective Covered Bonds may not result in a deterioration of the quotient of (i) the Amortisation Test Aggregate Asset Amount; and (ii) the Principal Amount Outstanding of all Series outstanding after redemption of the respective Covered Bonds.

If the expected proceeds of such sale or refinance are insufficient to redeem the relevant Series in full and the sale therefore fails, or only a part is sold, the CBC shall repeat its attempt to sell or refinance the Selected Transferred Assets every 6 months after the first Refinance Date until the proceeds are sufficient to redeem the relevant Series in full.

CBC Priority of Payments:

Prior to the service of a CBC Acceleration Notice, on each CBC Payment Date the relevant available funds will be applied or reserved for the period up to the immediately following CBC Payment Date as follows:

- (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, together with interest;
- (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) 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 Portfolio

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 Swap Agreement (other than under a Portfolio Swap Agreement, which is paid under item (e) above); 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 the relevant 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 amount of the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve 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) 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) 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:**

After the service of a CBC Acceleration Notice and following the enforcement of the security rights, the relevant available funds will be applied, as follows:

- (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 together with interest;
- (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) 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; 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 amount 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 Portfolio 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 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 owing thereto, 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 thereof, 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 interest due on the Subordinated Loan;
 - (i) *ninth*, in or towards satisfaction of any principal due on the Subordinated Loan; and
 - (j) *tenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Issuer for the benefit of the Transferor.

OTHER:

- Programme Date:** The date of the entering into force of the Programme, being 2 March 2015.
- Ratings:** It was a condition precedent for the first issue of Covered Bonds under the Programme that the Covered Bonds had, on issue, been assigned an 'AAA' 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.
- 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 Joint Controller Agreement, the Deposit Agreement, the Data Processing Agreement, the Subordinated Loan Agreement, the ICSD agreement entered into on the Programme Date between the Issuer and the ICSDs, the Covered Bond Purchase Agreements and any other documents relating to the transaction envisaged in the abovementioned documents.
- Governing Law:** 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.
- 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 issued under the Programme 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 Chapter 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 Chapter 1 *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 issued under the Programme. 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 issued under the Programme

In Chapter 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. Benchmark risks related to the Covered Bonds.

Risk factors regarding the Guarantor, Guarantee and Guarantor security

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

Risk factors regarding the Transferred Assets and Borrower security

- A. Risks related to collection and timing of payments under the Mortgage Receivables.
- B. Risks related to the interest rates and interest deductibility on the Mortgage Receivables.
- C. Risks related to the Transferor and the servicing of the Mortgage Receivables.
- D. Risk related to the assets encumbered and the security rights granted by the Borrowers.
- E. Risks related to Borrower defences that may affect the collections under the Mortgage Receivables.

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 TARGET2 is operating 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.

Dutch Covered Bond Regulations

The Programme qualifies as a conditional pass-through covered bond programme which has an extension period that is longer than 24 months. The primary cover assets (*primaire dekkingsactiva*) of the Programme comprise of receivables backed by residential real estate as referred to in article 129(1)(d)(i) of Regulation (EU) No 575/2013 (as amended) ("**CRR**"). Each Borrower is a resident of the Netherlands and the Mortgage Receivables are governed by Dutch law.

2. RISK FACTORS

The Issuer and the CBC believe that the factors described below and the risk factors contained in the Registration Document represent the material risks currently deemed to be inherent in investing in the Covered Bonds, but the inability of the Issuer and/or the CBC to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons currently unknown and neither the Issuer nor the CBC represents that the statements below and the risk factors contained in the Registration Document regarding the risks of holding any Covered Bonds are exhaustive.

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 business, financial condition, results of operations and prospects. The Issuer and the CBC may face a number of these risks described below simultaneously. While the risk factors below have been divided into categories and each risk factor has been placed in the category deemed most appropriate by the Issuer and the CBC, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors.

All of these risk factors are contingencies which may or may not occur.

Prospective investors should also read the detailed information set out elsewhere in this Securities Note and the Registration Document and reach their own views prior to making any investment decision.

Before making an investment decision with respect to any Covered Bonds, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by 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.

Unless specifically defined otherwise herein, 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 the Programme.

RISK FACTORS REGARDING THE COVERED BONDS

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

1. Risk associated with the Covered Bonds being payment obligations of the Issuer only

The payment obligations under the Covered Bonds and Coupons will be owed by the Issuer only 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 Agencies or any other entity or person in whatever capacity, other than the Issuer. 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 Chapter 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 holders of the Coupons (the "**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 Parties (other than the Secured Parties 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.

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 Parties (other than the CBC), provided that it has received Rating Agency Confirmation in respect of such modifications.

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 associated with Covered Bondholders being bound by a no action clause and depending on the Security Trustee for enforcement action against the Issuer

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 to enforce any provision of the Covered Bonds and/or the Transaction Documents, unless the Security Trustee fails to take steps in accordance with the Trust Deed within a reasonable time and such failure is continuing. Consequently, Covered Bondholders and Couponholders have no or limited rights to proceed against the Issuer 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 that Covered Bondholders are bound by resolutions which are contrary to their interests

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, it may have a conflict of interest with Covered Bondholders and Couponholders in rendering certificates, communications, opinions, determinations, calculations, quotations and decisions pursuant to the Conditions. This may adversely affect the amounts of principal and interest receivable on the Covered Bonds and Coupons.

In addition, members of the Van Lanschot Kempen Group may at any time hold Covered Bonds. Any such member of the Van Lanschot Kempen Group may, except as described in Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*), 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*.

B. MARKET AND LIQUIDITY RISKS RELATED TO THE COVERED BONDS

1. Risk that even though Covered Bonds may be issued in NGN-form, they do not satisfy the Eurosystem eligibility criteria

The NGN-form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "Eurosystème") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Covered Bonds meet such Eurosystem eligibility criteria, as updated from time to time and generally published on the website of the European Central Bank. If the Covered Bonds do not satisfy the Eurosystem eligibility criteria, the Covered Bonds will not constitute eligible collateral of the Eurosystem and this may adversely affect the secondary market value and/or liquidity of the Covered Bonds.

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

A Series of Covered Bonds under the Programme may be subject to redemption at the option of the Issuer, for example if (a) the Issuer has or will become obliged to pay additional amounts as a result of any change in the laws or regulations of a Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations or (b) an Issuer call option is specified as being applicable in the applicable Final Terms. An optional redemption feature is likely to limit the market value of the relevant Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds or the perceived likelihood of its ability to redeem is increased, 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 true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, 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 do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

3. Liquidity risk in the secondary market

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. 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 that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of 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.

Exclusion of the Covered Bonds from purchases under the CBPP3 and/or the PEPP could also have an adverse effect on the secondary market value and/or liquidity of the Covered Bonds, as further described in the risk factor *Risk associated with ECB asset purchase programmes* below.

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

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

5. 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 have a minimum denomination of EUR 100,000 plus an integral multiple of another, smaller amount, it is possible that the Covered Bonds are traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such a case a Covered Bondholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 (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 to EUR 100,000 or an integral multiple thereof. As long as the Stub Amount is held in the relevant clearing system, the Covered Bondholder will be unable to transfer this Stub Amount. Therefore, if such 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 EUR 100,000 may be illiquid and difficult to trade, which may negatively affect the market value of the Covered Bonds.

6. Risk associated with ECB asset purchase programmes

In September 2014, the European Central Bank (the "**ECB**") initiated an asset purchase programme, among other things encompassing the Eurosystem's third covered bond purchase programme ("**CBPP3**"). Between 20 October 2014 and 19 December 2018 the Eurosystem conducted net purchases of covered bonds under the CBPP3. As of January 2019, the Eurosystem continued to reinvest the principal payments from maturing securities held in the CBPP3 portfolio. As of 1 November 2019 the Eurosystem restarted net purchases under the CBPP3.

On 18 March 2020, the Governing Council of the ECB decided to launch a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalation of the COVID-19 (Coronavirus) outbreak. This new Pandemic Emergency Purchase Programme ("**PEPP**") initially had an overall envelope of EUR 750 billion. On 4 June 2020, the Governing Council decided to increase the EUR 750 billion envelope for the PEPP by EUR 600 billion to a total of EUR 1,350 billion. On 10 December 2020, the overall envelope of the PEPP was increased by EUR 500 billion to a total of EUR 1,850 billion and extended by nine months to at least the end of March 2022. All asset categories eligible under the existing asset purchase programme are also eligible under the new programme. The Governing Council will terminate net asset purchases under the PEPP once it judges that the Coronavirus crisis phase is over, but in any case not before the end of March 2022. It remains to be seen what the effects of these purchase programmes and the PEPP, and the termination thereof, ultimately will be on the volatility in the financial markets and economy generally. In addition, the termination of these asset purchase programmes could have an adverse effect on the secondary market value of the Covered Bonds and the liquidity in the secondary market for Covered Bonds.

Conditional pass-through covered bonds such as the Covered Bonds are as of the date of this Securities Note excluded from purchases under the CBPP3 as of 1 January 2019 and under the PEPP. Such exclusion could have an adverse effect on the secondary market value and/or liquidity of the Covered Bonds, as further described in the risk factor *Liquidity risk in the secondary market* above.

7. Risk associated with 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. As a result, investors may receive less interest or principal than expected, or no interest or principal.

8. Risk that downgrades of the Covered Bonds may reduce the market value of the Covered Bonds

The ratings assigned to the Covered Bonds address:

- the likelihood of full and timely payment to the 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 their Extended Due for Payment Date.

The expected ratings of the Covered Bonds are set out in the applicable Final Terms. A credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and below and other factors that may affect the value of the Covered Bonds. The Covered Bonds may be downgraded, including for example as a result of a downgrade of the Issuer or a deterioration of the assessment by the Rating Agencies of the Eligible Assets, the Dutch mortgage market or the credit risk of counterparties of the CBC. In addition, a credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and below and other factors that may affect the value of the Covered Bonds and any Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any rating, whether solicited or unsolicited, assigned to the Covered Bonds is lowered or withdrawn by any Rating Agency or other rating agency, the market value of the Covered Bonds may reduce.

9. Risk of Arrangers and Dealers transacting with the Issuer

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 customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and the Issuer's affiliates. Certain of the Arrangers, the Dealers and 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, such 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 issued under the Programme. Any such positions could adversely affect future trading prices of the Covered Bonds.

C. LEGAL AND REGULATORY RISKS RELATED TO THE COVERED BONDS

1. Risk that DNB publishes an issuance stop or terminates the registration of the Issuer as covered bond issuer or that the Covered Bonds lose the CRR Status

On 31 March 2015, the Issuer as statutory covered bond issuer and the Covered Bonds were registered by the Dutch Central Bank (the "DNB") in accordance with the applicable Dutch covered bond laws and regulations (as amended from time to time, the "CB Regulations") under or pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "Wft"). As a result, the Covered Bonds achieved the status of registered covered bonds (*geregistreerde gedekte obligaties*) (the "Regulated Status"), which includes compliance with article 52(4) of the Directive 2009/65/EC (as amended) (the "UCITS Directive"). In addition, the Covered Bonds have been registered by DNB as compliant with article 129 of CRR (the "CRR Status").

Under the CB Regulations, the Covered Bonds once registered by DNB will continue to have the Regulated Status, but are capable of losing the CRR Status. In the Trust Deed the Issuer has undertaken to utilise its best efforts to procure that the Covered Bonds keep the Regulated Status and the CRR Status until their Maturity Date or, if earlier, the date on which they are redeemed. This "best efforts" undertaking will no longer apply if, as a result of a change in law, Dutch residential mortgage receivables are insufficient for collateralisation of the Covered Bonds to keep the Regulated Status or the CRR Status.

If a Covered Bond no longer meets the requirements prescribed by the CB Regulations or the Issuer no longer complies with its ongoing administration and/or reporting obligations towards DNB, DNB can take several measures, including imposing an issuance stop on the Issuer (which may be disclosed by DNB in the relevant register) and terminating the registration of the Issuer as an issuer of covered bonds.

If at any time an issuance stop is published, the registration of the Issuer is terminated or the Covered Bonds lose the CRR Status, a Covered Bondholder may experience an adverse effect on the secondary market value and/or liquidity or the regulatory treatment of the Covered Bonds. See also risk factors *Minimum regulatory capital and liquidity requirements* above and *Litigation or other proceedings or actions may adversely affect the business, financial condition and results of operations of the Issuer* in Chapter 1 *Risk Factors* of the Registration Document.

2. Risk regarding implementation of the Covered Bond Directive

As described in *Chapter 4 Covered Bonds*, under *DUTCH COVERED BOND LEGISLATION AND COMPLIANCE WITH CRD IV*, the Covered Bond Directive should be implemented in each Member State by 8 July 2021 and a Dutch legislative proposal dealing with such implementation was published on 9 September 2021. Until the Covered Bond Directive has been implemented, it is uncertain if or how the proposals will affect the Issuer, the CBC, the market for covered bonds in general and/or the Covered Bonds.

The new legislation may require that amendments have to be made to the Programme. Pursuant to Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*), such amendments may be made without any consent or sanction of any of the Covered Bondholders (also see the risk factor *Risk that the Security Trustee agrees to modifications, waivers and authorisations which are contrary to Covered Bondholders' interests*). Such amendments could be detrimental to the Covered Bondholders and may negatively affect the value of the Covered Bonds.

3. Risk related to the BRRD and SRM

Covered bonds should normally be exempt from the write-down and conversion powers described in the Registration Document in the risk factor *Intervention and resolution powers under the Wft, the BRRD and the SRM Regulation*, relating to Directive 2014/59/EU (as amended) (commonly known as the Bank Recovery and Resolution Directive) (the “BRRD”) and Regulation (EU) No 806/2014 (as amended) (the “SRM Regulation”).

However, the risk cannot be excluded that such exemption does not apply to the Covered Bonds if and to the extent their aggregate Principal Amount Outstanding exceeds the value of the collateral securing them through the Guarantee and the security provided therefor. The resolution framework under the BRRD also provides for certain safeguards against a partial transfer and the exercise of certain other resolution powers in respect of covered bonds, which purport to ensure that rights arising out of covered bonds will not be affected by such partial transfer or exercise of such resolution power. However, it is unclear if and to what extent some of the rules may be applied, and to what extent the safeguards apply, to covered bonds. This will to a certain extent also be subject to future level 2-legislation yet to be adopted by European legislators and regulatory authorities on the scope and interpretation of certain aspects of the BRRD and the SRM Regulation.

The SRM Regulation and the BRRD could negatively affect the position of the Covered Bondholders and the credit rating attached to the Covered Bonds and could result in losses to the Covered Bondholders, in particular if and when any of the proceedings described in the Registration Document in the risk factor *Intervention and resolution powers under the Wft, the BRRD and the SRM Regulation* would be commenced against the Issuer.

D. BENCHMARK RISKS RELATED TO THE COVERED BONDS

1. Recent reforms and the risk that one or more interest rate benchmarks may disappear entirely or perform differently than in the past

Various interest rate benchmarks including EURIBOR are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the Benchmark Regulation, whilst others are still to be implemented.

The Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks (e.g. EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Separate workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (“€STR”) as the new risk free rate to replace EONIA. Since October 2019, €STR is published by the ECB and the calculation methodology for EONIA has been modified to become €STR plus a fixed spread of 8.5 basis points per annum. In

addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. See also risk factor *Risk that benchmark fallbacks or the discontinuation of a benchmark result in the effective application of a fixed rate to the Covered Bonds or result in the Covered Bonds performing differently than they had performed in the past, in each case without necessarily the consent or approval of the Covered Bondholders* below.

Moreover, any significant change to the setting or existence of EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Covered Bonds and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds.

2. Risk that benchmark fallbacks or the discontinuation of a benchmark result in the effective application of a fixed rate to the Covered Bonds or result in the Covered Bonds performing differently than they had performed in the past, in each case without necessarily the consent or approval of the Covered Bondholders

Investors should be aware that if EURIBOR (or any other Original Reference Rate) were unavailable, the Rate of Interest on the Covered Bonds which reference EURIBOR (or any other Original Reference Rate) will be determined for the relevant period by the fallback provisions applicable to such Covered Bonds. Depending on the manner in which the EURIBOR rate (or any other Original Reference Rate) is to be determined under the Conditions, this may if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR (or any other Original Reference Rate) was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Covered Bonds which reference EURIBOR (or any other Original Reference Rate).

If EURIBOR (or any other Original Reference Rate) is permanently discontinued, an Independent Adviser or the Issuer (or the CBC, under the circumstances as described in Condition 5(E) (*Benchmark discontinuation*)) will determine a Successor Rate or Alternative Rate to be used in place of EURIBOR (or such other Original Reference Rate) where EURIBOR (or such other Original Reference Rate) has been selected as the Reference Rate to determine the Rate of Interest. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest may result in Covered Bonds linked to or referencing EURIBOR (or such other Original Reference Rate) performing differently (including paying a lower Rate of Interest) than they would do if EURIBOR (or such other Original Reference Rate) were to continue to apply in its current form.

In addition, if EURIBOR (or any other Original Reference Rate) is permanently discontinued and for some reason the Independent Adviser or the Issuer (or the CBC, as the case may be) is unable to determine a Successor Rate or Alternative Rate to be used in place of EURIBOR (or such other Original Reference Rate) where EURIBOR (or such other Original Reference Rate) has been selected as the Reference Rate to determine the Rate of Interest, the Original Reference Rate will continue to apply and will be fixed until maturity or until the Principal Paying Agent has been notified of a Successor Rate or Alternative Rate, all as described in Condition 5(E)(vi) (*Survival of Original Reference Rate*).

Furthermore, if a Successor Rate or Alternative Rate for EURIBOR (or any other Original Reference Rate) is determined by the Independent Adviser or the Issuer (or the CBC, as the case may be), the Conditions provide that the Issuer (or the CBC, as the case may be) may, subject to the consent of the Security Trustee and the giving of notice in accordance with Condition 5(E)(v) (*Notices, etc.*), without any requirement for the consent or approval of Covered Bondholders, Couponholders or the Secured Parties (other than the Secured Parties which are a party to a Transaction Document which is to be modified) amend the Conditions, the Covered Bonds and/or the Transaction Documents to give effect to the relevant Benchmark Amendments with effect from the date specified in such notice.

3. Risk that an Adjustment Spread is not determined or applied, or that the application of an Adjustment Spread will not reduce or eliminate economic prejudice to Covered Bondholders

If a Successor Rate or Alternative Rate is determined by the Independent Adviser or the Issuer (or the CBC, as the case may be), the Conditions also provide 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 such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is 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 an Adjustment Spread will either reduce or eliminate economic prejudice to Covered Bondholders and Couponholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

4. 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 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 judgments 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.

5. 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 a benchmark administrator and uncertainty what the Successor Rate will be if a relevant benchmark is discontinued or how any changes to a benchmark will affect the liquidity and value of, and return on, any Covered Bonds

Under the Benchmark Regulation, it is possible that (i) the Successor Rate or the Alternative Rate and/or the Adjustment Spread may itself qualify (or be regarded by a supervisor as qualifying) as a benchmark and/or (ii) the Independent Adviser or the Issuer (or the CBC, as the case may be) in determining the Successor Rate or the Alternative Rate and/or the Adjustment Spread may itself qualify (or be regarded by a supervisor as qualifying), as a benchmark administrator. In that case the above applies *mutatis mutandis*, which means among other things that (i) the Successor Rate or the Alternative Rate and/or the Adjustment Spread needs to meet the requirements of the Benchmark Regulation and/or (ii) the Independent Adviser or the Issuer (or the CBC, as the case may be) may need to be authorised or registered as a benchmark administrator at such time, which may cause delays in applying, or impossibility to apply, the Successor Rate or the Alternative Rate and/or the Adjustment Spread.

Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation of the floating rate or certain reset rates on any Covered Bonds, and the rate that would be applicable if the relevant benchmark is discontinued (which may result in effectively a fixed rate being applied for the remainder of the life of any Covered Bonds) may adversely affect the trading market and the value of the Covered Bonds. At this time, it is not possible to predict what the

effect of these developments will be or what the impact on the value of the Covered Bonds will be. More generally, any of the above changes or any other consequential changes to EURIBOR or any other “benchmark” as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the liquidity and value of, and return on, any Covered Bonds based on or linked to a benchmark.

RISK FACTORS REGARDING THE GUARANTOR, GUARANTEE AND GUARANTOR SECURITY

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 its receipt of payments under the Swap Agreements (if any) and 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 Parties 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 Parties, including the Covered Bondholders and the Couponholders. If following enforcement of the Security, the Secured Parties have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Parties will have no further claim against the CBC in respect of the unpaid amount. This may result in losses under the Covered Bonds and the Coupons.

2. Risk that third parties do not perform their obligations towards the CBC or the CBC needs to indemnify third parties

Counterparties to the CBC may not perform their obligations under the Transaction Documents and the Borrowers may not perform their obligations under the Mortgage Receivables, which may result in the CBC not being able to meet its obligations under the Guarantee. For a number of reasons why Borrowers may not perform, see the risk factor *Risk that Borrowers default in their payment obligations under the Mortgage Receivables for various reasons, including financial distress caused by the COVID-19 pandemic* 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.

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.

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. Risk that despite the Asset Cover Test and the Amortisation Test, the CBC does not have sufficient assets

The Asset Cover Test and the Amortisation Test are designed to ensure that the CBC has a certain minimum level of assets (see Chapter 12 *Asset Monitoring*). Nevertheless, there is no assurance that the CBC will have sufficient assets. In addition, if the collateral value of the Transferred Assets is not maintained in accordance with 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. This may result in losses under the Covered Bonds and the Coupons.

4. Risk that the CBC is not able to sell or refinance Selected Transferred Assets on favourable terms

The Asset Monitoring Agreement provides that, if an Issuer Event of Default occurs, the CBC shall undertake its best efforts to sell or refinance Selected Transferred Assets as soon as possible upon the earliest of (i) any amount remaining unpaid in respect of a Series on the relevant Maturity Date, (ii) any Maturity Date of a Series of Covered Bonds falling within a period of 6 calendar months of such date and (iii) service of a Breach of Amortisation Test Notice, and every sixth CBC Payment Date after that date. The proceeds from any such sale or refinancing will form part of the Principal Available Amount which will together with the Interest Available Amount be applied in accordance with the CBC Priority of Payments (or, if a CBC Acceleration Notice has been served, the Post CBC Acceleration Notice Priority of Payments).

There is no guarantee that a buyer or financier will be found for the Selected Transferred Assets nor assurance as to the price or financing which may be obtained, which may affect payments under the Guarantee. In addition, the CBC will not be permitted to give representations, 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 representations or warranties 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 or financier if the Transferor is then subject to any Insolvency (as defined below). There is a risk that the realisable market value of the Selected Transferred Assets is adversely affected by the lack of representations, warranties and indemnities, which in turn could adversely affect the ability of the CBC to meet its payment obligations under the Guarantee. This may result in losses under the Covered Bonds.

5. 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 EONIA (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 ten 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.

6. 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.

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 Agencies 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 32 years 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*). 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.

3. Risk associated with the CBC being obliged to pay Guaranteed Amounts under the Guarantee only after certain events have occurred and then only when the Guaranteed Amounts are Due for Payment

Under the Guarantee, the CBC will not be obliged to pay any amounts to the Covered Bondholders or the Couponholders other than the Guaranteed Amounts. The CBC will only become obliged to pay Guaranteed Amounts if the Security Trustee serves an Issuer Acceleration Notice on the Issuer and a Notice to Pay on the CBC or, if earlier, serves a CBC Acceleration Notice on the Issuer and the CBC. Without limitation, a Breach of Asset Cover Test or service of a Breach of Asset Cover Test Notice will in itself not oblige the CBC to make payments under the Guarantee.

An Issuer Acceleration Notice may be served if an Issuer Event of Default occurs. However, the Security Trustee has a discretion whether it serves an Issuer Acceleration Notice, unless it is directed by a Programme Resolution or certain Issuer Events of Default occur. A Notice to Pay can only be served if an Issuer Event of Default occurs and an Issuer Acceleration Notice is served. If the CBC becomes obliged to pay Guaranteed Amounts under the Guarantee, then for as long as no CBC Acceleration Notice is served and regardless of acceleration of the Covered Bonds as against the Issuer, the CBC is obliged to pay Scheduled Interest and Scheduled Principal on the Scheduled Payment Dates under the Guarantee, subject to and in accordance with the CBC Priority of Payments.

A CBC Acceleration Notice may only be served if a CBC Event of Default occurs. However, the Security Trustee has a discretion whether it serves a CBC Acceleration Notice, unless it is directed by a Programme Resolution. If a CBC Acceleration Notice is served, the Covered Bonds are accelerated against both the Issuer and the CBC and the CBC is under the Guarantee obliged to pay the Early Redemption Amount of each Covered Bond, together with accrued interest and certain other amounts then due under the Covered Bonds, subject to and in accordance with the Post CBC Acceleration Notice Priority of Payments. Following service of a CBC Acceleration Notice, the Security Trustee may enforce the Security and the proceeds will be applied in accordance with the Post CBC Acceleration Notice Priority of Payments.

Therefore, even where the CBC may become obliged to pay Guaranteed Amounts under the Guarantee, the Covered Bondholders and Couponholders may receive payments sooner or later than anticipated or not at all.

4. Risk associated with Covered Bondholders being bound by a no action clause and depending on the Security Trustee for enforcement action against the CBC

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 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. Consequently, Covered Bondholders and Couponholders have no or limited rights to proceed against the CBC directly and may be affected by enforcement actions and inactions of the Security Trustee.

5. Risk that if Covered Bonds become Pass-Through Covered Bonds, Covered Bondholders receive principal repayments earlier or later than anticipated, achieve a lower yield than anticipated and incur reinvestment risks

If any amount of principal on a Covered Bond remains unpaid on its Maturity Date, such Covered Bond will become a Pass-Through Covered Bond. If an Issuer Acceleration Notice and a Notice to Pay are served, the CBC is under the Guarantee obliged to on each CBC Payment Date utilise all amounts available for such purpose to redeem all Pass-Through Covered Bonds on a *pro rata* basis. If an Issuer Event of Default has occurred and a Breach of Amortisation Test Notice has been served, all Covered Bonds will become Pass-Through Covered Bonds.

If all Covered Bonds become Pass-Through Covered Bonds, holders of Covered Bonds with a subsequent Maturity Date incur the risk that they receive principal repayments prior to such Maturity Date and therefore earlier than anticipated, which may result in a lower yield on such Covered Bondholders' investment than anticipated. Also, such Covered Bondholders may not be able to reinvest such principal receipts at an effective interest rate as high as the interest rate on the Covered Bonds generating such principal receipts.

If all Covered Bonds become Pass-Through Covered Bonds, holders of Covered Bonds with an earlier Maturity Date incur the risk that principal repayments on their Covered Bonds will be slowed down because the available redemption funds are to be divided *pro rata* across all Covered Bonds and not only those that have matured. In such case, their Covered Bonds may be repaid later than anticipated by the relevant Covered Bondholders.

6. Risk that the CBC is required to make tax, FATCA or other withholdings or deductions from payments under the Guarantee, in which case it is not required to pay additional amounts

As provided in Condition 8 (*Taxation*), if withholding or deduction on account of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) is required by law on any payments by the CBC under the Guarantee, the CBC will make the required withholding or deduction for the account of the Covered Bondholders and the Couponholders and will not be obliged to pay any additional amounts to the Covered Bondholders or the Couponholders in respect of any amounts so withheld or deducted.

If any FATCA withholding or deduction is required to be made on any payment in respect of the Covered Bonds pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, the CBC will not be obliged to pay any additional amounts.

This may result in losses under the Covered Bonds and the Coupons.

C. RISKS RELATED TO THE SECURITY GRANTED BY THE GUARANTOR

1. Risk associated with the rights of pledge of the Security Trustee being subject to qualifications and limitations in case of Insolvency of the CBC, and that this decreases the security proceeds which are available for distribution to the Covered Bondholders

Under or pursuant to the Pledge Agreements, various rights of pledge are granted by the CBC to the Security Trustee. However, any bankruptcy (*faillissement*) or suspension of payments (*(voorlopige) surseance van betaling*) (each an "Insolvency") 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 Insolvency of the CBC will be part of the Insolvency 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 4 months may apply in case of Insolvency of 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 (see also the risk factor *Risk that the WHOA when applied to the CBC, the Security Trustee or other relevant parties could affect the rights of the Security Trustee, the CBC and the Covered Bondholders*); and
- (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period following Insolvency if so requested by the liquidator (*curator*) or administrator (*bewindvoerder*) (each an "**Insolvency Official**") and as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in case of Insolvency of the CBC. Similar or different restrictions may apply in case of insolvency proceedings other than Dutch insolvency proceedings.

Therefore, the Security Trustee as pledgee may collect insufficient proceeds to be able to satisfy the CBC's secured obligations, which may result in losses under the Covered Bonds and the Coupons.

To the extent the receivables pledged by the CBC to the Security Trustee are future receivables, the right of pledge on such future receivable cannot be invoked against the Insolvency estate of the CBC if such future receivable comes into existence after the CBC has become subject to an Insolvency. The CBC has been advised that some of the assets pledged to the Security Trustee under the Security Trustee Rights Pledge Agreement should probably be regarded as future receivables. This would for example apply to amounts paid to the CBC Transaction Accounts following the CBC's Insolvency. To the extent receivables are not pledged to the Security Trustee, amounts collected on such receivables will fall in the Insolvency estate of the CBC and may not be available for distribution to the Security Trustee or the Covered Bondholders or Couponholders, which may result in losses under the Covered Bonds and Coupons.

2. Covered Bondholders have a credit risk on the Security Trustee as a result 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 ensure 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 Parties. Any payments in respect of the Parallel Debt and any security 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. The Secured Parties therefore have a credit risk on the Security Trustee.

3. Risk that the WHOA when applied to the CBC, the Security Trustee or other relevant parties could affect the rights of the Security Trustee, the CBC and the Covered Bondholders

On 1 January 2021, the Wet Homologatie Onderhands Akkoord (the "**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 in respect of companies in financial distress. Pursuant to the WHOA, a composition plan may become binding on the creditors (including secured creditors and shareholders) of the company in financial distress and may change their rights provided all relevant conditions are met.

The WHOA is applicable to companies other than banks and insurers. However, the WHOA, when applied to the CBC, the Security Trustee or any other relevant party such as the Servicer, could affect the rights of the Security Trustee under the Security, the rights of the CBC and the rights of the Covered Bondholders under the Guarantee and therefore the Covered Bonds, which may result in losses under the Covered Bonds and Coupons.

Without limiting the generality of the foregoing, during proceedings in respect of a scheme of arrangements, foreclosure of a right of mortgage or pledge may be stayed by a court for up to eight months. Such a stay would, if the applicable conditions are met, prevent the Security Trustee (as pledgee) from (x) notifying debtors of pledged receivables and collecting the proceeds thereof, (y) taking recourse against collections made and (z) selling pledged assets to third parties, in all cases during the stay. Therefore, the Security Trustee as pledgee may collect insufficient proceeds to be able to satisfy the CBC's secured obligations, which may result in losses under the Covered Bonds and the Coupons (see by comparison the risk factor *Risk associated with the rights of pledge of the Security Trustee being subject to qualifications and limitations in case of Insolvency of the CBC, and that this*

decreases the security proceeds which are available for distribution to the Covered Bondholders, under (ii)).

RISK FACTORS REGARDING THE TRANSFERRED ASSETS AND BORROWER SECURITY

The following risk factors may affect the realisable value of, and the timeliness of payments under, the Mortgage Receivables and 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:

A. RISKS RELATED TO COLLECTION AND TIMING OF PAYMENTS UNDER THE MORTGAGE RECEIVABLES

1. Risk that collections by the Transferor from Borrowers under the Mortgage Receivables are not forwarded to the CBC and fall in the Insolvency estate of the Transferor

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 an Insolvency 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. Collections made prior to notification of the assignment but after an Insolvency takes effect in respect of the Transferor, will be part of the Transferor's Insolvency 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.

2. 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), local and regional economic conditions, changes in Borrowers' behaviour (including but not limited to home owner mobility) and encouragement of Borrowers to repay their interest-only mortgage before the maturity date. 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.

3. Risk that Borrowers default in their payment obligations under the Mortgage Receivables for various reasons, including financial distress caused by the COVID-19 pandemic

Payments on the Mortgage Receivables and other assets of the CBC are subject to credit, liquidity and interest rate risks. This may in respect of Mortgage Receivables be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by Borrowers and in Insolvencies and statutory debt adjustments (*schuldsaneringen*) in respect of Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables. The COVID-19 (Coronavirus) outbreak may result in increased defaults by Borrowers under mortgage loans and other loans, due to a general decrease in global economic activity. Some Borrowers which are in distress due to COVID-19 have requested, and other Borrowers may request, the Issuer for credit support. The Issuer, as at the date of this

Securities Note, does not allow for payment holidays.

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, 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.

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

The terms and conditions applicable to some of the Mortgage Loans do not provide for a maturity date (the "**Long-Term Mortgage Loans**"). The Borrower 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. 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 AND INTEREST DEDUCTIBILITY ON THE MORTGAGE RECEIVABLES

1. Risk that despite the assignment of the Mortgage Receivables to the CBC, interest rate reset rights remain with the Transferor, that the Transferor becomes subject to an Insolvency and that the Transferor's Insolvency Officer does not cooperate in resetting interest rates

The CBC has been advised that it is uncertain whether, but a good argument can be made on the basis of a judgment by the Dutch Supreme court that, the right to reset the interest rate on a Mortgage Loans should be considered as an accessory right (*nevenrecht*) that follows the Mortgage Receivables upon their assignment to the CBC. To the extent the interest rate reset right passes along with the Mortgage Receivables to the CBC, the CBC as assignee will be bound by the contractual provisions relating to the reset of interest rates and the applicable law and regulations. If however the interest reset right remains with the Transferor despite the assignment and the Transferor becomes subject to an Insolvency, then the cooperation of the Insolvency Official 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 prepayment penalties, interest rate averaging and adjustment of interest rates

Risks 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. Obligations to repay excess prepayment penalty amounts may negatively affect the proceeds from the Mortgage Receivables and the ability of the CBC to make payments under the Guarantee.

Risks 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.

Risks related to the adjustment of interest rates

In addition, there are ongoing discussions between the AFM and the sector on the risk premiums taken into account when determining interest rates on mortgage loans, such as the risk premium for loan-to-value ("LTV") ratio, and whether offerors of mortgage loans should pro-actively adjust the interest rate if the LTV ratio falls below a certain threshold. This could, for example, be the case if a Mortgage Loan is partly prepaid or if the value of the Mortgaged Asset has increased. At present, borrowers of the Transferor have the right to request a lower (fixed) interest rate if the LTV ratio falls below a certain threshold; in such case they are entitled to the interest rate applicable to such lower LTV ratio. There is an overall expectation that certain offerors of mortgage loans in the Netherlands will amend their policies in anticipation of these discussions. If the Transferor were to so amend its policies, borrowers of the Transferor 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 LTV 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.

Furthermore, Mortgage Receivables transferred to the CBC may carry a floating rate of interest. Recently two rulings relating to floating rate consumer credit were rendered by the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*) (the "Kifid"). Kifid held that the relevant Dutch bank, not being the Issuer, (i) had not adjusted the floating interest rate adequately to reflect changes in the relevant market interest rate and, as a consequence, (ii) had to repay the consumer the amount of floating interest charged in excess of the amount that should have been charged to reflect the market interest rate. If the Issuer similarly does not adequately adjust (or has not adequately adjusted) the floating 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. This could in turn limit the CBC's ability to fulfil its obligations fully and/or timely under the Guarantee.

3. Changes to Dutch tax treatment of interest on Mortgage Loans may impose various risks

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The deductibility is restricted to mortgage loans with a maximum maturity of 30 years which are secured by owner-occupied properties. The tax rate against which the mortgage interest may be deducted will be gradually reduced and will annually decrease by 3%, down to 37.10% in 2023. As of 1 January 2021, the maximum deductible mortgage interest rate is 43%.

These changes could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans and may lead to different prepayment behaviour by Borrowers on their Mortgage Loans resulting in higher or lower prepayment rates of such Mortgage Loans. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets. 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.

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

1. Risk associated with the CBC and the Security Trustee not investigating the Transferor, the Mortgage Loans or the Mortgaged Assets and the CBC having limited recourse against the Transferor for breach of Mortgage Receivables Warranties

None of the CBC, the Security Trustee, the Arrangers, the Dealers nor any other person will undertake any investigation, search or other action in respect of the Mortgage Loans, the Mortgage Receivables, the Mortgaged Assets or the Transferor. The CBC and the 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 Chapter 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 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 (each 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 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 that the Servicing Agreement is terminated and the CBC does not manage to find a new servicer or obtain a licence under the Wft for the servicing of its Mortgage Receivables, which could result in the CBC having to terminate its activities

A special purpose vehicle 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 the special purpose vehicle outsources the servicing and administration of the loans to an entity holding a licence under the Wft.

The CBC has outsourced the servicing and administration of the Mortgage Loans 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 and administration of the Mortgage Loans 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.

Earlier this year, an internet consultation took place proposing an amendment to the current exemption from the licence requirement. If such amendment enters into force, the exemption will only be available if the special purpose vehicle outsources the servicing and administration of the loans to the offeror of credit (*aanbieder van krediet*). The CBC would in that case still be able to rely on the exemption, since it has outsourced the servicing and administration of the Mortgage Loans to the Servicer, and similar risks as described in this risk factor would still apply.

If the Servicing Agreement is terminated and the CBC has not outsourced the servicing and administration of the Mortgage Loans 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 and administration of the Mortgage Loans 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.

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

1. Risk that the values of the Mortgaged Assets decline

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. Following the financial crisis, housing prices in the Netherlands have declined until the first half 2013. The Dutch housing market has shown clear signs of recovery since the second half of 2013, although the degree of recovery may vary from region to region (see in this respect Chapter 9 *Overview of the Dutch Residential Mortgage Market*). A decline in value of the Mortgaged Assets may result in a loss being incurred upon a sale of the Mortgaged Assets by or on behalf of the CBC if required. These circumstances could affect receipts on the Mortgage Receivables and may result in losses under the Covered Bonds and the Coupons.

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 that the value of investments under Investment Mortgage Loans or Life Insurance Policies is insufficient to fully redeem the related Mortgage Receivables

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 relevant Borrowers to fully redeem the related Mortgage Receivables at maturity and may result in a default by Borrowers to repay the remaining outstanding principal amount. 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.

4. Risk that Long leases are terminated prematurely, that this results in the associated Mortgages ceasing to exist and the associated Mortgage Receivables becoming due and payable prematurely and that any compensation from the landowner is insufficient

The Mortgages securing the Mortgage Loans may be vested on a long lease (*erfpacht*). A long lease will end as a result of among other things 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 due for a period exceeding two 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 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 be determined by among other things 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 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 Mortgages and Borrower Insurance Pledges have been construed by the Transferor and the Borrowers as exclusively vesting in the original mortgagee or pledgee, in which case they will no longer secure the associated Mortgage Receivables when transferred to the CBC

The parties to Mortgage and Borrower Insurance Pledge documentation are capable of achieving at the outset that the relevant Mortgage or Borrower Insurance Pledge exclusively vests in the original mortgagee or pledgee. They can by contract deviate from the main statutory rule that a right of mortgage or pledge is an accessory right which by operation of law follows an associated secured receivable if assigned. If such a contractual deviation applies and a secured receivable is assigned, it would upon assignment no longer be secured by the right of mortgage or pledge.

Some Dutch legal writers have argued that a right of mortgage or pledge securing all present and future receivables of the relevant initial mortgagee or pledgee against the relevant debtor in general (*bankzekerheidsrecht*) (“**All-monies Security**”) implies that the parties had agreed such a contractual deviation. The Issuer and the CBC have been advised that like any other right of mortgage or pledge, an All-monies Security is in principle an accessory right and it is a question of interpreting the relevant Mortgage or Borrower Insurance Pledge documentation whether the definition of the secured receivables entails that the Mortgage or Borrower Insurance Pledge exclusively vests in the original mortgagee or pledgee, in deviation of said main statutory rule. The Issuer and the CBC have been advised that where such interpretation reveals no specific intention regarding the transfer of the Mortgage or Borrower Pledge (including All-monies Security), the abovementioned statutory main rule applies.

Under the Mortgage Receivables Warranties, the Transferor represents and warrants 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. There is a risk that nevertheless, the Transferor and the relevant Borrower have agreed that a Mortgage, Borrower Insurance Pledge or other rights of mortgage or pledge exclusively vests in the original mortgagee or pledgee. If that risk materialises, the relevant right of mortgage or pledge will no longer secure the associated Mortgage Receivable when assigned to the CBC, which may affect the CBC's ability to foreclose on the Mortgaged Asset in case the Borrower defaults under the associated Mortgage Receivable. This in turn may result in the CBC not or not timely having sufficient funds to perform its obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

6. Risk that All-monies Security Rights secures both Mortgage Receivables of the CBC and residual or new claims of the Transferor

If the CBC acquires a Mortgage Receivable secured by All-monies Security and the Transferor retains, originates or otherwise obtains another claim secured by the All-monies Security, the relevant All-monies Security will become part of a joint estate (*gemeenschap*) between the CBC and the Transferor (and, if the Transferor was not the originator of the relevant Mortgage Loan, the originator). This means, among other things, that in the case of foreclosure of the All-monies Security, the CBC and the Transferor (and if applicable the originator) in principle need to act jointly and share the proceeds *pro rata* on the basis of their respective shares in the joint estate.

The Guarantee Support Agreement contains an intercreditor arrangement purporting to address this, but the Issuer and the CBC have been advised that it is uncertain whether such arrangement is enforceable against the Transferor and the Borrowers. In addition, deductions in view of other claims

of the Transferor (excluding, for the avoidance of doubt, a Further Advance) are provided in the Adjusted Aggregate Asset Amount as part of the Asset Cover Test and the Amortisation Test Aggregate Asset Amount as part of the Amortisation Test. Furthermore, under the Mortgage Receivables Warranties, the Transferor represents and warrants that if it 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.

Nevertheless, if the Transferor (or, if the Transferor was not the originator of the relevant Mortgage Loan, the originator) retains, originates or otherwise obtains another claim secured by the All-monies Security, this may ultimately result in the CBC not or not timely having sufficient funds to perform its obligations under the Guarantee and in losses under the Covered Bonds and the Coupons.

7. Risk that the Borrower Insurance Pledges are not effective

All rights of a Borrower under the Insurance Policies (if any) have been pledged to the Transferor (the "**Borrower Insurance Pledge**"). The pledge of a future right is, under Dutch law, not effective if the Borrower is subjected to an Insolvency or a statutory debt adjustment, prior to the moment such right comes into existence. The Issuer and the CBC have been advised that it is uncertain to what extent rights under the Insurance Policies purportedly pledged under the Borrower Insurance Pledges qualify as future rights, that in respect of:

- (i) capital insurances (*sommenverzekeringen*) it is likely that the beneficiary's claims against the Insurance Company corresponding with premiums which have already been paid to the Insurance Company are existing claims, while claims relating to periods for which no premiums have yet been paid may very well be future claims; and
- (ii) risk insurances (*schadeverzekeringen*) it is uncertain whether the beneficiary's claim can be characterised as an existing claim before the insured event occurs.

To the extent the rights of a Borrower under an Insurance Policy qualify as future receivables at the moment such Borrower is subjected to an Insolvency or is granted a statutory debt adjustment, such rights will not have been pledged as security for the associated Mortgage Receivable of the CBC. This may 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.

8. Risk that the CBC does not become a beneficiary under the Insurance Policies

It is uncertain whether the rights of the Transferor as beneficiary under the Insurance Policies will transfer to the CBC with the assignment of the associated Mortgage Receivables and whether the CBC will otherwise be appointed as beneficiary under such Insurance Policies. Although the Guarantor Support Agreement contains contractual arrangements purporting to address this, the cooperation of various parties will be required for such arrangements to be effective, and it is uncertain whether such cooperation will be forthcoming.

If the rights of the Transferor as beneficiary under the Insurance Policies do not transfer to the CBC with the assignment of the associated Mortgage Receivables and the CBC will not otherwise be appointed as beneficiary under such Insurance Policies, the relevant insurance proceeds may not be paid out to the CBC, which may result in the CBC incurring losses under the Mortgage Receivables. This may 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.

E. RISKS RELATED TO BORROWER DEFENCES THAT MAY AFFECT THE COLLECTIONS UNDER THE MORTGAGE RECEIVABLES

1. Risk that Borrowers have counterclaims against the Transferor which they are able to set off against Mortgage Receivables of the CBC

Borrowers may have counterclaims against the Transferor as a result of for example current account balances, Construction Deposits and other deposits maintained with the Transferor, investment advice rendered by the Transferor or other services for which the Transferor is held responsible or liable. Following the assignment of a Mortgage Receivable to the CBC, the associated Borrower may still set off any counterclaim he has against the Transferor:

- (i) until notified of the assignment; or

- (ii) following such notification, if (a) the counterclaim stems from the same legal relationship as such Mortgage Receivable or (b) when notified, (1) the Borrower's counterclaim had already become due and payable or (2) arguably, the Borrower was already entitled (or already had a justified expectation that he would be entitled) to invoke set-off against the Transferor.

Under the Mortgage Receivables Warranties, the Transferor represents and warrants that in the Mortgage Loans it is stipulated that all payments by the Borrowers should be made without any deduction or set-off. However, also due to consumer protection legislation and its consequential effect (*reflexwerking*) where applicable, a waiver of deduction or set-off rights by ad Borrower may be capable of being voided or may otherwise not be enforceable.

The Guarantee Support Agreement provides that if (i) a Borrower invokes a right to set off amounts due by the Transferor to it with the relevant Mortgage Receivable and (ii) as a consequence thereof the CBC does not receive the full amount due in respect of such Mortgage Receivable, the Transferor shall forthwith pay to the CBC an amount equal to the difference between the amount which the CBC would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the CBC in respect of such Mortgage Receivable. In addition, deductions in view of deposits (*deposito's*) are provided for in the Adjusted Aggregate Asset Amount as part of the Asset Cover Test and the Amortisation Test Aggregate Asset Amount as part of the Amortisation Test. Furthermore, under the Guarantee Support Agreement, the CBC may withhold from the relevant Initial Purchase Price the equivalent of the aggregate Construction Deposits.

Nevertheless, Borrowers may invoke set-off rights (where applicable for amounts larger than the associated Construction Deposit), the Transferor may not comply with its payment obligations under the Guarantee Support Agreement (for example if it becomes subject to an Insolvency) and despite the Asset Cover Test and the Amortisation Test, the CBC may not or not timely have sufficient funds to perform its payment obligations under the Guarantee. This may result in losses under the Covered Bonds and the Coupons.

2. Risk that Insurance Companies fail to pay out the principal proceeds of investments built up under Insurance Policies associated with Life Mortgage Loans and that the associated Borrowers deduct the equivalent of the lost proceeds from the Mortgage Receivables they owe to the CBC

In relation to the Life Mortgage Loans, the Borrower does not repay principal until maturity but instead pays capital premium to the relevant Insurance Company. There is a risk that the associated Insurance Company (due to an Insolvency or for any other reason) does not pay out the principal proceeds of the investments built up under the associated Insurance Policy and that the associated Borrower successfully deducts the equivalent of the lost proceeds from the Mortgage Receivable he owes to the CBC.

The Issuer and the CBC have been advised that this risk largely depends on the specific circumstances, which may justify an erroneous impression with the associated Borrower that (i) his relationships with the Transferor (and, if the Transferor was not the originator of the relevant Mortgage Loan, any prior transferor) and the Insurance Company were not separate or (ii) his payments of capital premium could be construed as repayments of the associated Mortgage Loan. The Issuer and the CBC have been advised that absent such specific circumstances, such a deduction risk is unlikely to materialise in relation to Life Mortgage Loans, as the Borrower selects a Life Insurance Company of his own choice (subject to prior approval by the originator), which emphasises that he is entering into two separate relationships. Under the Mortgage Receivables Warranties, the Transferor represents and warrants that (a) the Life Mortgage Loan and the Life Insurance Policy are in the Transferor's and the Life Insurance Company's promotional materials not offered as one product or under one name, (b) the Borrowers are free to choose the relevant Life Insurance Company and (c) the Life Insurance Company is not a group company of the Transferor).

Nevertheless, if Insurance Companies fail to pay out the principal proceeds of the investments built up under Insurance Policies associated with Life Mortgage Loans, there is a risk that Borrowers deduct amounts from the amounts they owe under the Mortgage Receivables and, despite the Mortgage Receivables Warranties and the Asset Cover Test and the Amortisation Test, the CBC does not or not timely have sufficient funds to perform its payment obligations under the Guarantee. This may result in losses under the Covered Bonds and the Coupons.

3. Risk in relation to Investment Mortgage Loans and Life Insurance Policies, that the value of the underlying investments is lower than expected and that Borrowers have not been properly informed of the risks involved in, or the costs applied when, making such underlying investments

In relation to Investment Mortgage Loans and Life Insurance Policies, it is possible that the value of the underlying investments is lower than expected and that the associated Borrower successfully claims that he was not properly informed of the risks involved in, or the costs applied when, making such underlying investments. This may result in a Borrower successfully claiming that he may dissolve or nullify the underlying contracts or may deduct damages or other amounts from the associated Mortgage Receivable. The Issuer and the CBC have been advised that these risks largely depend on which specific information was provided to the relevant Borrower through sales people and/or sales materials and whether applicable statutory and contractual information and other duties were complied with.

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 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 or a Borrower may claim set-off or defences 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.

After the market downturn in 2001, in many cases the development of value in investment-linked insurances (*beleggingsverzekeringen*), such as Life Insurance Policies, was less than customers had hoped for and less than the value forecast at the time the investment-linked insurances were concluded. This had led to a public attention to these products, particularly since 2006, commonly known as the usury insurance policy affair (*woekerpolisaffaire*). There was a particular focus by the general public on the lack of information provided in some cases on investment-linked insurances regarding costs and/or risk premiums and/or investment risks. Public attention was further triggered by (i) a finding by the AFM in 2006 that insurers were in some cases providing customers with incomplete and incorrect information about such insurances, and (ii) reports published by the AFM in 2008. In 2008, the ombudsman of the Kifid issued a recommendation in which it proposed to limit the cost level of investment-linked insurances and to compensate customers of investment-linked insurances for costs exceeding a certain level.

On the base of this recommendation, consumer organisations representing policyholders engaged with various large insurers to come to a farther-reaching settlement with each of these insurers. For all large insurance companies, this led to the conclusion of a compensation agreement with some of these consumer organisations regarding a refund of costs above a certain percentage specified in the compensation agreement and a refund for the leverage risk and the capital consumption risk if materialised. Compensation was not only provided to policyholders who were specifically represented, but to all holders of such policies of such insurance company. Other smaller insurers offer similar compensation. The compensation agreements are not conclusive as the agreements were entered into with consumer organisations and not with individual policyholders and the agreements do not provide for discharge (*kwijting*) of the insurers. It is, therefore, open to policyholders to claim additional or other compensation. A number of individual policyholders are actively pursuing claims, some of whom are assisted by a number of claim organisations. Rulings of courts, including the Netherlands Supreme Court (*Hoge Raad der Nederlanden*) and the Complaint Institute for Financial Services, have been published, some of which are still subject to appeal, which were generally favourable for consumers.

On 29 April 2015, the European Court of Justice rendered a decision on an individual case related to unit-linked products. Although the insurer complied with the applicable rules of public law, the policyholder believed he should have received additional information from the insurance company on individual costs and the risk premiums. The European Court of Justice ruled that the relevant member state should implement the obligation to provide additional information provided for in national legislation, however, any additional information member states of the European Union (the “**EU member states**”) may require must be clear, accurate and necessary for a proper understanding of the essential characteristics of the insurance product proposed to the policyholder, in order to guarantee the insurance companies a sufficient level of legal certainty.

Accordingly, it is for the EU member state concerned to determine, on the basis of the characteristics

of its legal order and the specific features of the situation which it seeks to regulate, the legal basis of the obligation to provide additional information in order to ensure both effective understanding by the policyholder of the essential elements of the insurance products proposed to him and a sufficient level of legal certainty. The national court should assess whether the 'open and/or unwritten rules' at issue meet the requirements to provide additional information.

If in relation to Investment Mortgage Loans and Life Insurance Policies, the value of the underlying investments is lower than expected and the associated Borrower successfully claims that he was not properly informed of the risks involved in, or the costs applied when, making such underlying investments and dissolves or nullifies the underlying contracts or deducts damages or other amounts from the associated Mortgage Receivable, this may result in the CBC not or not timely having sufficient funds to perform its payment obligations under the Guarantee. This may result in losses under the Covered Bonds and the Coupons.

4. Risk that proceeds under Insurance Policies are paid to beneficiaries other than the CBC and are not applied in repayment of the associated Mortgage Receivables, and that Borrowers invoke defences against the CBC

If the CBC will not become beneficiary under the Insurance Policies, any proceeds under such Insurance Policies may be paid to the Transferor or another beneficiary other than the CBC. If the proceeds are paid to the Transferor, the Transferor will pursuant to the Guarantee Support Agreement be obliged to pay the amount involved to the CBC. If the proceeds are paid to the Transferor and the Transferor does not pay such amount to the CBC, e.g. in case of Insolvency of the Transferor, or if the proceeds are paid to another beneficiary instead of the CBC, this may result in the amount paid under the Insurance Policies not being applied in reduction of the relevant Mortgage Receivables. This may lead to the Borrower invoking defences against the CBC for the amounts so received by the Transferor or another beneficiary, as the case may be. As a result, the CBC may not or not timely have sufficient amounts to perform its payment obligations under the Guarantee, which may result in losses under the Covered Bonds and the Coupons.

3. IMPORTANT INFORMATION

The Issuer and the CBC (only as far as it concerns the CBC) accept responsibility for the information contained in this Securities Note. The Issuer and the CBC declare that the information contained in this Securities Note is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer and the CBC confirm that any information sourced from a third party identified in this Securities Note has been accurately reproduced and, so far as the Issuer and the CBC are aware and are able to ascertain from the information published by that 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 Chapter 11 *Servicing, Administration and Custody* under *Stater*, the Issuer has relied on information from *Stater*. *Stater* declares that the information contained in Chapter 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 Chapter 11 *Servicing, Administration and Custody* under *Stater* and not for any other information and, consequently, *Stater* does not assume any responsibility in respect of such other information. *Stater* accepts responsibility accordingly.

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 disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of such information.

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 as imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer nor of the guarantor that are the subject of this Securities Note nor as an endorsement of the quality of any of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

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 included in the Base Prospectus which is capable of affecting the assessment of the Covered Bonds and which arises or is noted between the time when the 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 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 distribution of this Securities Note and the offering, sale and delivery of the Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Securities Note 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 Chapter 4 *Covered Bonds* under *Subscription and Sale*.

The Covered Bonds have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the U.S., 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 U.S. Securities Act of 1933 (as amended) (the “**Securities Act**”) and include Covered Bonds in bearer form that for U.S. federal income tax purposes 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 US tax regulations and the Securities Act. See Chapter 4 *Covered Bonds* under *Subscription and Sale*.

IMPORTANT – 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 Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by 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.

IMPORTANT – 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 domestic law by virtue of EUWA; or (ii) a customer within the meaning of the provisions of FSMA 2000 and any rules or regulations made under the FSMA 2000 to implement the Insurance Distribution Directive, 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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by 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.

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 about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID II Product Governance Rules**”), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Covered Bonds will 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 “**distributor**”) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

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

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 Fitch and S&P upon registration pursuant to the CRA Regulation. The entities of each of Fitch and S&P established in the European Union have been registered by the European Securities and Markets Authority as credit rating agencies in accordance with the 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 under the CRA Regulation will be disclosed in the applicable Final Terms.

In connection with each issue of Covered Bonds a stabilising manager (each a “**Stabilising Manager**”) may be appointed. If a Stabilising Manager is appointed, 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 that which might otherwise prevail. However, stabilisation may not necessarily occur. 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 cease at any time, but it must end no later than the earlier of 30 days after the issue date and 60 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 Treaty on the functioning of the European Union, as amended.

Certain of the Arrangers, the Dealers and 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 its 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 the Issuer’s affiliates. Certain of the Arrangers, the Dealers 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, such 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 issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. 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.

Use of benchmarks: 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 Benchmark Regulation. If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the administrator thereof 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 Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Furthermore, transitional provisions in the Benchmark Regulation may have the result that an administrator and/or a benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator or benchmark under the Benchmark 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.

4. COVERED BONDS

TWO CHARACTERISTICS OF CONDITIONAL PASS-THROUGH COVERED BONDS

The Programme is a Dutch conditional pass-through covered bond programme. Without limitation, two characteristics of conditional pass-through covered bonds are highlighted in this section below. Investors should be aware that more characteristics set conditional pass-through covered bond programmes apart from other covered bond programmes, but those are not further described in this section.

Extension period

Under the Programme, the conditional pass-through structure will become particularly relevant after the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the CBC, for as long as no CBC Acceleration Notice has been served.

In that case, for as long as no Breach of Amortisation Notice has been served, each Series of Covered Bonds in respect of which any amount remained unpaid on its Maturity Date will become Pass-Through Covered Bonds and the maturity date of such Pass-Through Covered Bonds will be extended by 32 years to an Extended Due for Payment Date. The CBC will under the Guarantee be required to redeem such Pass-Through Covered Bonds on the Extended Due for Payment Date, unless it has funds available to redeem the relevant Pass-Through Covered Bonds on an earlier CBC Payment Date. As Mortgage Loans have a maximum maturity of 30 years (except Long-Term Mortgage Loans, which may have a longer tenor or no maturity at all), the Extended Due for Payment Date will fall after the date on which the latest maturing Mortgage Loan must be repaid (other than Long-Term Mortgage Loans).

After the service of a Breach of Amortisation Test Notice, provided that no CBC Acceleration Notice has been served, all Covered Bonds will become Pass-Through Covered Bonds and the CBC will be required to use all funds available to redeem all Series on a *pro rata* basis.

Interest will continue to accrue on the unpaid part of the Covered Bonds (see Chapter 5 *Asset Backed Guarantee* under *Guarantee*).

Sale or refinance of selected assets

Under the Programme, the CBC will after the service of a Notice to Pay only be required to sell Transferred Assets if the sale proceeds are sufficient to redeem the relevant Series of Covered Bonds with respect to which a sale is undertaken (which can be all Series in case all Series have become Pass-Through Covered Bonds). If the CBC is not able to sell the Transferred Assets for the amount required the relevant Series will not be redeemed in full on the succeeding CBC Payment Date, but will be redeemed to the extent funds are available for such purpose in accordance with the CBC Priority of Payments. The CBC will undertake its best efforts to sell or refinance Selected Transferred Assets every 6 months (see Chapter 12 *Asset Monitoring* section *Sale or refinancing of selected assets*).

FORM OF COVERED BONDS

Each Tranche of Covered Bonds will (as specified in the applicable final terms (each the “**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 without interest coupons attached (a “**Temporary Global Covered Bond**”). 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) the Dutch Central Securities Depository (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) (“**Euroclear Nederland**”), and/or with (ii) a common depositary for Euroclear and/or Clearstream, Luxembourg and/or with (iii) (a depositary 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 International Central Securities Depositories (“**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 and/or of (ii) a common depositary for Euroclear and/or Clearstream, Luxembourg and/or of (iii) (a depositary for) any other agreed clearing system. Registered Covered Bonds will be issued to each holder by a Registered Covered Bonds Deed.

Any reference herein 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 (as defined below) 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 date (the "**Exchange Date**") which is not less than 40 days (nor (if the Temporary Global Covered Bond has been deposited with Euroclear Nederland) more than 90 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 1.1631-5(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 without interest coupons attached (a "**Permanent Global Covered Bond**" and, together with any Temporary Global Covered Bond, each a "**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 Covered Bonds in definitive form (each a "**Definitive Covered Bond**") with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event or, if such Permanent Global Covered Bond is deposited with Euroclear Nederland, only upon the occurrence of a Delivery Event and in a form then to be determined, 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 any such event, 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 of such event set out below, 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) days after the date of receipt of the first relevant notice by the Principal Paying Agent. For these purposes, "**Exchange Event**" 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 have been closed for business for a continuous period of 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 and "**Delivery Event**" means the event that Euroclear Nederland has been closed for business for a continuous period of fourteen (14) 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 that at least one of the limited circumstances applies under which a Permanent Global Covered Bond may be delivered (*uitgeleverd*) pursuant to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

In the event that this Permanent Global Covered Bond is not duly exchanged for Definitive Covered

Bonds by 6.00 p.m. (Amsterdam time) on the forty-fifth day after the time at which the preconditions to such exchange are first satisfied then as from the start of the first day on which banks in Amsterdam are open for business following such an event (hereinafter called the “**Relevant 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 Time, it had been the holder of Definitive Covered Bonds issued on the issue date of this 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 any already made under this 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 herein 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 this Permanent Global Covered Bond other than the right to receive payments corresponding to any already made under this Permanent Global Covered Bond. As from the Relevant Time, the bearer of this 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 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.

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 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 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 so to do within a reasonable period and the failure shall be continuing.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme.

Final Terms

Dated [...]

Van Lanschot Kempen N.V.

(a public company with limited liability incorporated under Dutch law and having its statutory seat 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 Conditional Pass-Through Covered Bond Company B.V.

(a private company with limited liability incorporated under Dutch law and having its statutory seat in Amsterdam, the Netherlands)

under

Van Lanschot Kempen N.V.'s

EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme

This document constitutes the Final Terms of the issue of Covered Bonds under the EUR [...] Conditional Pass-Through Covered Bond Programme (the "**Programme**") of Van Lanschot Kempen N.V. (the "**Issuer**") guaranteed by Van Lanschot Conditional Pass-Through Covered Bond Company B.V. (the "**CBC**"), described herein for the purposes of article 8 of Regulation (EU) 2017/1129 (as amended) (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 6 May 2021 and the supplements to it dated 9 July[,/and] 6 September 2021 [and •] (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 these Final Terms are available for viewing on <https://www.vanlanschotkempen.com/cptcbp> 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 the websites of Van Lanschot Kempen, (<https://www.vanlanschotkempen.com>), Van Lanschot Private Banking (<https://www.vanlanschot.nl>) and Kempen and KCM (<https://www.kempen.com>), 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.

IMPORTANT – 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 (the "**Insurance Distribution Directive**"), where that customer

would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in 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.

IMPORTANT – 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA 2000**”) and any rules or regulations made under the FSMA 2000 to implement the Insurance Distribution Directive, 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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by PRIIPs as it forms part of domestic law 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.

[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 [Directive 2014/65/EU, as amended (“**MIFID II**”)/MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. 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.]

[UK MIFIR 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, 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 domestic law by virtue of EUWA (“**UK MiFIR**”); and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate. 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 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.]

These Final Terms are to be read in conjunction with the terms and conditions set forth in Chapter 4 of this 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 herein 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 2 March 2015, 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 Chapter 4 of this 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 Conditional Pass-Through Covered Bond Company B.V.
2. [(i)] Series Number: [...]
- [(ii)] Tranche Number: [...]
(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)
3. Currency: Euro
4. Aggregate Nominal Amount: [include aggregate nominal amount of Covered Bonds admitted to trading]
- [(i)] Tranche: [...]
- [(ii)] Series: [...]
5. Issue Price of Tranche: [...] % of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* *(in the case of fungible issues only, if applicable)*]
6. (i) Specified Denomination(s): [...]
(Each Covered Bond admitted to trading on a regulated market within the EEA or offered to the public in a member state of the EEA 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: For the [Fixed Rate period/Floating Rate period] (the period from (and including) the Issue Date to (but excluding) the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice has been served): [...]
For the extension Fixed Rate period (the period from (and including) the Maturity Date or if earlier, the date on which a Breach of Amortisation Test Notice has been served to (but excluding) the Extended Due for Payment Date): the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served.
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 32 years after the Maturity Date]*]
9. Interest Basis: [For the [Fixed Rate period/Floating Rate period] (the period from (and including) the Issue Date to (but

excluding) the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice has been served):[[...]% Fixed Rate]
 [EURIBOR/other reference rate] +/- [...]% Floating Rate]

If payment of the Guaranteed Final Redemption Amount is deferred in whole or in part, for the period from (and including) the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice has been served to (and excluding) the Extended Due for Payment Date: [...]% Fixed Rate

10. Redemption/Payment Basis: [Redemption at par]
 [specify other amount or percentage] (NB: no derivatives within the meaning of the Commission Delegated Regulation (EU) 2019/980 will be issued, unless a supplement to the Base Prospectus is issued in this respect]
11. Change of Interest Basis or Redemption/Payment Basis: [The Interest Basis will change from [...] to [...]% Fixed Rate on the Maturity Date, if applicable, or, if earlier, the date on which a Breach of Amortisation Test Notice is served / Not applicable]
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
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions:** [Applicable to but excluding the Maturity Date, or if earlier, the date on which a Breach of Amortisation Test Notice has been served / Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [...]% per annum [payable [annually/semi-annually/quarterly] in arrears]
- (ii) Interest Payment Date(s): [[specify one date or more dates] in each year]/[...] in each month] up to and including the Maturity Date or if earlier, the date on which a Breach of Amortisation Test Notice has been served, if applicable subject to the Business Day Convention
 (NB: 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)]
17. **Floating Rate Covered Bond Provisions:** [Applicable to (but excluding) the Maturity Date, or if earlier the date on which a Breach of Amortisation Test Notice has been served /Not Applicable]
(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:
- Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment]
- Adjustment or Unadjustment
for Interest Period: [Adjusted] or [Unadjusted]
- (iii) Additional Business Centre(s): [Not Applicable / *give details*]
- (iv) Manner in which the Rate of
Interest and Interest Amount is
to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating
the Rate of Interest and 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*)]
- (vi) Screen Rate Determination: [Yes/No]
- Reference Rate: [...] *(Either EURIBOR or other reference rate)*
- Interest Determination Date(s): [...] *(the second day on which the TARGET2 is open prior to the start of each Interest Period if EURIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET2 does not apply)
(specify up to and including the Maturity Date)*
- 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 fall back 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))*
- (vii) ISDA Determination: [Yes/No]
- Floating Rate Option: [...]
- Designated Maturity: [...]

- Reset Date: [...]
- (viii) Margin(s): [+/-] [...] % per annum
- (ix) Minimum Rate of Interest: [...] % per annum
(The Minimum Rate of Interest may never be less than zero)
- (x) Maximum Rate of Interest: [...] % per annum
- (xi) 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] for alternatives)]

18. Fixed Rate Covered Bond Provisions

(also applicable for each Floating Rate Covered Bond which switches to a Fixed Rate Covered Bond):

[Applicable from and including the Maturity Date if payment of the Guaranteed Final Redemption Amount is deferred in whole or in part or, if earlier, applicable from and including the date on which a Breach of Amortisation Test Notice is served/Not Applicable]

- (i) Rate(s) of Interest: [...] % per annum payable monthly in arrears
- (ii) Interest Payment Date(s): [each CBC Payment Date after the earlier of (i) the Maturity Date up to and including the Extended Due for Payment Date and (ii) the date on which a Breach of Amortisation Test Notice is served, up to and including the Extended Due for Payment Date, if applicable subject to the Business Day Convention]
- (iii) Interest Period: [Please specify/Not Applicable]
- (iv) 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]
- (v) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)]

PROVISIONS RELATING TO REDEMPTION

- 19. 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

20. **Investor Put:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [...]
- (ii) Optional Redemption Amount(s): [...] per Calculation Amount
21. **Final Redemption Amount** [...] per Calculation Amount
22. 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).]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

23. Form of Covered Bonds: [Bearer form/registered form *(Include for Registered Covered Bonds)*]
- [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.]
- [Permanent Global Covered Bond exchangeable for Definitive Covered Bonds only upon the occurrence of an Exchange Event.]
- [Permanent Global Covered Bond not exchangeable for Definitive Covered Bonds]
24. New Global Note form: [Applicable/Not Applicable (see also item 39(vi))]
25. a) Exclusion of set-off: [Not applicable/Applicable]
[See Condition 6(G).]
- b) German Insurers: [Not applicable/Applicable]
26. 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 17 (iii) relates
27. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No] *(If yes, give details)*
28. Consolidation Provisions: [the provisions of Condition 18 apply]/[Not Applicable]

DISTRIBUTION

29. Method of distribution: [syndicated / non-syndicated]
- (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. U.S. Selling Restrictions: [Reg S Compliance [category [...]]/TEFRA D/TEFRA C/ TEFRA rules not applicable]

32. Listing:

(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].

[(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: [...]

33. Ratings: The Covered Bonds to be issued [are not / are expected to be / have been] rated:

[S&P*: 'AAA']
[Fitch*: 'AAA']
[Other*]: [...]

*(*The exact legal name of the rating agency entity providing the rating should be specified-for example "Fitch Ratings Ltd.", rather than just Fitch.)*

[Registration of Rating Agency: [...]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(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 EEA and registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”).

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

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Covered Bonds is endorsed by *[insert legal name of credit rating agency]*, which is established in the EEA and registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”).

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”).

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EC) 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 EEA and registered under the CRA Regulation.

34. [Notification

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

35. **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.)]

36. [Reasons for the Offer and Use of Proceeds (*if different from making a profit and/or hedging certain risks*)]
 (Also see “Use of Proceeds” wording in the Base Prospectus – 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 insufficient to fund all proposed uses, state amount and sources of other funding.)
37. [Estimated net proceeds and total expenses
- (i) Estimated net proceeds: [...]
- (ii) Estimated total expenses: [...] [Include breakdown of expenses]]
38. 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.
39. Operational Information
- (i) ISIN: [...]
- (ii) Common Code: [...]
- (iii) Fondscore: [...]
- (iv) WKN Code: [...] [Not Applicable]
- (v) [Other relevant code:] [...] [Not Applicable/give name(s) and numbers(s)]
- (vi) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]
- [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 intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Include this text if “Yes” selected in which case the Covered Bonds must be issued in NGN-form]/
- [No. [only include if held through or on behalf of Euroclear or Clearstream, Luxembourg] 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 intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

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

- (vii) 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]
- (viii) Delivery: Delivery [against/free of] payment
- (ix) 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)*
- (x) Settlement Procedure: [Method of settlement procedure]
- (xi) Clearing System: [Euroclear/Clearstream, Luxembourg/Euroclear Nederland/other agreed clearing system] [insert address of relevant clearing system]
- (xii) Statement on benchmark[s]: [[EURIBOR] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][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 Benchmark Regulation. As far as the Issuer is aware, [[specify benchmark(s)] [does/do] not fall within the scope of the Benchmark Regulation by virtue of article 2 of that regulation] [the transitional provisions in article 51 of the Benchmark Regulation apply], such that [legal name of administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).][Not Applicable]

40. Additional paying agent (if any): [Name: [...]][Address: [...]] / Not Applicable]

41. Listing Application

[These Final Terms comprise the final terms required to list and have admitted to trading on [specify the relevant regulated market] the issue of Covered Bonds described herein pursuant to the Programme for the issuance of Covered Bonds of Van Lanschot Kempen N.V./ Not Applicable]

Responsibility

The Issuer and the CBC (only as far as it concerns the CBC) accept responsibility for the information contained in these Final Terms. The Issuer and the CBC declare that the information contained in these Final Terms is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. [...] has been extracted from [...]. The Issuer and the CBC confirm that such information has been accurately reproduced and, so far as the Issuer and the CBC are aware and are able to ascertain from the information published by [...], does not omit any facts which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the CBC:

By:
Duly authorised

By:
Duly authorised

By:
Duly authorised

By:
Duly authorised

TERMS AND CONDITIONS OF COVERED BONDS

*The following are the terms and conditions of Covered Bonds (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 Definitive Covered Bond in the standard euromarket form. The applicable Final Terms in relation to any Tranche of Covered Bonds will complete 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.*

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 dated 2 March 2015 (such date, the “**Programme Date**”) (as amended, restated or otherwise modified from time to time, the “**Trust Deed**”) between the Issuer, Van Lanschot Conditional Pass-Through Covered Bond Company B.V. (the “**CBC**”) and Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company (the “**Security Trustee**”) and Stichting Holding Van Lanschot Conditional Pass-Through 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 herein 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 bearer interest coupons (“**Coupons**”) and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein 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 herein, “**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/cptcbp>. 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/cptcbp>. 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 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 in bearer form (“**Bearer Covered Bonds**”) or registered form (“**Registered Covered Bonds**”) issued pursuant to the terms and conditions of a registered covered bonds deed (“**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 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.

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 and/or in facsimile.

For so long as any of the Covered Bonds are represented by a Global Covered Bond held on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, SA

("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 to a guarantee issued under the Trust Deed, the CBC has as an independent obligation irrevocably undertaken to pay the Guaranteed Amounts when the same shall become Due for Payment (the "**Guarantee**"). However, the CBC shall have no such obligation under the Guarantee until (i) the occurrence of an Issuer Event of Default, service by the Security Trustee on the Issuer of an Issuer Acceleration Notice and 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, if the CBC is obliged under the Guarantee to pay a Guaranteed Amount relating to Scheduled Principal payable on the Maturity Date or after service of a Breach of Amortisation Test Notice, on each CBC Payment Date (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, provided that if on any CBC Payment Date 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 (on the relevant CBC Payment Date) all higher ranking amounts, then the CBC shall (a) give notice thereof to the relevant holders of the Pass-Through Covered Bonds (in accordance with Condition 14 (*Notices*)), the Rating Agencies, 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 at least two Business Days prior to such CBC Payment 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, if any, and otherwise in accordance with Condition 14 (*Notices*)), and (b) apply such remaining available moneys in payment, in whole or in part, of the Guaranteed Final Redemption Amount pertaining to all Pass-Through Covered Bonds, 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 CBC Payment Date; 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*),

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 holder of Covered Bonds 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.

The holders of the Covered Bonds 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 purposes of these Terms and Conditions:

"Extended Due for Payment Date" means the date falling thirty-two (32) years after the Maturity Date of the relevant Series of Covered Bonds; and

"Pass-Through Covered Bonds" means (i) each Covered Bond of a Series in respect of which any amount has remained unpaid on its Maturity Date or (ii) after the service of a Notice to Pay on the CBC and a Breach of Amortisation Test Notice, all Covered Bonds.

4. REDENOMINATION

A. *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 30 days' prior notice to the Covered Bondholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds and the Coupons denominated in euro (each the **"Old Currency"**) shall be redenominated in another currency (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 pursuant to the relevant laws which are applicable 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 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 Bond*)), 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.

B. *Definitions*

In these Terms and Conditions, the following expressions have the following meanings:

"**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 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; and

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

5. INTEREST

A. *Interest on Fixed Rate Covered Bond (up to but excluding the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC)*

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 (an “**Interest Commencement Date**”) (or, if not specified in the applicable Final Terms, the Issue 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 (i) to (and including) the Maturity Date (if that date does not fall on an Interest Payment Date), or, (ii) if earlier, up to, but excluding the date on which a Breach of Amortisation Test Notice is served on the CBC.

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 except if a Breach of Amortisation Test Notice is served on the CBC in which case the interest will be calculated as set out below. Payments of interest on any Interest Payment Date or the Maturity 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 immediate preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate 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 purposes 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 Conditions 7(C) (*Redemption at the option of the Issuer (Issuer Call)*) and 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 15 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 made 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 (up to, but excluding, the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC)*

(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 0%, payable in arrears 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**” (which expression 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 immediate preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate 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, “**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 the TARGET2 is open. In these Terms and Conditions, “**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereof.

(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 in the applicable Final Terms and subject to any amendments, if any, resulting from any Benchmark Amendments pursuant to Condition 5(E) (*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 the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds, published by the International Swaps and Derivatives Association, Inc. (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 the Eurozone inter-bank offered rate (“**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 of the European Union 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) 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*

Where Screen Rate 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, 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 Rates 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. 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,

plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent.

The next two paragraphs are subject to the proviso that no Benchmark Event (as defined in Condition 5(E) (*Benchmark discontinuation*)) has occurred (in which case the Reference Rate must be calculated in accordance with the terms of Condition 5(E) (*Benchmark discontinuation*)).

If the Relevant Screen Page is not available or if, in the case of (1) above, no offered quotation appears or, in the case of (2) above, fewer than three offered quotations appear, in each case as at the relevant time, the Principal Paying Agent must request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the relevant time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period will be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date fewer than two Reference Banks provide the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period will be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by two or more Reference Banks at which such rates were offered, at approximately the relevant time on the relevant Interest Determination Date, deposits in euro for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in euro for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in euro for a period equal to that which would have been used for the Reference Rate, at which, at approximately the relevant time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest will be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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.

For the purpose of this paragraph (b), "**Reference Banks**" means, in the case of a determination of EURIBOR, the principal office of four major banks in the Eurozone inter-bank market selected by the Administrator.

(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 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 “**Interest Amount**”) payable on the Floating Rate Covered Bonds, in respect of each Calculation Amount for the relevant Interest Period. Each 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, “**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 =

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

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 such number is 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 and D1 is greater than 29, in which case D2 will be 30; and

- (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 Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each 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 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 Interest Amount but instead may publish only the Calculation Amount and the 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), 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 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. *Interest from the Maturity Date or, if earlier, the date a Breach of Amortisation Test Notice has been served on the CBC*

As from the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC, each Covered Bond will bear interest on its Principal Amount Outstanding from (and including) the date as specified in the applicable Final Terms as Interest Commencement Date (or, if not specified in the applicable Final Terms, the earlier to occur of (i) the Maturity Date and (ii) the date on which a Breach of Amortisation Test Notice is served on the CBC) ("**Interest Commencement Date**") at the rate(s) per annum equal to the Fixed Rate(s) of Interest, with a floor of 0%. Interest will be payable in arrears on the Interest Payment Dates in each year up to (and including) the Extended Due for Payment Date (if that date does not fall on an Interest Payment Date).

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 be calculated in respect of each Calculation Amount by applying the fixed Rate of Interest to each Principal Amount Outstanding, 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.

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 immediate preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate 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.

For the purposes of this Condition 5(C):

“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; and

“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) to but excluding the next or first Interest Payment Date.

D. *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.

E. *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(E)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(E)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in

accordance with Condition 5(E)(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(E)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(E)(iii) (*Adjustment Spread*)), and any Benchmark Amendments (in accordance with Condition 5(E)(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(E) 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(E).

(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(E)(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(E)) 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(E)(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(E)) 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(E) 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(E)(v) (*Notices, etc.*), without any requirement for the consent or approval of Covered Bondholders, Couponholders or the Secured Parties (other than the Secured Parties 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(E)(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(E).

Notwithstanding any other provision of this Condition 5(E), 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 or the CRR 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(E) 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(E); 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(E), 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(E), 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(E) (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(E)(v) (*Notices, etc.*).

(vii) *Definitions:*

As used in this Condition 5(E):

“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(E)(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(E)(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(E)(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 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 (subject to Condition 9 (*Prescription*)) 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) (i) in the case of Covered Bonds in definitive form only, in Amsterdam, the Netherlands and the relevant place of presentation and (ii) in any Additional Financial Centre specified in the applicable Final Terms; and
- b) a day on which the TARGET2 is open.

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) 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
- (vi) 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, 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 30 nor more than 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 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), 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) will be redeemed at their Early Redemption Amount referred to in Condition 7(D) (*Redemption of Covered Bonds at the option of the Covered Bondholders*) 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 15 nor more than 30 days' notice to the Covered Bondholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 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 5 (or if the notice period of the Issuer has been shortened to 5 days' or less, the notice period will be 1 day less than the minimum notice period for the Issuer) nor more than 30 days' notice to the Covered Bondholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 5 days (or if the notice period of the Issuer has been shortened to 5 days' or less, the notice period will be 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) 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 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 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 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)), 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 32 years 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 15 nor more than 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).

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 32 years 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 (h) 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 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.

F. *Purchases*

The Issuer, the CBC and/or any member of the group formed by the Issuer and its affiliates (*groepsmaatschappijen*) (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) 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. *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 30 nor more than 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(H) 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.

I. *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 by the Issuer will be made without withholding or deduction of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction of such taxes, duties, assessments or charges is required by law. In the event of a withholding or deduction being made by the Issuer in respect of a payment made by it, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds or Coupons 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) by, or by a third party on behalf of, a holder of a Bearer Covered Bond who is liable to such taxes or duties in respect of such Covered Bond or Coupon by reason of his having some connection with the Netherlands other than the mere holding of such Bearer Covered Bond or Coupon; or
- (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond or Coupon to another Paying Agent in a member state of the European Union; or
- (c) more than 30 days after the Relevant Date, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (d) after 26 October 2021, in respect of which any withholding or deduction is required pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

All payments by the CBC under the Guarantee will be made without withholding or deduction on account of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction of such taxes, duties, assessments or charges is required by law. In the event of a withholding or deduction being made by the CBC in respect of a payment made by it, the CBC will not be obliged to pay any additional amounts as a consequence.

As used herein:

“Relevant Date” in relation to a payment means 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 territory 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 any withholding or deduction required pursuant to an agreement described in Section 1471(b) of 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. Any such amounts withheld or deducted will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid by the Issuer or the CBC on the Covered Bonds with respect to any such withholding or deduction.

9. PRESCRIPTION

The Covered Bonds and Coupons will become void unless presented for payment within a period of five 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 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*

An “**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.

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 7 calendar days or more in the payment of any principal or redemption amount, or for a period of 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 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 holders of the Covered Bonds 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), the Security Trustee shall forthwith serve a notice to pay (the “**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*).

Following an Issuer Event of Default the Security Trustee shall, within 3 months, convene a meeting for each Series to discuss the possibility to sell Selected Transferred Assets in the following 6 months. The voting rights for such meeting for Covered Bonds held by any member of the Van Lanschot Kempen Group shall be excluded, as set out in Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*).

The Trust Deed provides that 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 (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.

B. CBC Events of Default

A “**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.

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 7 calendar days or more in the payment of any principal or redemption amount, or for a period of 14 calendar days or more in the payment of any interest 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 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 (preliminary) suspension of payments (*voorlopige 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, if applicable, 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,

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.

In these Terms and Conditions:

“Calculation Date” means the date falling two 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 2015 and thereafter, each period from (and including) the first day of each month to the last day of that same month.

“CBC Payment Date” means the 17th 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.

“Distribution Compliance Period” has the meaning given to that term in Regulation S under the Securities Act;

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 provisions of the Trust Deed, the Covered Bonds and the Coupons, the Pledge Agreements and any other security rights of the Security Trustee on the Transferred Assets (if any) and the other Transaction Documents (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 Parties.

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 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 30 nor more than 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

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 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.

Until such time as any Definitive Covered Bonds are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so 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, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or Euroclear Nederland and/or any other relevant clearing system for communication by them to the holders of the Covered Bonds. Any such notice shall be deemed to have been given to the holders of the Covered Bonds 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.

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. Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the Principal Paying Agent through Euroclear, Clearstream, Luxembourg and/or Euroclear Nederland, as the case may be, in such manner as the Principal Paying Agent and Euroclear, Clearstream, Luxembourg and/or Euroclear Nederland, as the case may be, may approve for this purpose.

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 15% 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 75% 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 holders of Covered Bonds 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*.

In a meeting convened by the Security Trustee for Covered Bondholders of each Series to

discuss the possibility to sell Selected Transferred Assets as set out in Condition 10(A) (*Issuer Events of Default*) any member of the Van Lanschot Kempen Group holding Covered Bonds shall not have any voting rights on its Covered Bonds in respect of a resolution to sell Selected Transferred Assets and such Covered Bonds held by a member of the Van Lanschot Kempen Group shall not be taken into account for the quorum.

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 50% 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 Parties (other than the Secured Parties 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, 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 Parties (other than the CBC) (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Party as to the absence of material prejudice to the interests of such Secured Party), (ii) it has not been informed in writing by any Secured Party (other than any Covered Bondholder(s)) that such Secured Party will be materially prejudiced thereby (other than a Secured Party who has given its written consent as aforesaid) and (iii) it has received Rating Agency Confirmation 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 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 Parties; 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 Parties (other than the CBC) (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Party as to the absence of material prejudice to the interests of such Secured Party), (ii) it has not been informed in writing by any Secured Party (other than any Covered Bondholder(s)) that such Secured Party will be materially prejudiced thereby (other than a Secured Party who has given its written

consent as aforesaid) and (iii) the Rating Agencies have 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; or
- (f) any modification to the Conditions pursuant to Condition 5(E) (*Benchmark discontinuation*) to vary the method or basis of calculating any 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(E) (*Benchmark discontinuation*), where the Issuer has delivered to the Agent a certificate pursuant to Condition 5(E)(v) (*Notices, etc.*).

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 Party, 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 Parties (in which respect the Security Trustee may (without further enquiry) rely upon the consent in writing of any other Secured Party as to the absence of material prejudice to the interests of such Secured Party) provided that (i) the Security Trustee has not been informed by any Secured Party (other than any Covered Bondholder(s)) that such Secured Party will be materially prejudiced thereby (other than a Secured Party who has given its written consent as aforesaid) and (ii) the Rating Agencies have 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 Parties 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 Parties and the Rating Agencies 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 Parties, 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 Party, including, but not limited to, the Covered Bondholders, in accordance with the relevant Priority of Payments.

The Issuer may, without the consent of the holders of the Covered Bonds of any Series or any Coupons relating thereto, or any other Secured Party 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 Parties.

For the purposes hereof:

“Extraordinary Resolution” means a resolution at a meeting duly convened and held in accordance with the provisions for meetings 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 50% 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 subject to Rating Agency Confirmation in relation to other Transferred Assets. The Security Trustee will not be liable to any Covered Bondholder or other Secured Party 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 or of interest on any of the Covered Bonds is in default and after written approval of DNB, be replaced and substituted by any directly or

indirectly wholly owned subsidiary of the Issuer (the “**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 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 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 subdivision 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 leading 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 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 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 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, 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 any claims under the Covered Bonds and the relative Coupons prior to release shall ensure 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) Not later than fifteen 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, this Condition 20 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 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 or faxing.

TAXATION IN THE NETHERLANDS

Tax warning

Potential investors and sellers of the Covered Bonds should be aware that they may be required to pay stamp taxes or other documentary taxes, fiscal duties or charges in accordance with the applicable 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 be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the Covered Bondholder, or in other jurisdictions in which the Covered Bondholder 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 on their own individual tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant tax 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.

The following summary describes the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Covered Bonds. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Covered Bonds. Each prospective Covered Bondholder should consult a professional adviser with respect to the tax consequences of an investment in the Covered Bonds. The discussion of certain Dutch taxes set forth below is included for general information purposes only.

This summary is based on Dutch tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Securities Note, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. Where in this summary the terms “the Netherlands” and “Dutch” are used, these terms solely refer to the part of the Kingdom of the Netherlands that is situated in Europe.

With the exception of paragraph (a) below under General, this summary does not address the Dutch tax consequences of:

- (a) a Covered Bondholder holding a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001). Generally speaking, a Covered Bondholder (including both individuals and entities) holds a substantial interest in the Issuer, if such Covered Bondholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;*
- (b) a Covered Bondholder qualifying as an investment institution (fiscale beleggingsinstelling);*
- (c) a Covered Bondholder qualifying as a pension fund, exempt investment institution (vrijgestelde beleggingsinstellingen) or other entity that is exempt from Dutch corporate income tax;*
- (d) a Covered Bondholder to whom the Covered Bonds and the income from the Covered Bonds are attributed based on the separated private assets (afgezonderd particulier vermogen) provisions of the Netherlands Income Tax Act 2001 (Wet inkomstenbelasting 2001);*
- (e) a Covered Bondholder who is an individual to 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 holder or certain individuals related to such holder as defined in the Netherlands Income Tax Act 2001 (Wet inkomstenbelasting 2001); and*
- (f) a Covered Bondholder which is a resident of Aruba, Curacao or Sint Maarten that has an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Covered Bonds are attributable to such permanent establishment or permanent representative.*

Where in this summary reference is made to a “Covered Bondholder”, this includes, without limitation, an individual to whom, or an entity to which, benefits derived from Covered Bonds are attributed for Dutch tax purposes.

General

The Issuer has been advised that under the existing laws of the Netherlands:

- (a) all payments by the Issuer under the Covered Bonds can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, with the exception of any Dutch withholding tax as described in the paragraph below titled "Withholding Tax";
- (b) a Covered Bondholder deriving income from a Covered Bond or realising a gain on the disposal or redemption of a Covered Bond will not be subject to Dutch taxation on (deemed) income or capital gains unless:
 - (i) the holder is a resident of the Netherlands or treated as resident in the Netherlands for the purpose of the relevant provisions;
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on by or for the benefit of the Covered Bondholder through a permanent establishment or a permanent representative in the Netherlands;
 - (iii) the holder is, other than by way of securities (*effecten*), entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Covered Bonds are attributable; or
 - (iv) the holder is an individual and such income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in the Netherlands as defined in section 3.4 of the Dutch Income Tax Act 2001;
- (c) Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Covered Bond by way of gift by, or on the death of, a Covered Bondholder, unless:
 - (i) the Covered Bondholder is, or is deemed to be, a resident of the Netherlands for the purpose of the Dutch gift and inheritance tax (*Successiewet 1956*); or
 - (ii) the transfer is construed as an inheritance or as a gift 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 the purpose of the relevant provisions;
- (d) there is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in the Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Covered Bonds or the performance of the Issuer's obligations under the Covered Bonds;
- (e) there is no Dutch value added tax payable in respect of payments in consideration for the issue of a Covered Bond or in respect of the payment of interest or principal under the Covered Bonds or the transfer of a Covered Bond; and
- (f) under Dutch tax law, a holder of Covered Bonds will not be deemed resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the Covered Bonds or the execution, performance delivery and/or enforcement of a Covered Bond.

Withholding Tax

Dutch withholding tax may be applicable to certain (deemed) interest payments to an affiliated (*gelieerde*) entity of the Issuer if such 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*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

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 *Terms and Conditions of Covered Bonds* and *Form of Covered Bonds* above. 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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not 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 this Securities Note as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. 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.

France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Securities Note, the applicable Final Terms or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, and/or (c) 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, articles L.411-1, L.411-2 and D.411-2 and D.411-4 of the French *Code monétaire et financier*.

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, each Dealer has represented and agreed 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 regulations.

Accordingly, each Dealer has represented and agreed that it will not offer, sell or deliver any Covered Bond or distribute copies of the Securities Note or any other document relating to any Covered Bond in the Republic of Italy other than in circumstances falling within Article 1(4) of the Prospectus Regulation.

Any offer, sale or delivery of the Covered Bonds or distribution of copies of the Securities Note or any other document relating to the Covered Bonds in the Republic of Italy under the paragraph above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No 20307 of 15 February 2018 (as amended from time to time), Legislative Decree No 385 of 1 September 1993, as amended (the “**Banking Act**”) and any other applicable laws and regulations; and
- (b) in compliance with article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations which are required; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian authority.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not 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 this Securities Note as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. 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 domestic law by virtue of 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 domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Financial Promotion

Each Dealer has 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 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 does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

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.

Each Dealer has 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. Each Dealer has 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 each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, 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 herein 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

Each Dealer has 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 this Securities Note, the Registration Document or any circulars, offer documents or information relating to the Issuer or the Covered Bonds in the Netherlands.

General

Each Dealer has agreed and each further Dealer appointed 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 this Securities Note 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 any Dealer 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

The Covered Bonds are expected on issue to be assigned an 'AAA' rating by one or more Rating Agencies (currently S&P and Fitch). 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. Each Rating Agency may lower its rating or withdraw its rating of the Covered Bonds if, in its sole discretion, the credit quality of the Covered Bonds has declined or is in question.

S&P Credit Rating Definitions

The following text is an extract from the S&P report "S&P Global Ratings Definition" dated 5 January 2021 as published by S&P (in this section also to be referred to as "S&P Global Ratings") on its website: https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352.

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.

Fitch Credit Rating Definitions

The following text is an extract from the Fitch report "Rating Definitions" dated 14 April 2021 as published by Fitch on its website: <https://www.fitchratings.com/research/fund-asset-managers/rating-definitions-11-06-2020>.

AAA: Highest credit quality.

'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

DUTCH COVERED BOND LEGISLATION AND COMPLIANCE WITH CRD IV

Description of the Dutch Covered Bond Regulations

The CB Regulations apply as of 1 January 2015, when they replaced their predecessor which had been in place since 2008. The CB Regulations contain detailed provisions to increase transparency and protection for investors. The CB Regulations aim to provide safeguards to covered bondholders, while respecting other interests that are connected with the issuance of covered bonds, such as avoiding an undesirable degree of asset encumbrance by the relevant issuer of covered bonds.

The CB Regulations apply to the issuance of DNB-registered covered bonds, which are bonds included in the list made publicly available pursuant to article 52(4) of the UCITS Directive or, where such registration has not yet occurred, a covered bond which is registered by DNB in accordance with the CB Regulations. Therefore, like any other issuance of debt instruments and legal transfers of assets made in accordance with Dutch law, the issuance of a DNB-registered covered bond and the legal transfer of cover assets are subject to the provisions of the Dutch Civil Code and the Dutch Bankruptcy Code.

The CB Regulations form a collection of rules forming part of three layers of legislation: the Wft, the Wft Prudential Rules Decree (*Besluit prudentiële regels Wft*) and the Wft Implementing Regulation (*Uitvoeringsregeling Wft*). Under the CB Regulations, the registration of covered bonds cannot be cancelled by DNB after such covered bonds have been issued. DNB can however eliminate the registration of the issuer and order and, if it so desires, disclose an issuance stop, after which the issuing bank will no longer be allowed to issue covered bonds. DNB can also impose other sanctions, such as fines.

The CB Regulations include various requirements relating to issuers, owners of the asset pool, eligible assets and the contractual arrangements made in respect of such assets. The CB Regulations also require a valid safeguarding or sufficient cover assets for holders of DNB-registered covered bonds. Furthermore, the issuer must be a licensed bank with its registered address in the Netherlands.

As a main principle the CB Regulations require that DNB-registered covered bonds will have to comply with the conditions for preferential treatment of article 52(4) of the UCITS Directive. In addition, the CB Regulations also include mandatory compliance with article 129 of CRR.

The CB Regulations introduce a minimum level of overcollateralization of 5%. This means that the nominal value of the cover assets must be 105% of the nominal value of the outstanding covered bonds under the relevant programme. An additional collateralisation requirement, which is calculated separately, is that the nominal size of the cover assets taking into account the cut-off rules for collateralised assets of article 129 of CRR is at least equal to the nominal value of the outstanding covered bonds. The Issuer as part of the Programme undertakes as part of the Asset Cover Test that it will meet the requirements pursuant to the Wft in respect of the collateralisation of the Covered Bonds, including, that (i) the sum of (A) the Outstanding Principal Amount of Mortgage Receivables and (B) the Substitution Assets is at least equal to 105% of the Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding and (ii) the sum of (A) the lower of (a) the Outstanding Principal Amount of Mortgage Receivables or (b) 80% of all Indexed Valuations relating to such Mortgage Receivables and (B) the Substitution Assets is at least equal to 100% of the Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding.

An issuer is required to ensure that the owner of the asset pool maintains a liquidity buffer that covers interest payments, principal payments and senior costs that will be due in the coming 6 months. If an extension period of at least 6 months is included, (as in the Programme), no liquidity buffer needs to be held for principal payments. Liquid assets are public sector loans and exposures to institutions as defined in article 129 of CRR.

There are strict criteria as to which assets may be included in an asset pool for the purposes of a DNB-registered covered bond and are limited to the assets listed in article 129 of CRR under (a), (b), (d) sub (i), (e), (f) sub (i) and (g), i.e. public sector loans, residential real estate loans, commercial real estate loans, and shipping loans, subject to certain limitations. The issuer must choose which asset class it primarily includes in the programme. In addition, up to 20% of the outstanding covered bonds under a program may be covered by substitution assets. These are the liquid assets that are allowed

under CRR: public sector exposures and exposures to institutions. Residential mortgage backed securities and commercial mortgage backed securities are excluded as cover assets. The Eligibility Criteria require that the Issuer only includes residential real estate loans as primary assets and the definition of Substitution Asset complies with the CB Regulations.

The CB Regulations include rules on valuation of cover assets. As a main rule, cover assets will be valued at their nominal value. Substitution assets will have to be valued at market value according to an internationally accepted accountancy standard. Several categories of assets will be awarded no value when applying the overcollateralization and liquidity requirements are met:

- defaulted loans, as defined by article 178 of CRR;
- assets which are the subject of a sub-participation or similar arrangement up to an amount to which a third party has an entitlement to (part of) such assets; and
- assets that consist of exposures of the CBC on the issuer or entities of the same group.

Issuers will be required to appoint an external accountant as asset monitor which will have to perform an annual check of certain aspects of the administration and valuation process on the cover assets. More specifically, the external accountant has to:

- perform a check on the calculation of the statutory overcollateralization requirements; and
- perform a check on the calculation of the statutory liquidity buffer requirement.

In addition the issuer must ensure that an external accountant performs a yearly check on a sample of the files related to the cover assets.

The issuer must maintain a healthy ratio between the outstanding covered bonds and the balance sheet of the issuer (the latter to protect other stakeholders). The issuer is required to perform an annual stress tests to assess whether the healthy ratio will be maintained in adverse scenarios. Risks to be taken into account include credit risk, interest rate risk, currency risk and liquidity risk.

The issuer also needs to have solid and effective strategies and procedures for verifying and procuring the sufficiency of the cover assets, taking into account the composition of the cover assets, the overcollateralisation and the applicable risks and stress tests.

Also, the CB Regulations provide for ongoing administration and reporting obligations towards DNB and include new reporting obligations towards the covered bondholders.

On 27 November 2019 (i) Directive (EU) 2019/2162 (the "**Covered Bond Directive**") and (ii) Regulation (EU) 2019/2160 (the "**Covered Bond Regulation**") were adopted. The Covered Bond Directive and the Covered Bond Regulation build on the analysis and advice of the European Banking Authority and aim to foster the development of covered bonds across the European Union. The Covered Bond Directive (i) provides a common definition of covered bonds, which will represent a consistent reference for prudential regulation purposes, (ii) defines the structural features of covered bonds, (iii) defines the tasks and responsibilities for the supervision of covered bonds and (iv) sets out the rules allowing the use of the 'European Covered Bonds' label. The Covered Bond Directive should be implemented in each member state by 8 July 2021 with effect from no later than 8 July 2022.

On 9 September 2021 the Dutch Ministry of Justice published the legislative proposal implementing the Covered Bond Directive. The legislative proposal does not purport to impact CB Regulations or current practice in the Netherlands in a major way. However, the proposal does leave room for further regulatory standards in respect of soft bullet and conditional pass-through covered bond programmes which could be of relevance in the future for these programmes. Until the legislative proposal is adopted including related additional regulatory rules which are yet to be published in draft form it remains to be seen if or how the proposals will affect the Issuer, the CBC, the European covered bond market and/or the Covered Bonds.

Compliance with UCITS Directive and/or CRD IV

The Issuer has obtained the Regulated Status and the CRR Status as at the date of this Securities Note. The Regulated Status includes compliance with the UCITS Directive and the CRR Status means compliance with article 129 of CRR. The Issuer will only issue Covered Bonds under this Securities Note that have the Regulated Status and the CRR Status.

In the Trust Deed the Issuer has undertaken to utilise its best efforts to procure that the Covered Bonds keep the Regulated Status and the CRR Status until their Maturity Date or, if earlier, the date on which they are redeemed. This "best efforts" undertaking will no longer apply if, as a result of a change in law, Dutch residential mortgage receivables are insufficient for collateralisation of the Covered Bonds to keep the Regulated Status or the CRR Status. The criteria for Eligible Assets and the limitations as a result of the LTV Cut-Off Percentage in the Adjusted Aggregate Asset Amount under

the Asset Cover Test and the Amortisation Test Aggregate Asset Amount under the Amortisation Test procure that the Covered Bonds that have the Regulated Status, also have the CRR Status.

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.

The pass-through structure will become relevant after the service of an Issuer Acceleration Notice on the Issuer and a Notice to Pay on the CBC. In that case the CBC will be obliged to pass any available funds through and apply such funds towards redemption of all Pass-Through Covered Bonds and to use its best efforts to sell Transferred Assets on each sixth CBC Payment Date to enable it to redeem all Pass-Through Covered Bonds prior to the Extended Due for Payment Date, provided that it can sell the Transferred Assets and consequently redeem the Pass-Through Covered Bonds without negatively impacting the Amortisation Test. Failure by the CBC to sell or refinance Selected Transferred Assets in accordance with the Asset Monitoring Agreement will not constitute a CBC Event of Default.

All payments of Guaranteed Amounts by or on behalf of the CBC will be made without withholding or deduction on account of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction of such taxes, duties, assessments or charges is required by law. In the event of a withholding or deduction being made by the CBC, the CBC will pay the Guaranteed Amounts net of such withholding or deduction and will not be obliged to pay any additional amount to the Security Trustee or any holder of Covered Bonds as a consequence.

Payments in respect of the Guaranteed Amounts might be subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and any other jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). Any such amounts withheld or deducted will be treated as paid for all purposes under the Guaranteed Amounts, and no additional amounts will be paid on the Guaranteed Amounts with respect to any such withholding or deduction.

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, provided that if on any CBC Payment Date 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 (on the relevant CBC Payment Date) all higher ranking amounts, then the CBC shall (a) give notice thereof to the relevant holders of the Pass-Through Covered Bonds (in accordance with Condition 14 (*Notices*)), the Rating Agencies, 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 at least two Business Days prior to such CBC Payment Date (whereby such notice shall be deemed to have been given on the first Business Day following the date on which the notice was given by the CBC to the relevant clearing system, if any, and otherwise in accordance with Condition 14 (*Notices*)) and (b) apply such remaining available moneys in payment, in whole or in part, of the Guaranteed Final Redemption Amount pertaining to all Pass-Through Covered Bonds, 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 CBC Payment Date. If any amount of principal on a Covered Bond remains unpaid on its Maturity Date, such Covered Bond will become a Pass-Through Covered Bond and if a Notice to Pay on the CBC and a Breach of Amortisation Test Notice have been served, all Covered Bonds will become Pass-Through Covered Bonds; 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*),

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

For the purposes hereof:

“Due for Payment” 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 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).

“Guaranteed Amounts” means, in respect of a Series:

- (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
- (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.

“Scheduled Interest” means, in respect of a Series, any amount of scheduled interest payable (i) under the Covered Bonds as specified in Condition 5 (*Interest*) (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 (*Taxation*)), 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) (*The Guarantee*).

“Scheduled Payment Date” 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 (*Interest*) or Condition 3(b) (*The Guarantee*), as the case may be, or (ii) in the case of Scheduled Principal, Condition 7(A) (*Redemption at maturity*).

“Scheduled Principal” means, in respect of a Series, any amount of scheduled principal payable under the Covered Bonds as specified in Condition 7(A) (*Redemption at maturity*) (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 (*Taxation*)), 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.

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, (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 party (the parties referred to in items (i) through (xii) together the "**Secured Parties**"). 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 Parties 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 Parties in accordance with the Post CBC Acceleration Notice Priority of Payments, save for Swap Collateral. The amounts due to the Secured Parties 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 a receivables pledge agreement (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 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 (the "**Security Trustee Pledge Notification Events**"). Prior to notification of the pledge to the Borrowers or the 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 a pledge agreement of rights (the "**Security Trustee Rights Pledge Agreement**", together with 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, the "**Pledge Agreements**") 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 (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, (viii) the CBC Account Agreement and (ix) in respect of the CBC Transaction Accounts (the "**CBC Transaction Documents**"). This right of pledge (other than in respect of the Swap Collateral Account) has been notified to the relevant obligors and will, therefore, be a disclosed

right of pledge (*openbaar pandrecht*).

THE CBC

Van Lanschot Conditional Pass-Through Covered Bond Company B.V. (the “**CBC**”) is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated on 11 December 2014 and operating under Dutch law. The statutory seat of the CBC is in Amsterdam, the Netherlands. The registered address of the CBC is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The CBC is registered with the Commercial Register of the Dutch Chamber of Commerce under number 62066587. The Legal Entity Identifier (LEI) of the CBC is 724500XPI3J4WVUP1E51.

The CBC is a special purpose vehicle, which objectives are, in the framework of a Conditional Pass-Through Covered Bond Programme of the Issuer, (a) to acquire, purchase, conduct the management of, dispose of and to encumber receivables and other goods under or in connection with loans granted by a third party or by third parties, and to exercise any rights connected to such receivables and other goods, (b) to issue guarantees in favour of holders of covered bonds issued by the Issuer, (c) to on-lend and invest any funds held by the CBC, (d) to hedge interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps, (e) in connection with the foregoing: (i) to borrow funds; and (ii) to grant security rights or to release security rights to third parties and (f) 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 €1 of which €1 has been issued and is fully paid. All shares of the CBC are held by Stichting Holding Van Lanschot Conditional Pass-Through Covered Bond Company.

Stichting Holding Van Lanschot Conditional Pass-Through Covered Bond Company (“**Stichting Holding**”) is a foundation (*stichting*) established under Dutch law on 9 December 2014. The statutory seat of Stichting Holding is in Amsterdam, the Netherlands. Stichting Holding is registered with the Commercial Register of the Dutch Chamber of Commerce under number 62054910.

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

Since 31 December 2020, the end of the last financial period for which audited financial statements for the CBC have been published, there has been no significant change in the financial performance and the financial position of the CBC and there has been no material adverse change in the prospects of the CBC.

During the 12 months preceding the date of this Securities Note, there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the CBC is aware), which may have, or have had in the recent past, significant effects on the financial position or profitability of the CBC.

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 Chapter 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, D.H. Schornagel and T.T.B. Leenders. The business address of the managing director of the CBC is at the registered address of Intertrust Management B.V., being Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

The sole managing director of Stichting Holding and of the CBC has entered into management agreements with the entities of which it has been appointed as managing director. In these management agreements the sole managing director 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 Agencies.

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.

The financial year of the CBC coincides with the calendar year and the first financial year ended on 31 December 2015.

The CBC's publicly available audited financial statements as of and for the financial year ended 31 December 2019 are included in the CBC's annual report 2019 on pages 9 up to and including 20 (financial statements) and are together with the independent auditor's report available at: <https://www.vanlanschotkempen.com/media/4771/van-lanschot-cbc-financial-statements-2019-incl-auditors-report.pdf>. The CBC's publicly available audited financial statements as of and for the financial year ended 31 December 2020 are included in the CBC's annual report 2020 on pages 10 up to and including 24 (financial statements) and are together with the independent auditor's report available at: <https://www.vanlanschotkempen.com/media/4772/van-lanschot-cbc-financial-statements-2020-incl-auditors-report.pdf>. The independent auditor's report on the CBC's publicly available financial statements as of and for the financial year ended 31 December 2019 contains an emphasis of matter on the uncertainty related to the effect of the COVID-19 (Coronavirus) outbreak. The CBC's publicly available financial statements as of and for each of the years ended 31 December 2019 and 31 December 2020, respectively, audited by PricewaterhouseCoopers Accountants N.V., are incorporated by reference into this Securities Note (see Chapter 15 *Documents Incorporated by Reference*). The auditor having signed the aforementioned independent auditor's reports on behalf of PricewaterhouseCoopers Accountants N.V. is a member of the Royal Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*), the Institute of Chartered Accountants in the Netherlands.

6. THE SECURITY TRUSTEE

Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company (the “**Security Trustee**”) is a foundation (*stichting*) established under Dutch law on 9 December 2014. The statutory seat 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 62050486.

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 beneficiaries of guarantees issued by the CBC for covered bonds issued by the Issuer, (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 borrow money, (d) to make donations and (e) 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 holders of the Covered Bonds 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 Parties and to pay to such Secured Parties any amounts received from the Issuer or the CBC or amounts collected by the Security Trustee under the Security to which the relevant Secured Party 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 Parties 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, on the basis of clause 25 of 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 Parties, other than the Covered Bondholders, and following notification to the Rating Agencies, 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 dated the Programme Date between the Issuer, the Transferor, the CBC and the Security Trustee, as the same may be amended and restated from time to time (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 mortgage receivables (the “**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 an initial purchase price which shall be payable on the Transfer Date (the “**Initial Purchase Price**”) and a deferred purchase price (the “**Deferred Purchase Price**”). The Initial Purchase Price is equal to the aggregate Outstanding Principal Amount of the Eligible Receivables at the Cut-Off Date. 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 instalments in respect of the Deferred Purchase Price and each instalment (each a “**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 *Cashflows*).

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 Agencies, 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 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 Insurance Policies and to appoint the CBC or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies.

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 subject to Rating Agency Confirmation, amend the Transferor Warranties. 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, subject always to Rating Agency Confirmation 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 herein 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 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 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, 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 (preliminary) suspension of payments, (ii) its bankruptcy, (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) a Security Trustee Pledge Notification Event has occurred.

“Further Advance” 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.

“Further Advance Receivable” 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.

“Outstanding Principal Amount” means, in respect of a Mortgage Receivable, on any date the aggregate outstanding principal sum (*hoofdsom*) 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.

“Rating Agency Confirmation” 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:

- (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 **“confirmation”**);
- (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 **“indication”**); or
- (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:
 - 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
 - ii. if such Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 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.

“Transfer Date” means the date of transfer of any Eligible Assets to the CBC in accordance with the Guarantee Support Agreement.

“Transferor Warranties” means the representations and warranties given by the Transferor with respect to it which are set out in part 1 of Schedule 1 (*Representations and Warranties*) to the Guarantee Support Agreement.

“**Transferred Assets**” means the Mortgage Receivables and the Beneficiary Rights relating thereto and the Transferred Collateral.

“**Transferred Collateral**” 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.

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 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.

“**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.

“Arrears of Interest” means in relation to any Mortgage Receivable and as at any date, interest which is due and payable and unpaid up to and including that date.

“Defaulted Receivable” 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:

- (i) a declaration has been made by the Transferor that such Mortgage Receivable is irrecoverable;
- (ii) legal proceedings have been commenced for its recovery;
- (iii) the related Borrower is declared bankrupt (*failliet verklaard*) or has been granted a suspension of payments (*surseance van betaling*) or debt rescheduling arrangement (*schuldsaneringsregeling*) or equivalent or analogous events or proceedings have occurred in relation to the relevant Borrower; or
- (iv) the relevant Borrower has not paid (including 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 90 days overdue for payment from the original date on which such Mortgage Receivable is due and payable.

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 (together with the Eligible Receivables; the **“Eligible Assets”**).

For the purpose hereof:

“Borrower Investment Account” means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower.

“Borrower Investment Pledge” means a right of pledge (*pandrecht*) on the rights of the relevant Borrower in connection with the Borrower Investment Account in relation to Investment Mortgage Loans.

“Eligible Collateral” means euro denominated cash and/or Substitution Assets.

“Eligible Receivable” means a mortgage receivable or a mortgage loan to which it relates which complies with the following criteria, which are all subject to amendment from time to time, provided that Rating Agency Confirmation is obtained in respect of such amendment (as amended from time to time, the **“Eligibility Criteria”**) as at the relevant Transfer Date and, where applicable, in respect of the Transferor:

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 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 (*Gedragscode 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% or, in the event of energy saving improvements, 106% 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% 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 any of the Transferors;
 - (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 longer or no maturities;
 - (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 (*hypothekrechten*) 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 Asset 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) in respect of each Mortgage Loan 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 depository 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*).

“**Mortgage**” means a mortgage right (*hypothekrecht*) securing the relevant Mortgage Receivable.

“Mortgaged Assets” means, in respect of a Mortgage (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpacht*).

“Substitution Assets” means the classes of assets denominated in euro from time to time eligible under CRR and/or the Wft to collateralise covered bonds including (on the date of this Securities Note) and subject to certain limitations:

- (a) exposures to or guaranteed by central governments, central banks or international organisations in accordance with article 129(1)(a) of CRR;
- (b) exposures to or guaranteed by public sector entities, regional governments or local authorities in accordance with article 129(1)(b) of CRR;
- (c) exposures to institutions in accordance with article 129(1)(c) of CRR; and
- (d) exposures for which DNB has waived the application of article 129(1)(c) of CRR in accordance with article 129(1) of CRR third paragraph,

which assets are limited to 20%, or such other percentage as required under the Wft, of the aggregate Principal Amount Outstanding of the Covered Bonds.

8. SUBORDINATED LOAN

On the first Transfer Date and each Transfer Date thereafter, the Subordinated Loan Provider will under the subordinated loan agreement dated the Programme Date between the CBC, the Subordinated Loan Provider, the Issuer and the Security Trustee, as the same may be amended and restated from time to time, (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 in an amount equal to the excess of (x) the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount over (y) the balance standing to the credit of the Reserve Account on such date (each such subordinated loan advance a “**Subordinated Loan Advance**” and the aggregate amount of all Subordinated Loan Advances outstanding at a time together the “**Subordinated Loan**” and each such day on which a Subordinated Loan Advance is advanced a “**Utilisation Date**”).

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 1.3% per annum, which rate will be reset on the CBC Payment Period 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 €5,000,000,000 Debt Issuance Programme (or any successor or alternative issuance programme of the Issuer), unless the Subordinated Loan Provider determines 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 €5,000,000,000 Debt Issuance Programme (or any successor or alternative issuance programme of the Issuer). 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 47th anniversary of the last Issue Date under the Programme falls.

“**Subordinated Loan Facility**” 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 higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount.

“**Subordinated Loan Available Redemption Amount**” 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.

“**Subordinated Loan Maximum Redemption Amount**” 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.

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 Chapter 9 is derived from the overview which is available at the website of the Dutch Securitisation Association (<https://www.dutchsecuritisation.nl/documentation>) regarding the Dutch residential mortgage market over the period until June 2021. The Issuer believes that this source is reliable and as far as the Issuer is aware and is able to ascertain from the Dutch Securitisation Association, that no facts have been omitted which would render the information in this Chapter 9 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 755 billion in Q2 2021¹. This represents a rise of EUR 17.7 billion compared to Q2 2020.

Tax system

The Dutch tax system plays an important role in the Dutch mortgage market, as it allows for almost full deductibility of mortgage interest payments from taxable income. This tax system has been around for a very long time, but financial innovation has resulted in a greater leverage of this tax benefit. From the 1990s onwards until 2001, this tax deductibility was unconditional. In 2001 and 2004, several conditions have been introduced to limit the usage of tax deductibility, including a restriction of tax deductibility to (mortgage interest payments for) the borrower’s primary residence and a limited duration of the deductibility of 30 years.

A further reform of the tax system was enforced on 1 January 2013. Since this date, all new mortgage loans have to be repaid in full in 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.

Another reform imposed in 2013 to reduce the tax deductibility is to lower the maximum deduction percentage. This used to be equal to the highest marginal tax bracket (52 percent), but since 2014 the maximum deduction has been gradually reduced (during the 2014 – 2019 period), by 0.5%-point per annum. As from 1 January 2020, the maximum deduction percentage is decreased by 3.0%-point per annum until it will ultimately be equal to 37.05 percent in 2023. For 2021, the highest tax rate against which the mortgage interest may be deducted is 43 per cent.

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% is due when a house changes hands. From 2021, house buyers younger than 35 years will no longer pay any transfer tax (from 1 April, this exemption will only apply to houses sold for 400,000 euros or less). The exemption can only be applied once and the policy is initially in place for a period of 5 years. A transfer tax of 8 per cent is due upon transfer of houses which are not owner-occupied.

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. Annuity mortgage loans used to be the norm until the beginning of the 1990s, but they have returned as the most popular mortgage product in recent years. Reason for this return of annuity mortgage loans is the tax system. Since

¹ Statistics Netherlands, household data.

2013, tax deductibility of interest payments on new loans is conditional on full amortisation of the loan within 30 years, for which only (full) annuity and linear mortgage loans qualify.

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.

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 5 and 15 years. Rate term fixings differ by vintage, however. More recently, there has been a bias to longer term fixings (10-20 years). Most borrowers remain subject to interest rate risk, but compared to countries in which floating 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% (including all costs such as stamp duties). The new government coalition 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 for Mortgage Lending, which is the industry standard. This code, which limits the risk of over crediting, has been tightened several times in the past decade. The 2007 version of the code included a major overhaul and resulted in tighter lending standards, but deviation in this version was still possible under the “explain” clause². In 2011, another revised and stricter version of the Code of Conduct was introduced. Moreover, adherence to the “comply” option was increasingly mandated by the AFM. 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% 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

The Dutch housing market recovered substantially since the second half of 2013. Important factors are among others the economic recovery, high consumer confidence and decreasing mortgage rates. Due to the Corona pandemic consumer confidence has deteriorated significantly in April/May 2020 but since June 2020 confidence has rebounded.

Existing house prices (PBK-index) in July 2021 were 16.3% higher than in July 2020. The price increases in the last couple of months have been the highest seen for the PBK index in the last 20

² Under the “explain” clause it is in exceptional cases possible to deviate from the LTI and LTV rules set forth in the Code of Conduct.

years. In absolute Euro terms, the price increases over the previous months are probably the highest in the history of the Dutch housing market with the estimated yoy increase for July some €55,000. The average house price level was 36.7% above the previous peak of 2008.

In the first half of 2021, a total of 119,414 houses exchanged hands, an increase of 12.1% compared to H1 2020 but this was predominantly driven by a record high Q1 transaction volume of 66,627. In Q2 home sales dropped by 3.9% yoy and in July, home sales totaled 19,043, down 16.4% yoy. The jump in the first quarter seemed to be caused by the transfer tax exemption for households below the age of 35 which entered into force on January 1st 2021. Young buyers postponed the transfer of ownership of newly bought properties until after 1st of January 2021 whilst specifically for homes with a sales price of EUR 400,000 or more, the transfer date was brought forward to achieve the deadline of 1st of April 2021.

The Dutch housing market is still faced with a persistent housing shortage, still historically low mortgage rates, the home equity held by subsequent homebuyers moving house, high rents and currently a favorable economic backdrop. These factors combined explain why the housing market continues to surge ahead.

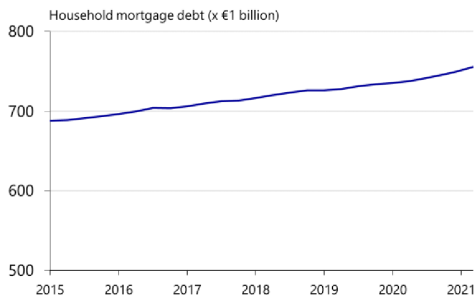
Forced sales

Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates³. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn in recent years is 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 85 forced sales by auction in Q2 2021 (0.16% of total number of sales).

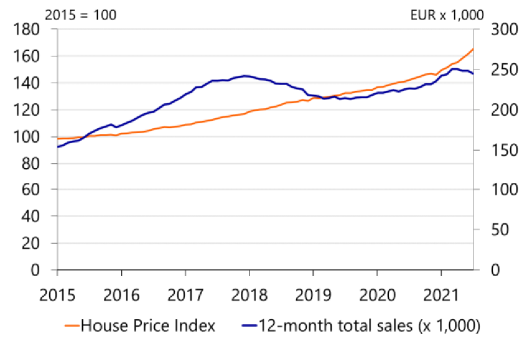
³ Comparison of S&P RMBS index delinquency data.

Chart 1: Total mortgage debt



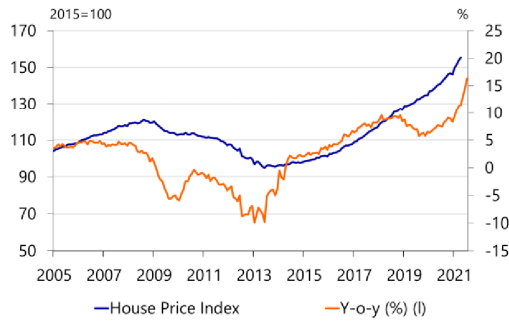
Source: Statistics Netherlands, Rabobank

Chart 2: Sales



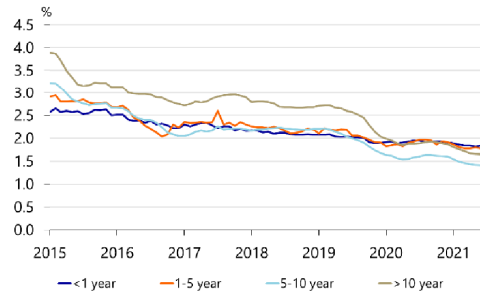
Source: Dutch Land Registry (Kadaster), Statistics Netherlands (CBS)

Chart 3: Price index development



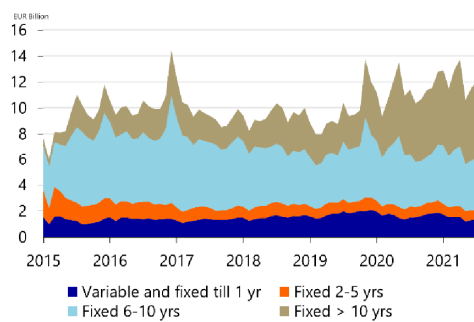
Source: Statistics Netherlands, Rabobank

Chart 4: Interest rate on new mortgage loans



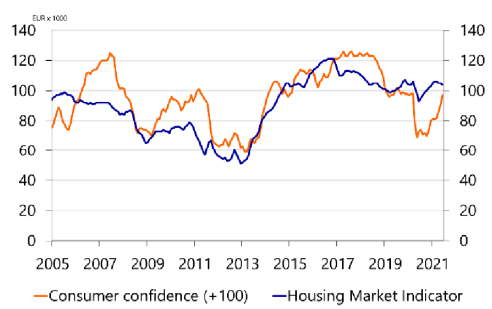
Source: Dutch Central Bank

Chart 5: New mortgages by interest type



Source: Dutch Central Bank

Chart 6: Confidence



Source: Statistics Netherlands (CBS), OTB TU Delft And VEH

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. Responsibility for preparing the policies and supervising its implementation has been delegated to the Risk Management Department.

The following departments take part in the processes of application, approval, servicing, arrears and foreclosure management and/or risk reporting:

Credit Risk Private Banking

The Credit Risk Private Banking 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.

Credit Restructuring and Recovery

The Credit 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 applicable International Financial Reporting Standards, as adopted by the European Union (“IFRS”).

Credit Risk

The Credit Risk Department executes the second line of defense in credit risk management within Van Lanschot Kempen. Other responsibilities include Credit Portfolio Management and Credit Policy (initiating, coordinating and implementing).

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. After the application, the administration uses Van Lanschot Kempen's business partner Stater to offer and administrate the mortgage loan. They support Van Lanschot Kempen's financing 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 figures. The mortgage specialist ensures that all relevant items of the application are sent to the Credit Risk Private Banking Department. 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 Risk Private Banking 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 Risk Private Banking Department can form a well based 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 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 information is analysed in the affordability test (ILT). Particularly the overall financial position and the stability 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 foreign borrowers, (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 purposes 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 "*Gedragscode Hypothecaire Financieringen*" are leading in respect of the mortgage loans. This Code of Conduct forces criteria upon the loan capacity and will also be checked by the Credit Risk Private Banking 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*). The criteria are for example:

- for the payments of the mortgage loan a 30 years annuity is the standard, without regarding the real redemption of the mortgage loan;
- the current interest rate is 5% 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 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 one may have as a maximum mortgage burden 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.

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 1-1-2018):

- 100% of the market value with regard to mortgage loans up to and including EUR 2 million;
- 100% of the market value with regard to mortgage loans higher than EUR 2 million but less than EUR 3,5 million (in terms of market value up to and including EUR 4 million) with an additional condition, i.c. pledge of securities of 100% of the part of the loan up to and including EUR 2 million, and a maximum pledge of securities of 75% of the part above EUR 2 million of the market value of the residence;
- 100% of the market value with regard to mortgage loans higher than EUR 4 million but less than 5 million, with an additional condition, i.e. pledge of securities of 50% of the market value of the residence;
- 115% of the market value in case of refinancing an existing mortgage or a residual debt

(*restschuld*).

No redemption required: up to 50% of the market value or 75% of the market value in case of refinancing an existing mortgage.

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. However, temporary renting e.g. for a few months when the owner is for instance temporary abroad could be allowed. 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 and valuation agents and need to be validated by an authorized external party. Van Lanschot Kempen does 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.

Client solvency

Bureau for Credit Registration (Bureau Krediet Registratie) ("**BKR**")

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% of the market value.

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 signalled on a daily basis and reported to private and business bankers on a weekly basis. After 20 calendar days employees of the Early Intervention Team will call 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.

Credit Restructuring and Recovery Department

90 days after the total of arrears of a client has become material, the client is said to be in default and is handed over to the Credit Restructuring and Recovery Department. The employees of the Credit 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 Credit 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 Credit 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 direct the account manager to work out a tailor-made restructuring plan with the client and to vigorously track its implementation. In more complex situations it is also possible that the client will be serviced by the risk manager from the Credit Restructuring and Recovery Department.

When the Credit 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.

COVID-19 temporary credit facility

Van Lanschot Kempen introduced a COVID-19 (Coronavirus) temporary credit facility for residential mortgage loan borrowers in 2020. The temporary credit facility was only available for a specific target group of clients who could indicate that they were affected by COVID-19 and would be unable to meet their residential mortgage payment obligations. When applying for the temporary credit facility, a borrower was required to hand over new financial information which was then assessed and used to judge whether it was responsible to provide the borrower with the temporary credit facility.

The maximum total initial amount of the temporary credit facility equalled six months of interest and redemption payments on the residential mortgage loan. At the end of every month the temporary credit facility paid out the monthly amount of interest and redemption payment to the current account of the borrower and was used to meet the obligations under the residential mortgage loan. After the 'pay-out' period, borrowers started repaying the full credit facility over a period of, initially, twelve months.

The interest rate payable under the temporary credit facility is not identical to the interest rate under the residential mortgage loan; instead, it is equal to the statutory interest rate of currently 2% per annum.

The temporary credit facility is administered as a separate product and is kept on the balance sheet of Van Lanschot Kempen and the receivable resulting from such temporary credit facility will not be transferred to the CBC. The receivable resulting from such temporary credit facility will constitute an "Other Claim", which is deducted in the Adjusted Aggregate Asset Amount as part of the Asset Cover Test and the Amortisation Test Aggregate Asset Amount as part of the Amortisation Test.

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 will agree (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 Chapter 10 *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 an affiliate of Van Lanschot Kempen or, subject to any applicable conditions in the Servicing Agreement, to any other third party servicer (such as Stater Nederland B.V. ("**Stater**")), provided that the Servicer shall continue to be liable as if no such delegation had taken place. Additional servicers may be appointed, subject to Rating Agency Confirmation having been obtained. 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 268 billion and 1,267,506 mortgage loans. In the Netherlands, Stater had a market share of about 34% at 31 December 2020.

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 March 2021, credit rating agency Fitch Ratings 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 2020, Ernst & Young, the company's external auditor, issued an ISAE 3402 Type II assurance report on internal processes at Stater. For the purpose of this report, Stater requested Ernst & Young to test the design, existence and functioning of the defined control measures for the 1 January to 31 October 2020 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% subsidiary of Stater N.V., of which 75% of the shares are held by Infosys Consulting Pte. Ltd. And 25% of the shares are held by ABN AMRO Bank N.V.

Administration

In the Administration Agreement the Administrator will agree 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 (preliminary) 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 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 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 to be entered into between the CBC and an eligible custodian (the “**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 entered into on the Programme Date, as amended and restated, between the Issuer, the CBC, the Security Trustee and the Administrator (the “**Asset Monitoring Agreement**”) and the Guarantee Support Agreement, the CBC and the Issuer, respectively, undertake their reasonable efforts or best efforts respectively, that as at the end of each calendar month until the service of an Issuer Acceleration Notice or CBC Acceleration Notice:

- (i) the Adjusted Aggregate Asset Amount is an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B of the Asset Cover Test, up to the date specified in item B), all as calculated on the immediately succeeding Calculation Date;
- (ii) the Outstanding Principal Amount of all Mortgage Receivables, excluding any Defaulted Receivables, plus (a) the Collateral Market Value of all Transferred Collateral in the form of Substitution Assets plus (b) all amounts standing to the balance of the CBC Transaction Accounts, excluding Swap Collateral and excluding amounts standing to the balance of the Construction Account, will always be at least equal to 115% of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month all as calculated on the immediately succeeding Calculation Date;
- (iii) the First Regulatory Current Balance Amount will always be at least equal to 105%, 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 of the Asset Cover Test, up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date; and
- (iv) the Second Regulatory Current Balance Amount will always be at least equal to 100%, 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 of the Asset Cover Test, up to the date specified in item B) all as calculated on the immediately succeeding Calculation Date, (item (i) up to and including item (iv), 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 of the Asset Cover Test, up to the date specified in item B) the Asset Cover Test has not been met, then the Administrator will notify the CBC thereof under 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 Receivables 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 notice of breach (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 Receivables 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 cured, the CBC is not allowed to make any payments to the Issuer and the Subordinated Loan Provider.

As of the date of this Securities Note, the Asset Percentage is 95%. The Issuer may request the CBC to increase or decrease the Asset Percentage. The CBC will accept any request for a decrease of the Asset Percentage and the Asset Percentage will be adjusted accordingly. The CBC will only accept any request for an increase of the Asset Percentage and the Asset Percentage will only be adjusted accordingly if each of the Rating Agencies has been notified thereof and by the third Business Day after such notification, none of the Rating Agencies has communicated that any such increase of the Asset Percentage will have a negative effect on the then current ratings assigned by it to the Covered Bonds.

The Asset Percentage will be included in the investor report, drawn up by the Administrator following the end of each calendar month in the form prescribed by the Administration Agreement and delivered

to, *inter alia*, the CBC and the Security Trustee two Business Days prior to the immediately succeeding CBC Payment Date (the “**Investor Report**”).

In the Administration Agreement entered into on the Programme Date between the CBC, the Administrator and the Security Trustee, the Administrator agrees to prepare monthly asset cover reports for the CBC including the relevant calculations in respect of the Asset Cover Test (each an “**Asset Cover Report**”) and to provide certain administration, calculation and cash management services for 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 purposes hereof:

“**Adjusted Aggregate Asset Amount**” means $A + B + C - Z$.

“**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 α ; and
 - (ii) the LTV Cut-Off Percentage of the Indexed Valuation relating to such Mortgage Receivable, minus β ; and
- (b) the Asset Percentage of: the Current Balance minus α of all Mortgage Receivables.

“ α ” 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 Receivable 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 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 it is a Mortgage Receivable with an interest rate below the Minimum Mortgage Interest Rate, an equal amount to the Minimum Mortgage Interest Rate Reduction;
- (iv) if the Issuer’s rating from Fitch falls below ‘A’ (long-term) or ‘F1’ (short-term) or from S&P falls below ‘A’ (long-term) or ‘A1’ (short-term), 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 Dutch Deposit Guarantee Scheme (*Depositgarantiestelse*) (the “**Deposit Guarantee Scheme**”) from time to time or (ii) a lower amount, subject to Rating Agency Confirmation; and
- (v) if the Transferor has an Other Claim (excluding, for the avoidance of doubt, a Further Advance): an amount equal to the Deductible Other Claim.

“**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 or (b) the Outstanding Principal Amount of such Mortgage Receivable.

“**Minimum Mortgage Interest Rate**” means 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 1.5% per annum, which percentage may be amended by the CBC and the Issuer, subject to Rating Agency Confirmation and with the consent of the Security Trustee.

“**Minimum Mortgage Interest Rate Reduction**” means, 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 product of (i) the difference between 1.5% 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 interest rate fixed period in years (unless such period is less than 5 years, in which case such period shall be set to 5 years) (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 and notified by the Administrator to Fitch in order to achieve a rating (i) of 'AAA' or 'AAA' in relation to the first issue of Covered Bonds or (ii) in-relation to any subsequent issue of Covered Bonds, equal to the current rating assigned to the-outstanding Series of Covered Bonds.

"B" means for each Mortgage Receivable the lower of (i) the LTV Cut-Off Percentage of its Indexed Valuation and (ii) α 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 α , L shall equal α .

"Asset Percentage" means 95% 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% for all Mortgage Receivables or such other percentage as may be notified to the Rating Agencies 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 CRR or (b) otherwise determined from time to time in accordance with the Asset Monitoring Agreement.

"B" means the amount of any cash standing to the credit of the CBC Transaction Accounts (other than the Swap Collateral Account and the Construction Account but including any amounts on the Reserve Account) including on the relevant Calculation Date on which the Asset Cover Test is calculated any Principal Receipts and Interest Receipts related to the calendar month preceding such Calculation Date paid by the relevant Borrowers and received by the CBC on its CBC Accounts up to the Business Day immediately preceding such Calculation Date.

"C" means the aggregate outstanding principal amount of all Transferred Collateral in Substitution Assets and accrued interest thereon which has not been applied in accordance with the Trust Deed (to the extent not included in B). 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 notified to the Rating Agencies.

"Z" means an amount equal to the Interest Reserve Required Amount.

"Interest Reserve Required Amount" means the higher of zero and (i) U plus V minus W; or (ii) a lower amount, subject to Rating Agency Confirmation; 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 and all Swap Agreements in connection with any Series of Covered Bonds.

"V" means the product of:

- (i) the higher of (a) zero; and (b) the difference between (x) the Portfolio Weighted Average Life and (y) the Series Weighted Average Life;
- (ii) the aggregate Principal Amount Outstanding of all Series multiplied by (1 minus the Swap Fraction, if applicable); and
- (iii) the Weighted Average Series Post Maturity Interest Rate.

"W" means the Estimated Portfolio Interest Income, multiplied by (1 minus the Swap Fraction, if applicable).

"Series Weighted Average Life" means the weighted average remaining life (expressed in years)

remaining from the relevant date until the relevant Maturity Dates in respect of all outstanding Series for which no Swap Agreement has been entered into.

“Portfolio Weighted Average Life” means the expected remaining weighted average life (expressed in years) of all Mortgage Receivables and Substitution Assets.

“Weighted Average Series Post Maturity Interest Rate” means the weighted average (expressed as a percentage) of the interest due on all outstanding Series of Covered Bonds for which no Swap Agreement has been entered into, after the Maturity Date.

“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 Minimum 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 Minimum 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.

“Original Market Value” in relation to any Mortgaged Asset means the market value (*marktwarde*) given to that Mortgaged Asset by the most recent valuation addressed to the Transferor that transferred the relevant Mortgage Receivable to the CBC.

“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% (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 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.

“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 sum of (i) the aggregate amount of the Current Balance of the Mortgage Receivables, excluding any Defaulted Receivables, and (ii) the Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

“Substitution Assets Amount” means an amount equal to the sum of (i) B (as defined above) and (ii) C (as defined above), less any cash standing to the credit of the CBC Transaction Accounts held with an entity within the Van Lanschot Kempen Group, which amount will be limited to a maximum of 20%, or such other percentage as required under the CB Regulations, of the aggregate Principal Amount Outstanding of the Covered Bonds.

“Second Regulatory Current Balance Amount” means an amount equal to the sum of (A) the aggregate balance of all Mortgage Receivables, excluding any Defaulted Receivables, whereby the balance is determined for each such Mortgage Receivable as the lower of (i) the Current Balance of the Mortgage Receivable and (ii) the Regulatory Cut-Off Percentage of the Indexed Valuation relating to such Mortgage Receivable and (B) the Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

“Regulatory Cut-Off Percentage” means 80% 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, the CBC uses its reasonable efforts that as at the end of each calendar month following service of a Notice to Pay (but prior to service of a CBC Acceleration Notice):

- (i) the Amortisation Test Aggregate Asset Amount is an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as at the end of such calendar month (or with respect to item B of the Amortisation Test, up to the date specified in item B), all as calculated on the immediately succeeding Calculation Date;
- (ii) the Outstanding Principal Amount of all Mortgage Receivables, excluding any Defaulted Receivables, plus (a) the Collateral Market Value of all Transferred Collateral in the form of Substitution Assets plus (b) all amounts standing to the balance of the CBC Transaction Accounts, excluding Swap Collateral and excluding amounts standing to the balance of the Construction Account, will always be at least equal to 115% of the aggregate Principal Amount Outstanding of the Covered Bonds;
- (iii) the First Regulatory Current Balance Amount will always be at least equal to 105%, 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
- (iv) the Second Regulatory Current Balance Amount will always be at least equal to 100%, 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, (item (i) up to and including item (iv) 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 month, then that shall constitute a **“Breach of Amortisation Test”** and the CBC (or the Administrator on its behalf) shall immediately notify the Security Trustee thereof, and the Security Trustee shall be entitled to serve a breach of amortisation test notice (**“Breach of Amortisation Test Notice”**) on the Issuer and the CBC in writing.

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 lower of:

- (i) the Current Balance of such Mortgage Receivable minus α ; and
- (ii) the LTV Cut-Off Percentage (relating to such Mortgage Receivable) times the Indexed Valuation, minus β .

“**LTV Cut-Off Percentage**“ means 80% for all Mortgage Receivables or such other percentage as may be notified to the Rating Agencies 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 CRR or (b) otherwise determined from time to time in accordance with the Asset Monitoring Agreement.

“ **α** “ 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 Receivable 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 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 Issuer’s rating from Fitch falls below ‘A’ (long-term) or ‘F1’ (short-term) or from S&P falls below ‘A’ (long-term) or ‘A-1’ (short-term), 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 (*depositogarantiestelse*) from time to time or (ii) such lower amount, subject to Rating Agency Confirmation; and
- (iv) if the Transferor has an Other Claim (excluding, for the avoidance of doubt, a Further Advance): an amount equal to the Deductible Other Claim.

“**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 or (b) the Outstanding Principal Amount of such Mortgage Receivable.

“**MVD Assumption**“ means the most conservative market value decline assumption as applied by S&P and notified by the Administrator to Fitch in order to achieve a rating (i) of ‘AAA’ or ‘AAA’ in relation to the first issue of Covered Bonds or (ii) in relation to any subsequent 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) α 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 α , L shall equal α .

“**B**“ means the amount of any cash standing to the credit of the CBC Transaction Accounts (other than the Swap Collateral Account and the Construction Account but including any amounts on the Reserve Account) including on the relevant Calculation Date on which the Amortisation Test is calculated any Principal Receipts and Interest Receipts related to the calendar month preceding such Calculation Date paid by the relevant Borrowers and received by the CBC on its CBC Accounts up to the Business Day immediately preceding such Calculation Date.

“**C**“ means the aggregate outstanding principal amount of all Transferred Collateral in Substitution Assets and accrued interest thereon which has not been applied in accordance with the Trust Deed (to the extent not included in B). 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 notified to the Rating Agencies.

“**Z**“ means an amount equal to the Interest Reserve Required Amount.

“Interest Reserve Required Amount” means the higher of zero and (i) U plus V minus W; or (ii) a lower amount, subject to Rating Agency Confirmation; whereas:

“U” means the sum of the aggregate amount of interest payable in respect of all Series of Covered Bonds from the date of the relevant calculation up to and including the relevant Maturity Date.

“V” means the product of:

- (i) the higher of (a) zero; and (b) the difference between (x) the Portfolio Weighted Average Life and (y) the Series Weighted Average Life;
- (ii) the aggregate Principal Amount Outstanding of all Series; and
- (iii) the Weighted Average Series Post Maturity Interest Rate.

“W” means the Estimated Portfolio Interest Income.

“First Regulatory Current Balance Amount” means an amount equal to sum of (i) the aggregate amount of the Current Balance of the Mortgage Receivables, excluding any Defaulted Receivables, and (ii) the Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

“Substitution Assets Amount” means an amount equal to the sum of (i) B (as defined above) and (ii) C (as defined above), less any cash standing to the credit of the CBC Transaction Accounts held with an entity within the Van Lanschot Kempen Group, which amount will be limited to a maximum of 20%, or such other percentage as required under the CB Regulations, of the aggregate Principal Amount Outstanding of the Covered Bonds.

“Second Regulatory Current Balance Amount” means an amount equal to the sum of (A) the aggregate balance of all Mortgage Receivables, excluding any Defaulted Receivables, whereby the balance is determined for each such Mortgage Receivable as the lower of (i) the Current Balance of the Mortgage Receivable and (ii) the Regulatory Cut-Off Percentage of the Indexed Valuation relating to such Mortgage Receivable and (B) Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

“Regulatory Cut-Off Percentage” means 80% for all Mortgage Receivables, or such other percentage as may be required from time to time under the CB Regulations.

SALE OR REFINANCING OF SELECTED ASSETS

The Asset Monitoring Agreement provides that, if an Issuer Event of Default occurs, the CBC shall undertake its best efforts to sell or refinance Selected Transferred Assets as soon as possible upon the earliest of (i) any amount remaining unpaid in respect of a Series on the relevant Maturity Date, (ii) any Maturity Date of a Series of Covered Bonds falling within a period of 6 calendar months of such date and (iii) a Breach of Amortisation Test Notice, and every sixth CBC Payment Date after that date (each such date a **“Refinance Date”**), subject to the rights of first refusal enjoyed by the Transferor to purchase the Selected Mortgage Receivables pursuant to the Guarantee Support Agreement. The proceeds from any such sale or refinancing will form part of the Principal Available Amount.

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 undertakes to sell or refinance Selected Mortgage Receivables as abovementioned, the Asset Monitoring Agreement provides that the CBC shall ensure that 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 the aggregate Current Balance of such Selected Mortgage Receivables shall never exceed the Adjusted Required Redemption Amount multiplied by A/B,

where:

“Adjusted Required Redemption Amount” means an amount equal to the Required Redemption Amount of all Pass-Through 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).

“Required Redemption Amount” means in respect of a Series, the aggregate Principal Amount Outstanding of such Series.

“A” means an amount equal to the aggregate of the Current Balance of all Mortgage Receivables and the market value of all other Transferred Assets.

“B” means the euro equivalent of the Required Redemption Amount in respect of all Series then outstanding less the euro equivalent of the Required Redemption Amount in respect of all Series outstanding which has been provided for in cash.

Such sale or refinance and subsequent redemption of the respective bonds may not result in a deterioration of the quotient of (i) the Amortisation Test Aggregate Asset Amount; and (ii) the Principal Amount Outstanding of all Series outstanding.

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 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 undertake its best efforts to sell or refinance Selected Mortgage Receivables on every sixth (6th) CBC Payment Date following such attempt to sale or refinance as set forth above.

If the CBC intends to sell Selected Mortgage Receivables to a third party, it may appoint a portfolio manager to arrange the sale of such portfolio on behalf of the CBC (each 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, which shall only be payable upon sale of such portfolio and shall be deducted from the proceeds.

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, or upon the service of a Breach of Amortisation Test Notice, the CBC will instruct the Portfolio Manager to use 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 (preliminary) suspension of payments (*(voorlopige) 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, among 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, a Notice to Pay or a Breach of Amortisation Test Notice.

Such sale or refinance of Substitution Assets and subsequent redemption of the respective bonds shall not result in a deterioration of the quotient of (i) the Amortisation Test Aggregate Asset Amount; and (ii) the Principal Amount Outstanding of all Series outstanding.

ASSET MONITOR

Under the terms of the asset monitor appointment agreement entered into on the Programme Date between PricewaterhouseCoopers Accountants N.V. (the "**Asset Monitor**"), the CBC, the Administrator, the Issuer and the Security Trustee (as amended the "**Asset Monitor Appointment Agreement**"), the Asset Monitor has been appointed as an independent accountant to perform the role as 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 Liquidity Reserve Required Amount with a view to confirmation of the accuracy of such calculations as required by and in accordance with the Wft.

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 Liquidity Reserve 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% 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 Liquidity Reserve 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 results of the tests conducted by the Asset Monitor will be delivered to the Administrator, the CBC, the Issuer and the Security Trustee and upon request of the Rating Agencies, to the Rating Agencies (the "**Asset Monitor Report**") 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, Amortisation Test or the liquidity test set out in article 40g of the Wft Prudential Rules Decree (*Besluit prudentiele regels Wft*), as applicable.

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 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 Agencies) with 60 days' prior written notice. If a replacement asset monitor has not been found by the CBC within 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 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.

Agreed upon procedure regarding mortgage files

Under the terms of the Trust Deed and pursuant to the Wft, the Issuer shall undertake to request, at least once a year, an independent auditor to perform an agreed upon procedure on a sample of randomly selected mortgage files

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.

Rating downgrade language acceptable to the Rating Agencies 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, 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.

For the purpose hereof:

“Eligible Swap Counterparty” 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 amended from time to time, as at the date of this Securities Note being ‘A’ (long-term) by S&P and ‘A’ (long-term) and ‘F1’ (short-term) by Fitch, or such other rating as the Rating Agencies may be comfortable with to maintain the then current rating of the Covered Bonds.

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 (such agreements the **“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 Rate 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 rate swap agreements in order to hedge certain mismatches in respect of one or more Series.

EMIR

Regulation (EU) 648/2012 (as amended) (commonly known as the European Market Infrastructure Regulation) (**“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. CASHFLOWS

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 Party 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 collateral to be provided by a Swap Counterparty following its downgrade ("**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 higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve 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 principal amounts received in the preceding calendar month as Excess Proceeds;
- (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% 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

“Reserve Account Required Amount” means the sum of:

- (a) the higher of:
 - (i) the aggregate of the expected interest payments for each Series for the immediately succeeding 3 months calculated as, in each case to the extent in relation to such Series:
 - (A) a Swap Agreement with the Issuer as swap counterparty or no Swap Agreement is in place, the aggregate amount of Scheduled Interest due falling in the next following three CBC Payment Periods; or
 - (B) a Swap Agreement with a swap counterparty other than the Issuer is in place, the amount payable by the CBC (or the Issuer on its behalf) pursuant to such Swap Agreement in the three following CBC Payment Periods for such Series prior to netting of any payments under such Swap Agreement (excluding any Collateral Return Payments as may fall due thereunder); and
 - (ii) the aggregate of the accrued interest for all Series since the last Interest Payment Date of each respective Series (or in case of the first interest period for a Series, the Issue Date),

as calculated on the later to occur of each Calculation Date and the last issue date;

- (b) 0.03% of the Principal Amount Outstanding of the Covered Bonds on such Calculation Date or last issue date, as applicable; and

- (c) EUR 62,500.

“Liquidity Reserve Required Amount” means, on any date, such amount as required for registered covered bonds pursuant to the CB Regulations to meet the interest payment obligations under the Covered Bonds for the following 6 months, including higher ranking items in the relevant Priority of Payments and taking into account the expected cash flows, or such other amount as may be required as liquidity pursuant to the CB Regulations.

“Interest Receipts” means:

- (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;
- (ii) prepayment penalties received or recovered by the CBC in respect of the Mortgage Receivables; and
- (iii) any amounts received as Net Proceeds to the extent such proceeds do not relate to principal.

“Net Proceeds” 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.

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 a bank account maintained by the Transferor (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 14th 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 its 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, together with interest;
- (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:
 - 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;
 - 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;
- 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;
 - any amounts (including costs and expenses) due and payable to the Directors; and
 - 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 Portfolio 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 amount of the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve 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.

For the purposes hereof:

“**CBC Payment Period**” means each period from (and including) a CBC Payment Date to (but excluding) the next CBC Payment Date.

“**Excluded Swap Termination Amount**” 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 a 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.

POST CBC ACCELERATION NOTICE PRIORITY OF PAYMENTS

Under the terms of the Trust Deed, each of the Secured Parties agrees that all moneys received or recovered by the Security Trustee or any other Secured Party (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 together with interest;
- (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) 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; 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 Portfolio 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 interest due on the Subordinated Loan;
- (i) *ninth*, in or towards satisfaction of any principal due on the Subordinated Loan; and
- (j) *tenth*, 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 Chapter 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 unsecured, unsubordinated and unguaranteed debt obligations of the CBC Account Bank are assigned a rating below a certain minimum rating, as at the date of this Securities Note being at least 'A' (long-term) by S&P and 'F1' (short-term) and 'A' (long-term) by Fitch (the "**Requisite Credit Rating**") or any of such ratings is withdrawn, then, unless a Rating Agency Confirmation has been obtained, within the Relevant Remedy Period of such occurrence either:

- the CBC Account Bank will procure the opening of new accounts under the terms of a new CBC Account Agreement substantially on the same terms as the CBC Account Agreement with a financial institution having at least the Requisite Credit Rating and the transferring of the CBC Transaction Accounts to that financial institution; or
- the CBC Account Bank will obtain a guarantee of its obligations under the CBC Account Agreement in accordance with the guarantee criteria of S&P and on terms acceptable to the

Security Trustee, acting reasonably, from a financial institution having at least the Requisite Credit Rating.

“Relevant Remedy Period” 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 (a) in case of a loss of the Requisite Credit Rating by S&P, the later of (i) 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, 90 calendar days following such event, and/or (b) in case of a loss of the Requisite Credit Rating by Fitch, 60 calendar days.

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, such amount 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 ten Business Days in advance.

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.

Reserve Account

Pursuant to the Trust Deed, the CBC has been required to open a reserve account (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 date of this Securities Note, the Reserve Account will be credited by the CBC, from the proceeds of a Subordinated Loan, with an amount equal to the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount and such further amounts as are necessary from time to time to ensure that an amount up to the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount is credited to the Reserve Account.

The CBC may request new Subordinated Loan Advances to fund the Reserve Account up to the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount. The Issuer will ensure that the amount credited to the Reserve Account is equal to the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount by making available sufficient funds under the Subordinated Loan for such purpose.

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 period from the day of the service of a Notice to Pay up to the immediately succeeding CBC Payment Date (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 higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount, such excess will be released and will form part of the Interest Available Amount.

Swap Replacement Ledger

The CBC shall maintain a ledger to the Swap Collateral Account to which shall be credited (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 (such amounts "**Swap Replacement Amounts**") (such ledger the "**Swap Replacement Ledger**"). 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 is being so replaced; and
- (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 is being so terminated,

provided that in the event that any Swap Agreement has been replaced and the Swap Replacement Amounts received by the CBC with respect to such transaction as is being so replaced exceed the amounts debited to the Swap Replacement Ledger under paragraphs (i) or (ii) above in respect of the replacement of such transaction (or the relevant Series will be redeemed or has been redeemed with the proceeds of a sale of Transferred Assets and the Swap Agreement has been terminated in connection with such redemption), then such excess proceeds shall be debited from the Swap Replacement Ledger and 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 (such amounts "**Excess Swap Replacement Amounts**").

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, the Securities Note:

- (a) the deed of incorporation (*akte van oprichting*) of the CBC containing the articles of association (*statuten*): <https://www.vanlanschotkempen.com/media/4685/01a-doi-cbc.pdf> and a deed of amendment to the articles of association (*statuten*): <https://www.vanlanschotkempen.com/media/4684/01b-doi-cbc.pdf>;
- (b) the CBC's publicly available audited financial statements as of and for the financial year ended 31 December 2019 as included in the CBC's annual report 2019 on pages 9 up to and including 20 and the independent auditor's report thereon: <https://www.vanlanschotkempen.com/media/4771/van-lanschot-cbc-financial-statements-2019-incl-auditors-report.pdf>; and
- (c) the CBC's publicly available audited financial statements as of and for the financial year ended 31 December 2020 as included in the CBC's annual report 2020 on pages 10 up to and including 24 and the independent auditor's report thereon: <https://www.vanlanschotkempen.com/media/4772/van-lanschot-cbc-financial-statements-2020-incl-auditors-report.pdf>.

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Securities Note to the extent that a statement contained herein 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 not relevant for prospective investors in the Covered Bonds or covered elsewhere 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 herein 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 (the "**specified office of the Issuer**").

16. GENERAL INFORMATION

1. The establishment of the Programme has been duly authorised and resolved by the Management Board of the Issuer on 17 February 2015.

Each subsequent update of the Programme and the issue of Covered Bonds under the Programme have been duly authorised and resolved by the Management Board of the Issuer on 17 December 2015, 7 February 2017, 27 March 2018, 9 April 2019, 23 June 2020 and 14 July 2021 respectively.

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 issuing of the Guarantee has been duly authorised by a resolution of the management board of the CBC dated 23 February 2015, 14 March 2016, 22 May 2017, 5 July 2018, 15 July 2019, 2 September 2020 and 25 October 2021, respectively.

2. Application may be made for Covered Bonds issued under the Programme to be listed on the official list of Euronext Amsterdam during the period of 12 months from the date of this Securities Note. Notice of any terms and conditions not contained herein 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 issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or be unlisted.
3. PricewaterhouseCoopers Accountants N.V. has audited, and rendered unqualified independent auditor's reports on the financial statements of the CBC as of and for each of the years ended 31 December 2019 and 31 December 2020, respectively. The independent auditor's report on the financial statements of the CBC as of and for the year ended 31 December 2019 contains an emphasis of matter on the uncertainty related to the effect of the COVID-19 (Coronavirus) outbreak. PricewaterhouseCoopers Accountants N.V. has given and has not withdrawn its written consent to incorporate by reference the aforementioned auditor's reports in this Securities Note. PricewaterhouseCoopers Accountants N.V. is located at Thomas R. Malthusstraat 5, 1066 JR, Amsterdam, the Netherlands. The auditor having signed the aforementioned auditor's reports on behalf of PricewaterhouseCoopers Accountants N.V. is a member of the Royal Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*), the Institute of Chartered Accountants in the Netherlands.
4. Copies of the following documents 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/cptcbp>
 - (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 Joint Controller Agreement;
 - (xv) the Data Processing Agreement; and
 - (xvi) the Subordinated Loan Agreement.
5. 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/financial/financial-statements>.
 6. 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/cptcbp>.
 7. 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/cptcbp>.
 8. The Issuer's Legal Entity Identifier (LEI) is 724500D8WOYCL1BUCB80.
 9. The CBC's Legal Entity Identifier (LEI) is 724500XPI3J4WVUP1E51.
 10. 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.
 11. A monthly report on the Covered Bonds under the Programme will be published and can be obtained on <https://www.vanlanschotkempen.com/cptcbp>.

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REGISTERED OFFICES

ISSUER, SERVICER, ARRANGER, DEALER, TRANSFEROR

Van Lanschot Kempen N.V.

Hooge Steenweg 29
5211 JN 's-Hertogenbosch
The Netherlands

CBC

Van Lanschot Conditional Pass-Through Covered Bond Company B.V.

Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

SECURITY TRUSTEE

Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company

Hoogoorddreef 15
1101 BA Amsterdam
The Netherlands

LEGAL ADVISER AND TAX ADVISER

to the Issuer:

as to Dutch law (except tax law)

Rutgers & Posch N.V.

Herengracht 466
1017 CA Amsterdam
The Netherlands

as to Dutch tax law

Atlas Fiscalisten N.V.

Weteringschans 24
1017 SG Amsterdam
The Netherlands

to Coöperatieve Rabobank U.A.:

Simmons & Simmons LLP

Claude Debussylaan 247
1082 MC Amsterdam
The Netherlands

PRINCIPAL PAYING AGENT AND REGISTRAR

Citibank N.A., London Branch

Citigroup Centre
Canada Square
London E14 5LB
The United Kingdom

CBC ACCOUNT BANK

Société Générale S.A. Agence Amsterdam

Rembrandt Tower
Amstelplein 1
1096 HA Amsterdam
The Netherlands

SUBORDINATED LOAN PROVIDER

Van Lanschot Kempen N.V.

Hooge Steenweg 29
5211 JN 's-Hertogenbosch
The Netherlands

ASSET MONITOR

PricewaterhouseCoopers Accountants N.V.

Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

AUDITORS TO THE ISSUER

PricewaterhouseCoopers Accountants N.V.

Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

AUDITORS TO THE CBC

PricewaterhouseCoopers Accountants N.V.

Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

ARRANGER & DEALER

Coöperatieve Rabobank U.A.

Croeselaan 18
3521 CB Utrecht
The Netherlands