

ESMÉE MASTER ISSUER N.V. - S.A.

(institutionele V.B.S. naar Belgisch recht / S.I.C. institutionnelle de droit belge)

EUR 25,000,000,000

SME Asset Backed Note Programme

This document constitutes a base prospectus (the "**Base Prospectus**") within the meaning of Directive 2003/71/EC (the "**Prospectus Directive**"). This Base Prospectus has been approved by the Banking, Finance and Insurance Commission ("**CBFA**") which is the Belgian competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Belgium, in accordance with the procedure set out in Article 32 of the Belgian Act of 16 June 2006 on the public offering of investment instruments and the admission of investments instruments to trading on a regulated market (the "**Prospectus Act**"), as a Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Belgium for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date hereof. This approval cannot be considered a judgement as to the quality of the transaction, nor on the situation or prospects of the Issuer.

Under this EUR 25,000,000,000 SME Asset-Backed Note Programme (the "**Programme**") Esmée Master Issuer Institutionele V.B.S. naar Belgisch recht / S.I.C. institutionnelle de droit belge (the "**Issuer**") may from time to time issue Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes (together the "**Notes**") denominated in Euro or in another OECD member state currency as set out in the relevant Final Terms, to the initial Dealers in respect of the first issue and any Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer(s)" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. The Notes may be issued in one or more Series. Each Series will consist of one or more Classes of Notes, and each Class may consist of two or more Sub-classes. One or more Series and Classes of Notes may be issued at any time. Notes of Series-0 are intended to be issued to (i) Fortis Bank NV / SA and/or any direct or indirect subsidiary of Fortis Bank NV / SA, and/or (ii) any entity of the BNP Paribas group.

The Notes, other than the Class E Notes, the Class F Notes and the Class G Notes (together the "**Reserve Fund Notes**") will be issued to finance the purchase of SME Receivables and the Related Security relating thereto from time to time from the Seller. The net proceeds of the Reserve Fund Notes will be deposited on the Reserve Account. The Notes will be secured by a pledge over the SME Receivables and the Related Security relating thereto and a pledge over certain other assets of the Issuer in favour of the Security Agent.

Application may be made for the Notes to be admitted to trading on Eurolist by Euronext Brussels ("**Euronext Brussels**") during the period of 12 months from the date of this Base Prospectus. Notice of certain terms and conditions not contained in this Base Prospectus which are applicable to the Notes will be set out in the relevant final terms (the "**Final Terms**") which will be delivered to Euronext Brussels and filed with the CBFA on or before the date of each issue of Notes. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms.

The Notes may only be subscribed, purchased or held by investors ("**Eligible Holders**") that qualify both as (a) institutional or professional investors within the meaning of Article 5 § 3 of the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (*Wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d'investissement*), as amended from time to time (the "**UCITS Act**") that are acting for their own account; and (b) a holder of an exempt securities account ("**X-Account**") with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

For each Note in respect of which the Issuer becomes aware that it is held by an investor other than an Eligible Holder in breach of the above requirement, the Issuer will suspend interest payments until such Note will have been transferred to and held by an Eligible Holder.

The Notes will be issued in the form of dematerialised notes under the Belgian Company Code (*Wetboek van Vennootschappen / Code des Sociétés*) (the "**Company Code**"). The Notes will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the "**Clearing System**").

The CBFA may be requested to provide other competent authorities in the European Economic Area with a certificate of approval so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or are to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

It is a condition precedent to the issuance of each Series of Notes that the Class A Notes, on the relevant Issue Date, be assigned at least a 'Aaa' rating by Moody's Investors Service Limited ("**Moody's**") and a 'AAA' rating by Fitch France S.A. ("**Fitch**" and together with Moody's, the "**Rating Agencies**"), the Class B Notes, on the relevant Issue Date, be assigned at least a 'A2' rating by Moody's, the Class C Notes, on the relevant Issue Date, be assigned at least a 'Baa2' rating by Moody's and the Class D Notes, on the relevant Issue Date, be assigned at least a 'Ba2' rating by Moody's (such ratings being the "**Minimum Ratings**")

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. For a discussion on some of the risks associated with an investment in the Notes see the section *Risk Factors* of this Base Prospectus.

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Originator, the Seller, the Arranger, the Security Agent, the Dealers, the Pool Servicer, the Administrator, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Listing Agent, the Domiciliary Agent and the Reference Agent (each as defined herein). Furthermore, none of the Originator, the Seller, the Arranger, the Security Agent, the Dealers, the Pool Servicer, the Administrator, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Listing Agent, the Domiciliary Agent, the Reference Agent nor any other person in whatever capacity acting will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Originator, the Seller, the Arranger, the Security Agent, the Dealers, the Pool Servicer, the Administrator, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Listing Agent, the Domiciliary Agent or the Reference Agent will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

For the page reference of the definitions of the capitalised terms used in this Base Prospectus see *Index of Defined Terms*.

For a discussion of certain risks that should be considered in connection with an investment in any of the Notes, see section *Risk Factors*.

Arranger

Fortis Bank NV / SA



BNP PARIBAS
FORTIS

IMPORTANT INFORMATION

Responsibility Statement

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus, is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information from third-parties identified in this Base Prospectus as such, as referred to in the following paragraph, has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in the following sections of this Base Prospectus: *Overview of the Belgian SME Loan Market, The Seller, Description of SME Loans and SME Loan Underwriting and Servicing*. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information in these sections and any other information from third-parties identified as such in these sections has been accurately reproduced and as far as the Seller is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Seller accepts responsibility accordingly.

The Pool Servicer is responsible solely for the information contained in the following section *Related Party Transactions – The Pool Servicer* of this Base Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information in these sections and any other information from third-parties identified as such in these sections has been accurately reproduced and as far as the Pool Servicer is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Pool Servicer accepts responsibility accordingly.

The Security Agent is responsible solely for the information contained in the sections *Related Party Transactions – The Security Agent* of this Base Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information in these sections and any other information from third-parties identified as such in these sections has been accurately reproduced and as far as the Security Agent is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Security Agent accepts responsibility accordingly.

The Administrator is responsible solely for the information contained in the section *Related Party Transactions – The Administrator* of this Base Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information in these sections and any other information from third-parties identified as such in these sections has been accurately reproduced and as far as the Administrator is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Administrator accepts responsibility accordingly.

The Domiciliary Agent, Listing Agent, Reference Agent, the GIC Provider and the Interest Swap Counterparty are responsible solely for the information contained in the sections *Related Party Transactions – The Domiciliary Agent – The Listing Agent – The Reference Agent – The GIC Provider – The Interest Swap Counterparty* of this Base Prospectus. To the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information in these sections and any other information from third-parties identified as such in these sections has been accurately reproduced and as far as the Domiciliary Agent, Listing Agent, Reference Agent, the GIC Provider and the Interest Swap Counterparty are aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Domiciliary Agent, Listing Agent, Reference Agent, the GIC Provider and the Interest Swap Counterparty accept responsibility accordingly.

Final Terms

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to the Notes will be set forth in the Final Terms which, with respect to Notes to be admitted to trading on Eurolist by Euronext Brussels, will be filed with the CBFA and delivered to Euronext Brussels on or before the date of each issue of Notes.

Related or additional information

This Base Prospectus should be read and construed with any supplement hereto and with any other document or information incorporated by reference herein (if any) and, in respect of the Notes, must be read and construed together with the relevant Final Terms.

The deed of incorporation and the articles of association (*statuten/statuts*) of Esmée Master Issuer N.V. - S.A. (*institutionele V.B.S. naar Belgisch recht / S.I.C. institutionelle de droit belge*) will be available at the specified offices of the Domiciliary Agent and the registered office of the Issuer and will be available on the website www.tbe.eu.com.

Every significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Base Prospectus is approved and the time when trading of any of the Notes on a regulated market begins, shall be mentioned in a supplement to this Base Prospectus. Such a supplement, if any, shall be approved in the same way in a maximum of seven Business Days and published in accordance with at least the same arrangements as of the publication of this Base Prospectus. The summary shall also be supplemented, if necessary to take into account the new information included in the supplement. Investors who have already agreed to purchase or subscribe for new Notes before the supplement is published shall have the right, exercisable within a time limit which shall not be shorter than two Business Days after the publication of the supplement, to withdraw their acceptances for such new Notes. The investors must be notified of the possibility to withdraw their acceptances at the moment of the publication of any supplement.

If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as supplemented, inaccurate or misleading, a new Base Prospectus will be prepared.

Representations about the Notes

No person, other than the Issuer, is, or has been authorised to give any information or to make any representation concerning the issue and sale of the Notes which is not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, any such information or representation must not be relied upon as having been authorised by, or on behalf of, the Originator, the Seller, the Security Agent, the Arranger, the Dealers, the Pool Servicer, the Administrator, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Listing Agent, the Domiciliary Agent and the Reference Agent (each as defined herein), or any of their respective affiliates. Neither the delivery of this Base Prospectus nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, the Seller or any Originator or the information contained herein since the date hereof or that the information contained herein is correct at any time subsequent to the date hereof.

Financial Condition of the Issuer

Neither the delivery of this Base Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained in this Base Prospectus is correct at any time after the date of this Base Prospectus. The Issuer and the Seller have no obligation to update this Base Prospectus, except when required by any regulations, laws or rules in force, from time to time.

The Arranger, any of the Dealers, the Originator, the Seller, the Security Agent, the Pool Servicer, the Administrator, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Listing Agent, the Domiciliary Agent and the Reference Agent expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Investors should review, amongst other things, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

General selling restrictions

This Base Prospectus (which term shall, where applicable, include any supplements and Final Terms) does not constitute an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Base Prospectus in accordance with applicable laws and regulations. Neither this Base Prospectus nor any other information supplied constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Notes.

Each Dealer will 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 Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes 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 Dealer shall have any responsibility therefore.

Neither the Issuer nor any Dealer shall represent, that Notes 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 there under, or assumes any responsibility for facilitating such sale.

Sale, holding and transfer restrictions applicable in any jurisdiction - Only permitted to Eligible Holders

The Notes offered by the Issuer may only be subscribed, purchased or held by investors ("**Eligible Holders**") that qualify both as:

- (a) institutional or professional investors within the meaning of Article 5 § 3 of the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (*Wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d'investissement*, as amended from time to time (the "**UCITS Act**") ("**Institutional Investors**") that are acting for their own account; and
- (b) a holder of an exempt securities account ("**X-Account**") with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

A list of the types of persons that for the time being qualify as institutional or professional investors is attached as Annex 1 to this Base Prospectus.

In the event that the Issuer becomes aware that particular Notes are held by investors other than Eligible Holders in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and held by Eligible Holders. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer.

Additional regional restrictions

Subject to the general restriction to Eligible Holders, *inter alia* the following restrictions will in addition apply. For a more complete description of restrictions on offers and sales and applicable U.S. tax law requirements, see the section entitled *Subscription and Sale* below.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act (a "**U.S. Person**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act..

Certain of the Notes are or may be issued in bearer form and are therefore subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or its possessions, or to U.S. Persons

(including, for purposes of this paragraph, persons treated as United States persons under the U.S. tax laws). For a more complete description of restrictions on offers and sales and applicable U.S. tax law requirements, see *Subscription and Sale*.

Neither the U.S. Securities and Exchange Commission, nor any state securities commission or any other regulatory authority, has approved or disapproved the Notes or determined that this Base Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

Excluded holders

Notes may not be acquired by a Belgian or a foreign transferee who is not subject to income tax or who is, with regard to the interest income concerned, subject to a tax regime that is significantly more advantageous than the common Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, 11° of the BITC 1992).

The transferees meant by this provision include both traditional tax haven vehicles and entities which although established in a country not generally viewed as a tax haven, benefit from an advantageous tax regime on the interest income.

Stabilisation

In connection with each issue of Notes 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 (provided that the aggregate Principal Amount Outstanding of the relevant Class or Sub-class of any Series of Notes allotted does not exceed 105 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Sub-class of any Series of Notes) or effect transactions with a view to supporting the market price of the relevant Class or Sub-class of any Series of Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Class or Sub-class of any Series of Notes is made and, if begun, may be ended 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 Class or Sub-class of any Series of Notes. Stabilisation transactions shall be conducted in accordance with all applicable laws and regulations as amended from time to time.

Currency

All references in this document to '€' and 'euro' refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to Sterling and £ refer to pounds sterling, references to U.S. Dollars and \$ refer to United States dollars and references to JPY and ¥ refer to Japanese Yen.

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SUMMARY OF THE PROGRAMME

This summary should be read as an introduction to this Base Prospectus and any decision to invest in the Notes must be based on a consideration of the Base Prospectus as a whole, including any supplement thereto. Civil liability will only attach to the Issuer, if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Base Prospectus. Where a claim relating to the information contained in a Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Base Prospectus. For the page reference of the definitions of the capitalised terms used herein see Index of Defined Terms.

The Issuer

The Issuer, Esmée Master Issuer N.V. - S.A., *institutionele V.B.S. naar Belgisch recht / S.I.C institutionnelle de droit belge*, is organised as a Belgian public limited company (*naamloze vennootschap/société anonyme*) registered with the Belgian Federal Public Service for Finance (*Federale overheidsdienst Financiën / Service Public Fédérale Finances*) as an *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht/société d'investissement en créances institutionnelle de droit belge* (an institutional company for investment in receivables) (an "**Institutional V.B.S.**"), is incorporated under Belgian law and has its registered office at Rue Royale 97 (4th floor), 1000 Brussels, Belgium. It is registered with the Crossroad Bank for Enterprises under n° 820.094.121. The Issuer is a special purpose vehicle. The shares of the Issuer are held by Stichting Holding Esmée and Genfinance International N.V..

In order to fund purchases of SME Receivables, the Issuer may issue Notes from time to time under the Programme. Other than for purchasing SME Receivables, the proceeds of the Notes issued from time to time can be used to redeem other Notes, subject to fulfilment of the Repayment Test. The proceeds of any Reserve Fund Notes will be credited to the Reserve Account and will not be available for the above purposes.

For each issue of Notes, Final Terms will be made available and the Notes will be issued in Series only. Each Series may consist of one or more of the following classes: Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes and each Series and Class, may consist of two or more Sub-classes. The terms of each Series of Notes will be set forth in the relevant Final Terms. A separate Series-0 is intended to be issued to (i) Fortis Bank NV / SA and/or any direct or indirect subsidiary of Fortis Bank NV / SA, and/or (ii) any entity of the BNP Paribas group. The Notes within one Class of different Series may have different terms and the Notes within a Series and Class or different Sub-classes may have different terms. The Notes issued on a certain date may be fungible with Notes issued on an earlier date.

On the Programme Closing Date the Issuer will enter into certain agreements including the Programme Agreement, the GIC Agreement, the Pledge Agreement, the Parallel Debt Agreement, the Servicing Agreement and the Domiciliary Agency Agreement.

The Issuer will use receipts of principal and interest in respect of the SME Receivables together with, *inter alia*, drawings made under the Reserve Account and the Issuer Collection Account, to make payments of, *inter alia*, principal and interest due in respect of the Notes. The obligations of the Issuer in respect of the Notes, will rank below the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see *Credit Structure*) and (i) the right to payment of interest and principal on the Class B, the Class C, the Class D, the Class E Notes, the Class F Notes and the Class G Notes will be subordinated to, *inter alia*, the Class A Notes, (ii) the right to payment of interest and principal on the Class C, the Class D, the Class E Notes, the Class F Notes and the Class G Notes will be subordinated to, *inter alia*, the Class A and the Class B Notes, (iii) the right of payment of interest and principal on the Class D, the Class E Notes, the Class F Notes and the Class G Notes will be subordinated to, *inter alia*, the Class A, the Class B and the Class C Notes, (iv) the right of payment of interest and principal on the Class E Notes, the Class F Notes and the Class G Notes will be subordinated to, *inter alia*, the Class A, the Class B, the Class C and the Class D Notes, (v) the right of payment of interest and principal on the Class F and the Class G Notes will be subordinated to, *inter alia*, the Class A, the Class B, the Class C Notes, the Class D Notes and the Class E Notes, (vi) the right of payment of interest and principal on the Class G Notes will be subordinated to, *inter alia*, the Class A, the Class B, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as more fully described herein under *Credit Structure and Terms and Conditions of the Notes*.

Pursuant to the GIC Agreement, the GIC Provider will agree to pay a guaranteed rate of interest on the balance standing from time to time to the credit of the relevant Issuer Accounts (see under *Credit Structure* below).

Pursuant to the Servicing Agreement, the Administrator and the Pool Servicer will provide certain administration, calculation and cash management services to the Issuer (see further *Servicing Agreement* below).

Security

Pursuant to the Pledge Agreement, the Notes will be secured by a first ranking pledge granted by the Issuer to the Security Agent and the other Secured Parties over (i) the SME Receivables and the Related Security, (ii) the Issuer's rights under or in connection with (most of) the Relevant Documents and (iii) the balances standing to the credit of the Issuer Accounts.

The Pledge Agreement and the Security Agent Agreement set out the priority of the claims of the Secured Parties.

See for a more detailed description *Credit Structure* and *Description of Security* below.

Interest on the Notes

The Notes will carry a floating rate of interest, payable quarterly in arrear on each Note Payment Date, or a fixed rate of interest payable annually or quarterly in arrear on a Note Payment Date. On a Step-up Date, (i) Fixed Rate Notes will switch to a floating rate of interest plus a margin or will reset to a new fixed rate and (ii) Floating Rate Notes will be reset subject to and in accordance with the Conditions of the Notes and the applicable Final Terms.

Redemption of the Notes

Unless previously redeemed, the Issuer will, subject to Condition 9(b) and, in respect of the Subordinated Notes, subject to the Repayment Test, redeem all of the Notes of a Series and Class or Sub-class thereof at their respective Principal Amount Outstanding on the Final Maturity Date of such Series and Class or Sub-class thereof.

The Notes (other than the Reserve Fund Notes) may be issued in the form of Soft-bullet Notes or Pass-through Notes. Soft-bullet Notes will not be redeemable up to the relevant Step-up Date except in certain circumstances or described in the conditions and Applicable Final Terms. After the Step-up Date relating to the relevant Series and Class or Sub-class thereof, the Soft-bullet Notes of such Series and Class or Sub-class will become Pass-through Notes. Furthermore, on the relevant Step-up Date and on each Note Payment Date thereafter the Issuer will have the option to redeem all of the Notes of a Series and Class, or, as the case may be, Sub-class (other than the Reserve Fund Notes), but not some only, at their Principal Amount Outstanding, subject to Condition 9(b) and, in respect of the Subordinated Notes, subject to the Repayment Test.

Pass-through Notes will be subject to (partial) mandatory redemption, if the Pro-rata Condition is satisfied, on a *pro rata* basis, and, if the Pro-rata Condition is not satisfied, on a sequential basis. On or after the occurrence of a Trigger Event, all Notes (other than the Reserve Fund Notes) will become Pass-through Notes and will be subject to mandatory redemption on a sequential basis.

The Issuer will have the option to redeem all of the Notes, but not some only, (i) for tax reasons or (ii) in case of change of law (iii) in case of regulatory changes. Furthermore, the Issuer has a clean-up call option to redeem (i) all Notes or (ii) all Notes of a Series and Class or Sub-class, if certain conditions are met.

The holders of Series-0 Notes will have the right to require the Issuer to redeem some or all of these Notes, provided certain conditions are met (including no Trigger Event having occurred, fulfillment of the Repayment Test and no Enforcement Notice having been given) (see *Credit Structure – 20. Early redemption Series-0 Notes* below).

The Reserve Fund Notes will not be redeemable up to the Maturity Date specified in the Applicable Final Terms, except as otherwise described in the Conditions or the Applicable Final Terms. On the Maturity Date of a Reserve Fund Note of a Series and Class or Sub-class, the Issuer will, subject to certain conditions being met, redeem the Reserve Fund Notes of such Series and Class or Sub-class, as the case may be, at their Principal Amount Outstanding except for any Reserve Fund Shortfall related to such Notes. If the Issuer fails to redeem such Reserve Fund Note in full on its Maturity Date, then on such date and on each Note Payment Date thereafter, the Issuer shall apply certain items of the Interest Priority of Payments to redeem such Reserve Fund Note until redeemed in full (see *Condition 6(g)*).

Listing

Application can be made for the Notes issued under the Programme to be admitted to trading on Eurolist by Euronext Brussels during the period of 12 months from the date of this Base Prospectus. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms.

Rating

It is a condition precedent for each issue of a Series of Notes that the Class A Notes, on the relevant Issue Date, be assigned at least a 'Aaa' rating by Moody's and a 'AAA' rating by Fitch, the Class B Notes, on the relevant Issue Date, be assigned at least a 'A2' rating by Moody's, the Class C Notes, on the relevant Issue Date, be assigned at least a 'Baa2' rating by Moody's and the Class D Notes, on the relevant Issue Date, be assigned at least a 'Ba2' rating by Moody's.

Risk factors

There are certain factors which may affect the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme. Prospective Noteholders should take into account the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the SME Receivables, the proceeds of the sale of any SME Receivables and the receipt by it of other funds. Also, the Issuer has a risk that its counterparties will not perform their obligations, which may result in the Issuer not being able to meet its obligations. In addition there are risks involved in investing in the Notes. Despite certain facilities on the level of the Issuer there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to the SME Receivables (see *Risk Factors* below).

OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE PROGRAMME

The following is an overview of the principal features of the issue of the Notes. This overview should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Base Prospectus.

THE PARTIES:

Issuer:	Esmée Master Issuer N.V., <i>Institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit Belge</i> , is organised as a Belgian public limited company (<i>naamloze vennootschap/société anonyme</i>) registered with the Belgian Federal Public Service for Finance (<i>Federale overheidsdienst Financiën/Service Public Fédéral Finances</i>) is incorporated under Belgian law and has its registered office at Rue Royale 97 (4 th floor), 1000 Brussels, Belgium. It is registered with the Crossroad Bank for Enterprises under n° 820.094.121.
Seller:	Fortis Bank NV / SA. Under certain conditions any direct or indirect subsidiary of Fortis Bank NV / SA may accede to the Programme as a Seller. In case of accession of a new Seller a Supplemental Prospectus will be published.
Originator:	Fortis Bank NV / SA or any subsidiary or predecessor thereof (predecessors include Belgolaise nv-sa, ASLK Bank N.V. - S.A. and Generale Bank).
Administrator:	Intertrust (Netherlands) B.V. a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), organised under the laws of the Netherlands and established in Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.
Pool Servicer:	Fortis Bank NV / SA
GIC Provider:	Fortis Bank NV / SA
Currency Swap Counterparty:	The relevant issuer currency swap counterparty as set out in the relevant Final Terms and, if applicable, a supplemental prospectus.
Interest Swap Counterparty:	Fortis Bank NV / SA
Issuer Directors:	Intertrust (Belgium) NV/SA, registered with the Crossroads Bank for Enterprises under number 435.177.929 (LPR Brussels), with registered office at Rue Royale 97 (4 th floor), 1000 Brussels and Stichting Holding Esmée, private stichting, with registered office at Rue Royale 97 (4 th floor), 1000 Brussels.
Security Agent:	Stichting Security Agent Esmée, organised as a foundation (<i>stichting</i>) under the laws of the Netherlands, and established at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.
Holding:	Stichting Holding Esmée, organised as a foundation (<i>stichting/fondation</i>) under Belgian law, with its registered office at Rue Royale 97 (4 th floor), 1000 Brussels, Belgium. Stichting Holding Esmée holds 61,900 of the shares of the Issuer.

Holding Directors: Herman Coppens, resident at 9430 Lede, Kerkevijverstraat 1, national register number 59042032155, Christophe Tans, resident at 3700 Tongeren, Gravierstraat 96, national register number 72122320522, and Pierre Verhaegen, resident at 1200 Sint-Lambrechts-Woluwe, Kerselarenlaan 136 b13, national register number 74081324703

Security Agent Director: Intertrust (Netherlands) B.V., having its statutory seat and registered office in Amsterdam at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

Domiciliary Agent: Fortis Bank NV / SA

Listing Agent: Fortis Bank NV / SA

Reference Agent: Fortis Bank NV / SA

Arranger: Fortis Bank NV / SA

Auditors: PricewaterhouseCoopers Bedrijfsrevisoren

Dealers: Fortis Bank NV / SA (the Initial Dealer under the Programme) and any other dealer appointed from time to time by the Issuer in connection with the issuance of a Series of Notes

RISK FACTORS:

General: There are certain factors relating to the Notes, the Issuer, the SME Loans and general risk factors, that represent risks inherent in investing in the Notes. These risk factors may affect the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme.

Prospective Noteholders should take into account the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the SME Receivables, the proceeds of the sale of any SME Receivables and the receipt by it of other funds. Also, the Issuer has a risk that its counterparties will not perform their obligations, which may result in the Issuer not being able to meet its obligations. In addition there are risks involved in investing in the Notes. Despite certain facilities on the level of the Issuer there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to this type of programme and to the SME Receivables in particular and the purchase thereof.

A list of the different risk factors is set out below. For a more complete and more detailed description of these factors investors should read the detailed information set out in the section *Risk Factors* below together with the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Risk Factors regarding the SME Loans:

- Sale of SME Receivables
- Effectiveness of the pledge over the SME Mortgage Receivables
- No notification of the Sale and Pledge
- Set-Off
- All Sums Security Interest and Credit Facilities
- Mortgage Mandates
- Floating Charge Mandates
- Farmers' Lien Mandates
- Assignment of salary
- The characteristics of the SME Receivables may change from time to time
- Payments on the SME Receivables are subject to credit, liquidity and interest rate risks
- Risks of losses associated with declining values of mortgaged assets or pledged business
- Data Protection

Risk Factors regarding the Issuer:

- The status of the Issuer as Institutional V.B.S.
- Limited recourse - the Issuer has limited resources available to meet its obligations
- The Issuer has counterparty risk exposures
- Parallel Debt
- Enforcement of Security for the Notes
- Enforcement of the Loan Security
- Insolvency of the Issuer
- Limited capitalisation of the Issuer
- Preferred Creditors under Belgian Law
- Risk related to the termination of Currency Swap Agreement and exchange rate risks
- Risk related to the termination of Interest Swap Agreement
- Commingling risk

Risk Factors regarding the Notes:

- Factors which might affect an investor's ability to make an informed assessment of the risks associated with Notes issued under the Programme
- The Notes will be solely the obligations of the Issuer
- Risks related to prepayment on the SME Loans
- Subordinated Notes bear a greater risk of non payment than higher ranking Classes of Notes
- Realised Losses
- Risk resulting from Repayment Test
- Risk of redemption of Subordinated Notes with a Principal Shortfall or a Reserve Fund Shortfall
- Risk that in case of a Trigger Event the repayment of Notes may be accelerated or delayed
- The Issuer may change the required subordination level
- Risk that Notes are not repaid upon maturity
- Liquidity risk
- Risks related to the limited liquidity of the Notes and effects of the crisis on the international financial markets
- Credit ratings may not reflect all risks
- Notes in dematerialized form
- Certain decisions are taken at Programme level which may affect all Notes
- The Security Agent may agree to modifications without the Noteholders' prior consent
- No consent of the Noteholders is required for new issues
- Series of Notes
- Risks related to the structure of a particular issue of Notes
- No Gross-Up for Taxes

Risk Factors – Portfolio Information:

- No Searches and Investigations
- Limited provision of information

Risk Factors – General:

- EU Directive on The taxation and Savings Income
- Tax treatment of interest payments by the Borrowers under the SME Loans under article 198, 11° of the BITC 1992
- Force Majeure
- Change in Law or Tax
- Reliance on third parties – reliance on Fortis Bank NV / SA
- Conflicts of interest
- Eligible Collateral

PURCHASE OF SME RECEIVABLES:

SME Receivables

"**SME Receivables**" are any and all rights of the Seller against any Borrower under or in connection with any SME Loans, as such rights have been purchased or are to be purchased, as applicable, in accordance with the SME Receivables Purchase Agreement;

SME Loans

"**SME Loans**" are loans (including advances granted under Credit Facilities) entered into by the Seller or its predecessors and the relevant borrowers (including individuals and moral persons) ("**Borrowers**") within the framework of a small or medium sized professional enterprise that are identified for the purpose of the purchase of the relevant SME Receivables in a Deed of Sale and Assignment executed in accordance with SME Receivables Purchase Agreement.

The SME Loans should meet the eligibility criteria set out in a schedule to the SME Receivables Purchase Agreement (the "**Eligibility Criteria**") and the other criteria set forth in the SME Receivables Purchase Agreement.

A SME Loan can be a stand-alone investment loan (*Krediet op Afbetaling / Crédit à Tempérament*) or may consist of a single advance under a revolving Credit Facility. In respect of a Credit Facility, not in all cases the Seller shall sell and assign and the Issuer shall purchase and accept the assignment of all existing and future advances under such Credit Facility.

The SME Loans have characteristics that demonstrate the capacity to produce funds to service payments under the Notes.

Purchase of SME Receivables on the Programme Closing Date:

Pursuant to the SME Receivables Purchase Agreement the Issuer will on the Programme Closing Date purchase SME Receivables and the Related Security relating thereto up to an amount equal to the Principal Amount Outstanding of the Notes (other than the Reserve Fund Notes) issued on or about such date.

Purchase of New SME Receivables:

Under the SME Receivables Purchase Agreement the Seller will be entitled to sell and assign and the Issuer will purchase and accept assignment of SME Receivables and the Related Security relating thereto on any Business Day, to the extent offered to it, up to the Purchase Available Amount (each SME Receivable thus purchased after the Programme Closing Date, a "**New SME Receivable**" and each date on which such New SME Receivable is purchased by the Issuer and the Programme Closing Date, a "**Purchase Date**"). See *SME Receivables Purchase Agreement* below.

Repurchase of SME Receivables:

Under the SME Receivables Purchase Agreement, the Seller will be obliged to repurchase and accept re-assignment of the Relevant SME Receivable:

- (i) if any of the representations and warranties given by the Seller in respect of such Relevant SME Receivable or the Relevant SME Loan on its Purchase Date is untrue or incorrect in any material respect, within 35 days after the Seller has become aware or has been notified thereof, unless the matter has been remedied by the Seller;
- (ii) if the Seller agrees with a Borrower to amend the terms of the Relevant SME Loan as a result of which such SME Loan no longer meets certain criteria set forth in the relevant SME Receivables Purchase Agreement, within 35 days following such amendment.

The purchase price in case of a repurchase by the Seller of SME Receivables in any of the events described above, will be equal to the "**Outstanding Principal Amount**" (which means with respect to an SME Receivable the aggregate principal sum (*hoofdsom/principal*) due by the relevant Borrower under the Relevant SME Receivable and, other than in case of a repurchase, after the occurrence of a Realised Loss in respect of such SME Receivable, zero) of the Relevant SME Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the SME Receivable. However, in the event of a repurchase as a result of the occurrence of a SME Loan Amendment, the purchase price shall be equal to the Outstanding Principal Amount of the Relevant SME Receivable plus accrued interests and costs minus the Loan Loss Reserve related to the Relevant SME Receivable.

CASH FLOW STRUCTURE ISSUER:**GIC Agreement:**

The Issuer and the GIC Provider will enter into a guaranteed investment contract (the "**GIC Agreement**") on the Programme Closing Date, where under the GIC Provider will pay an agreed interest rate on the balance standing from time to time to the credit of the Issuer Accounts.

Issuer Collection Account:

The Issuer shall maintain with the GIC Provider an account (the "**Issuer Collection Account**") and together with the Reserve account as defined below, (the "**Issuer Accounts**") to which all amounts of interest and principal received under the SME Receivables will be transferred by, *inter alia*, the Pool Servicer in accordance with the Servicing Agreement.

Interest Swap Agreements:

The Issuer will enter into one or more interest swap agreements (including a schedule thereto and an interest swap confirmation) with the Interest Swap Counterparty (an "**Interest Swap**") to hedge the risk between the rates of interest received by the Issuer on the relevant SME Receivables and received on the Issuer Accounts and the rates of interest payable by the Issuer on the Notes.

Servicing Agreement:

Under the terms of a Servicing Agreement to be entered into on the Programme Closing Date (the "**Servicing Agreement**") between the Issuer, the Administrator, the Pool Servicer and the Security Agent, (i) the Pool Servicer will agree to provide administration and management services in relation to the SME 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 SME Loans and the implementation of arrears procedures including, if applicable, the enforcement of the related Security (see *SME Loan Underwriting and Servicing* below) and (ii) the Administrator will agree to provide certain administration, calculation and cash management services on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes.

Reserve Account:

The net proceeds of the Reserve Fund Notes will be credited to an account (the "**Reserve Account**") held with the GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (o) in the Interest Priority of Payments in the event of a shortfall of the Interest Available Amounts (as defined in *Credit Structure* below) on a Note Payment Date.

Currency Swap Agreements:

The Issuer may enter into Currency Swap Agreements with a Currency Swap Counterparty to hedge certain risks resulting from variations in the exchange rate of the euro vis-à-vis other currencies in which the Notes may be denominated and the interest rate risk on such Notes.

THE NOTES:

Programme Size:

Up to EUR 25,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the programme agreement dated on or about 2 December 2009 between, *inter alia*, the Issuer, the Security Agent and the Dealers (the "**Programme Agreement**")

Series, Classes and Sub-classes:

The Notes will be issued in Series. Each Series may comprise one or more of the following classes (each a "**Class**"): Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes issued on a single date (with the exception noted below). Each Series and Class may have two or more sub-classes (each a "**Sub-class**"). Separate Series of Notes, called Series-0 Notes may be issued. Each Series-0 Notes is intended to be issued to (i) to Fortis Bank NV / SA and/or any direct subsidiary of Fortis Bank NV / SA and/or (ii) any entity of the BNP Paribas group. A Class designation determines the relative seniority for receipt of cashflows.

The Notes of a particular Class or Sub-class in different Series will not necessarily have all the same terms. Differences may include principal amount, interest rate, interest rate calculations, Step-up Dates and/or final maturity dates.

References in this Base Prospectus to a "**Series**" of Notes refer to all Classes of Notes issued on a given day which are expressed to be the same Series in the Final Terms and any Class of Notes issued on any other day which:

- (a) is expressed to be consolidated; and
- (b) is identical in all respects except for the Issue Date, interest commencement date and issue price, with the same Class of Notes issued on such given day.

References in this Base Prospectus to a "**Series and Class**" of Notes refer to a particular Class of Notes of a given Series.

Issuance Test:

For each issuance of Notes certain conditions and tests will have to be fulfilled. Generally speaking, the available subordination for each Class of Notes to be issued should be equal to or greater than the required level of subordination for such Class of Notes. See *Issuance of Notes* below.

Denominations:

All Notes will be issued in such denominations as set forth in the applicable Final Terms save that the minimum denomination of each Note will be EUR 250,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Currencies:

Subject to any applicable legal or regulatory restrictions, the Notes may be issued in euro or in other OECD member state currencies as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Issue Price:

Notes will be issued at an issue price which is set out in the applicable Final Terms.

Interest:

Each Note will accrue interest from its date of issuance at the applicable rate specified for that Series and Class, or Sub-class, which may be fixed or floating as specified in the applicable Final Terms.

Interest on the Notes of a Series and Class will be payable (a) annually on the date indicated in the relevant Final Terms or (b) quarterly on the 25th day of January, April, July and October or any other date indicated in the relevant Final Terms (or, in either case, if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such day) in each year (each such day being a "**Note Payment Date**"). A "**Business Day**" means a day on which banks are open for business in Brussels and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

Status of the Notes:

The Notes of each Class rank *pari passu* without any preference or priority among Notes of the same Class.

Ranking of the Notes:

Payments of principal and interest on the Class A Notes of any Series due and payable on a given date will rank ahead of payments of interest and principal on the Class B Notes of any Series, the Class C Notes of any Series, the Class D Notes of any Series, the Class E Notes of any Series, the Class F Notes of any Series and the Class G Notes of any Series (in each case, due and payable on such date). Payments of interest and principal on the Class B Notes of any Series due and payable on a given date will rank ahead of payments of interest and principal on the Class C Notes of any Series, the Class D Notes of any Series, the Class E Notes of any Series, the Class F Notes of any Series and the Class G Notes of any Series (in each case, due and payable on such date). Payments of interest and principal on the Class C Notes of any Series due and payable on a given date will rank ahead of payments of interest and principal on the Class D Notes of any Series, the Class E Notes of any Series, the Class F Notes of any Series and the Class G Notes of any Series (in each case, due and payable on such date). Payments of interest and principal on the Class D Notes of any Series due and payable on a given date will rank ahead of payments of interest and principal on the Class E Notes of any Series, the Class F Notes of any Series and the Class G Notes of any Series (in each case, due and payable on such date). Payments of interest and principal on the Class E Notes of any Series due and payable on a given date will rank ahead of payments of interest and principal on the Class F Notes of any Series and the Class G Notes of any Series (in each case, due and payable on such date). Payments of interest and principal on the Class F Notes of any Series due and payable a given date will rank ahead of payments of interest and principal on the Class G Notes of any Series (in each case, due and payable on such date).

Minimum Ratings:

	<u>Fitch</u>	<u>Moody's</u>
Class A	AAA	Aaa
Class B	NR	A2
Class C	NR	Baa2

Class D	NR	Ba2
Class E	NR	NR
Class F	NR	NR
Class G	NR	NR

Interest Switch/Step-up:

If on the relevant step-up date as set out in the applicable Final Terms (the "**Step-up Date**") the Notes of a Series and Class or Sub-class, as the case may be, have not been redeemed in full, (i) in the case of Floating Rate Notes, the applicable margin will increase as specified in the applicable Final Terms and, (ii) in the case of Fixed Rate Notes, the interest will switch to a floating rate of interest plus a margin as set out in the applicable Final Terms or will reset to a new fixed rate as set out in the Applicable Final Terms, except as set out in Condition 4(I)(d) and 4(II)(d) in case the Issuer notifies the Noteholders in time of redemption of the relevant Series and Class, or Sub-class of Notes on the Note Payment date immediately succeeding the Step-up Date.

Floating Rate Notes:

Unless otherwise provided in the applicable Final Terms, Notes with a floating rate of interest ("**Floating Rate Notes**") denominated in euros will bear interest at an annual rate equal to the sum of Euribor for three-months deposits in euro, plus a margin as specified in the applicable Final Terms. Unless otherwise provided in the applicable Final Terms, Notes with a floating rate of interest denominated in dollars will bear interest at an annual rate equal to the sum of Dollar-Libor for three-months deposits in dollar, plus a margin as specified in the applicable Final Terms. Interest will be payable by reference to successive interest periods on such Note Payment Dates as specified in the applicable Final Terms.

Fixed Rate Notes:

Unless otherwise provided in the applicable Final Terms, Notes with a fixed rate of interest ("**Fixed Rate Notes**") will be payable annually or quarterly on Note Payment Dates as specified in the applicable Final Terms and will be calculated on the basis of the day-count fraction as specified in the Conditions.

Repayment Test:

Repayment of principal on the Subordinated Notes of any Class is subject to fulfilment of, *inter alia*, the Repayment Test. Generally speaking, the Repayment Test provides that the Issuer may only repay a Series and Class or Sub-class of Notes if sufficient subordination is provided for the remaining Series and Classes of Notes by one or more lower ranking Classes of Notes. See *Repayment Test* below.

Pass-through Notes:

On each Note Payment Date the Issuer will be obliged to apply the funds available for this purpose towards (partial) redemption of pass-through notes (the "**Pass-through Notes**") prior to their respective Final Maturity Dates (i) if the Pro-rata Condition is satisfied, on a pro-rata basis and (ii) if the Pro-rata Condition is not satisfied, on a sequential basis.

Soft-bullet Notes:

A soft-bullet Note (a "**Soft-bullet Note**") will not be redeemable up to the relevant Step-up Date specified in the applicable Final Terms, except in certain circumstances as described in the Conditions and the applicable Final Terms. On the relevant Step-up Date and on each Note Payment Date thereafter, the Issuer has the option to redeem the relevant Series and Class of Notes or Sub-class thereof, subject to the Repayment Test. Following the Step-up Date in relation to a Series and Class of Notes or Sub-class thereof, all Soft-bullet Notes of such Series and Class or Sub-class thereof, will switch to Pass-through Notes and will be subject to mandatory (partial) redemption. In the case of a Trigger Event, all Soft-bullet Notes will switch to Pass-through Notes and will be subject to mandatory (partial) redemption on a sequential basis.

Redemption of Reserve Fund Notes

The Reserve Fund Notes will not be redeemable up to the relevant Maturity Date specified in the applicable Final Terms, except in certain circumstances as described in the Conditions and the applicable Final Terms. On the Maturity Date of a Reserve Fund Note, the Issuer is obliged to repay such Reserve Fund Note in full (except for any Reserve Fund Shortfall related to such Note), subject to the Repayment Test. If the Issuer fails to redeem such Reserve Fund Note in full (except for any Reserve Fund Shortfall related to such Note) on its Maturity Date, or after the occurrence of a Trigger Event, then on such date and on each Note Payment Date thereafter, the Issuer shall apply items (q), (r) and (s) of the Interest Priority of Payments to redeem such Reserve Fund Note until redeemed in full.

Note Clean-up Call Option:

Subject to the Repayment Test, the Issuer will have the option to redeem the Notes of any Series and Class, or Sub-class thereof, other than the Reserve Fund Notes, in full but not in part, at their aggregate Principal Amount Outstanding (subject to and in accordance with Conditions 6(e) and 9(b)), on a Note Payment Date on which the aggregate Principal Amount Outstanding of such Class or Sub-Class of such Series of Notes, as applicable is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Class or Sub Class of such Series of Notes as at the Issue Date of such Notes (each a "**Note Clean-up Call Option**")

Programme Clean-up Call Option:

The Issuer will have the option to redeem all of the Notes, but not some only, at their aggregate Principal Amount Outstanding (subject to and in accordance with Condition 6(f) and 9(b)), in case (a) the percentage of the Outstanding Principal Amount of all SME Receivables falls below 10 per cent. of the highest Outstanding Principal Amount of all SME Receivables at any time since the Programme Closing Date, or (b) of the occurrence of an Assignment Notification Event (the "**Programme Clean-up Call Option**").

Regulatory Call

Option:

On any date the Seller has the option to repurchase all the SME Receivables (but not some only) upon the occurrence of a Regulatory Change relating to the Seller (the "**Regulatory Call Option**").

The Issuer shall undertake in the SME Receivables Purchase Agreement to sell and assign all the SME Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in case the Seller exercises the Regulatory Call Option. The purchase price will be calculated as described in *Sale of SME Receivables* in *Credit Structure* below. If the Seller exercises the Regulatory Call Option, then the Issuer has the option to redeem the Notes by applying the proceeds of the sale of the SME Receivables towards redemption of the Notes subject to and in accordance with Condition 6(i) and 9(b).

Early redemption of Series-0 Notes:

Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred and, subject to a 30 day notice to the Issuer (unless the Issuer agrees to a shorter notice period): (i) any holder of a Note of Series-0 (other than Reserve Fund Notes) may request the Issuer to redeem such Note and the Issuer shall following such request apply part of the Principal Available Amounts, towards the redemption of those Series-0 Notes (other than the Reserve Fund Notes), subject to the Principal Priority of Payments, the Conditions, the Repayment Test and the Security Agent Agreement; (ii) any holder of a Reserve Fund Note of Series-0 may request the Issuer to redeem such Note and the Issuer shall following such request apply amounts credited on the Reserve Account towards the redemption of Reserve Fund Notes of Series-0, subject to the Repayment Test.

Redemption for tax reasons:

If the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Series and Class or Sub-class of Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has the option to redeem the Notes of such Series and Class or Sub-class, in whole but not in part, on any date at their Principal Amount Outstanding (subject to Condition 9(b)), together with interest accrued up to and including the date of redemption.

Redemption in case of Change of Law

On each date, the Issuer may (but is not obliged to) redeem all (but not some only) of the Notes subject to and in accordance with the Conditions if there is a change in, or any amendment to the laws, regulations, decrees or guidelines of the Kingdom of Belgium or of any authority therein or thereof having legislative or regulatory powers or in the interpretation by a relevant authority or a court of, or in the administration of, such laws, regulations, decrees or guidelines after the Programme Closing Date which would or could affect the Issuer or the Noteholders in a materially adverse way (an “**Optional Redemption in case of Change of Law**”). No Class or Series of Notes may be redeemed under such circumstances unless the other Classes and Series of Notes (or such of them as are then outstanding) are also redeemed in full at the same time. See the detailed provision contained in Condition 6(j).

Method of Payment:

Payments of principal and interest will be made, in accordance with the rules of the Clearing System.

Use of proceeds:

The Issuer will use the net proceeds from the issue of the Notes, other than the Reserve Fund Notes, for the purchase of SME Receivables pursuant to the relevant SME receivables purchase agreement between the Issuer, the Seller and the Security Agent (the “**SME Receivables Purchase Agreement**”) from time to time, or to redeem other Notes (other than the Reserve Fund Notes). The Issuer will credit the net proceeds from the Reserve Fund Notes to the Reserve Account.

Security for the Notes:

The Notes will be secured by a first ranking pledge granted by the Issuer to the Security Agent and the other Secured Parties over (i) the SME Receivables and the Related Security, (ii) over Issuer’s rights under or in connection with the Relevant Documents to which it is a party and to the Issuer Accounts (the “**Issuer Rights**”).

The amount payable to the Noteholders and to the other Secured Parties will be limited to the amounts available for such purpose which, *inter alia*, will consist of amounts recovered by the Security Agent on the SME Receivables, the balances standing to the credit of the Issuer Accounts and other amounts received or recovered by the Security Agent as creditor under the Parallel Debt or otherwise on behalf of the other Secured Parties. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement if an Enforcement Notice has been issued.

All Notes issued under the Programme are secured by the entire pool of SME Receivables held by the Issuer. If new Notes will be issued such Notes will also be secured by the same pool of SME Receivables.

Regulatory Matters:

Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. See *Subscription and Sale* below.

The CBFA may be requested to provide other competent authorities in the European Economic Area with a certificate of approval so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Form of Notes:

Each Series and Class of Notes, or if such Series and Class has Sub-classes of Notes, all of the Notes of a Sub-class, will (unless otherwise specified in the Final Terms) be issued exclusively in the form of dematerialised notes under the Company Code. The Notes will be represented exclusively by book entries in the records of the X/N securities and cash Clearing System as operated by the National Bank of Belgium. Access to the Clearing System is available through its Clearing System Participants whose membership extends to securities such as the Notes. Clearing System Participants include certain Belgian banks, stock brokers (*beursvennootschappen/sociétés de bourse*), Clearstream and Euroclear Bank.

Withholding tax:

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Kingdom of Belgium, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Listing:

Application may be made for Notes issued under the Programme to be admitted to trading on Euronext Brussels during the period of 12 months from the date of this Base Prospectus. Notice of certain terms and conditions not contained herein of such Series of Notes will be set out in the Final Terms which, with respect to such Series of Notes to be listed on Euronext Brussels, will be delivered to Euronext Brussels and be filed with the CBFA on or before the date of issue of such Series of Notes. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms.

Governing Law:

The Notes will be governed by and construed in accordance with the laws of Belgium.

Selling Restrictions:

The Notes offered by the Issuer may only be subscribed, purchased or held by investors that are Institutional Investors and meet certain other conditions (see *Subscription and Sale* below). Furthermore there are other selling restrictions in relation to the European Economic Area, Italy, France, the United Kingdom, Japan and the United States (including, without limitation, restrictions relating to the issuance of Notes in bearer form) and such other restrictions as may be required in connection with the offering and sale of a particular Series of Notes. See *Subscription and Sale* below.

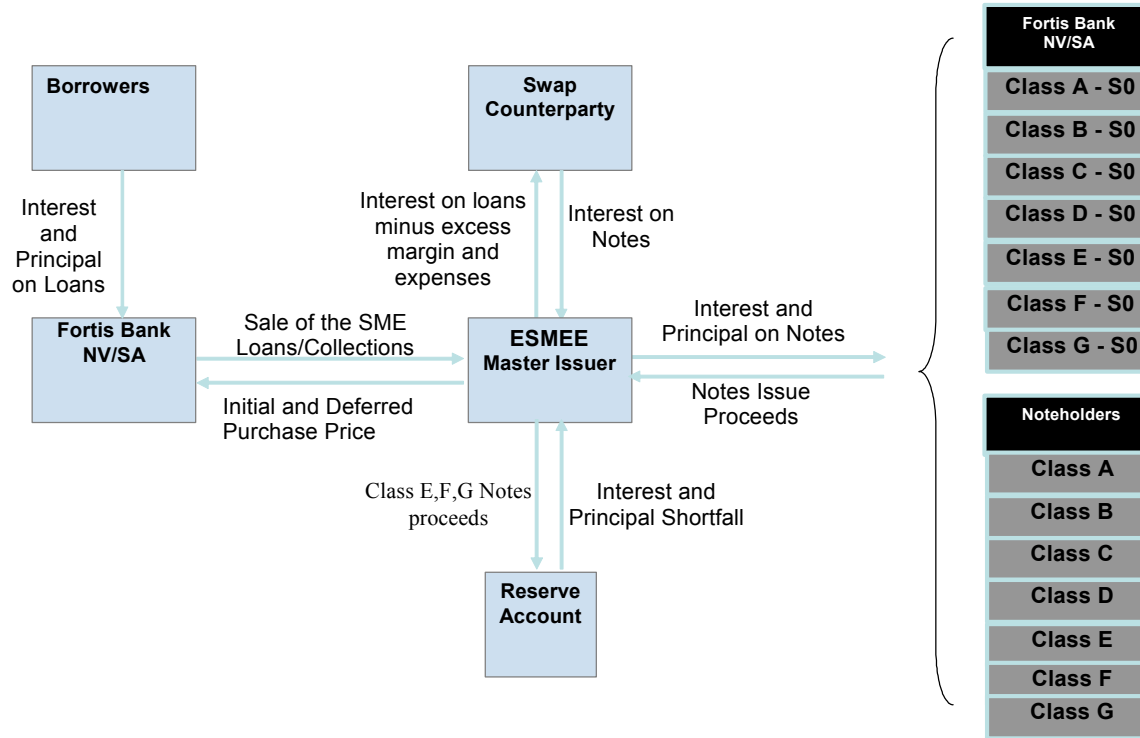
OTHER:

Management Agreements:

The Issuer, the Security Agent and the Holding will on the Programme Closing Date each enter into a management agreement (respectively the ("**Issuer Management Agreement**"), the ("**Security Agent Management Agreement**") and the ("**Holding Management Agreement**") and together (the "**Management Agreements**") with the relevant Directors, whereunder the relevant Directors will undertake to act as director of the Issuer, the Security Agent or the Holding respectively and to perform certain services in connection therewith.

STRUCTURE DIAGRAM

The following structure diagram provides an indicative summary 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 Base Prospectus.



RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are also described below. The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes. The inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons not known to the Issuer or not deemed to be material enough and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

RISK FACTORS REGARDING THE SME LOANS

Sale of SME Receivables

Pursuant to the SME Receivables Purchase Agreement, the Seller shall transfer to the Issuer the full economic benefit of, and the legal title to, the SME Receivables and all Related Security. The sale of the SME Receivables and the Related Security will be a true sale to the effect that, upon an insolvency or bankruptcy of the Seller, the SME Receivables will not form part of the insolvent estate or be subject to claims by the Seller's liquidator or creditors except as set out below.

The sale shall have the following characteristics:

- (a) the Issuer shall have no recourse to the Seller except that (i) the Seller may be required to repurchase SME Receivables in relation to which there is a breach of warranty at the time of the transfer of the SME Receivables; or (ii) the Seller may be required to indemnify the Issuer for all costs, loss and damages incurred as a consequence of such breach; and
- (b) the sale will be for the Outstanding Principal Amount of the SME Receivables.

For further details on the SME Receivables Purchase Agreement, see *SME Receivables Purchase Agreement* below.

Certain of the SME Receivables (or the SME Loans in connection therewith) may be secured by a mortgage or mortgage mandate over real property ("**SME Mortgage Receivables**"). The enforceability of a transfer or pledge of SME Mortgage Receivables towards third parties, including the creditors of the Seller, is subject to article 5 of the Belgian Act of 16 December 1851 on liens and mortgages (the "**Mortgage Act**") which prescribes a notarial deed and marginal notation of the transfer or pledge in the local mortgage register. Articles 50 and following of the Belgian Act of 4 August 1992 on mortgage credit (the "**Mortgage Credit Act**") grant an exemption from article 5 of the Mortgage Act in relation to a transfer and pledge of mortgage receivables by or to a (public or institutional) V.B.S, so that a transfer or pledge of mortgage receivables to or by a V.B.S. is enforceable against third parties (*tegenwerpelijk aan derden/opposable aux tiers*) without marginal notation.

As to the (maintenance of the) status of the Issuer as an Institutional V.B.S, see *Status of the Issuer as Institutional V.B.S.* below. A loss of the status as an Institutional V.B.S. would result in the exemption set out in Articles 50 and following of the Mortgage Credit Act not being available and therefore in an absence of an effective sale of the SME Mortgage Receivables.

Effectiveness of the pledge over the SME Mortgage Receivables

The effectiveness of a pledge over SME Mortgage Receivables towards third parties, including creditors of the Issuer, is subject to a marginal notation as required by article 5 of the Mortgage Act. Article 50 and following of the Mortgage Credit Act grant an exemption from article 5 for pledges created by an (public or institutional) V.B.S. The effectiveness of the Pledge Agreement to the extent it relates to the SME Mortgage Receivables requires that the Issuer maintain its status as an Institutional V.B.S. A loss of status of the Issuer as an Institutional V.B.S. would make the pledge, and consequently, the Security over the SME

Mortgage Receivables ineffective. As to the status of the Issuer as an Institutional V.B.S, see *Status of the Issuer as Institutional V.B.S.* below.

No notification of the Sale and Pledge

Except as described below, the sale of the SME Receivables to the Issuer and the pledge of the SME Receivables to the Security Agent and the other Secured Parties will not be notified to the Borrowers nor to the third party providers of Loan Security.

Failure to give notice to the Borrowers and third party providers of security will have the following commercial and legal consequences until such notice is given:

- (a) the liabilities of the Borrowers under the SME Receivables (and the liabilities of the providers of Loan Security) will be validly discharged by payment to the Seller. The Seller, having transferred all rights, title, interest and the benefit in and to the SME Receivables to the Issuer, will however, be the agent of the Issuer (for so long as it remains Pool Servicer under the Servicing Agreement) for the purposes of the collection of moneys relating to the SME Receivables and will be accountable to the Issuer accordingly. The failure to give notice of the transfer also means that the Seller can agree with the Borrowers or the third party providers of Loan Security to vary the terms and conditions of the SME Receivables or the Loan Security and that the Seller in such capacity may waive any rights under the SME Receivables and the Loan Security. The Seller will, however, undertake for the benefit of the Issuer that it will not vary, or waive any rights under any of the SME loan documents or the Loan Security other than in accordance with the relevant SME Receivables Purchase Agreement and the Servicing Agreement;
- (b) if the Seller were to transfer or pledge the same SME Receivables and Loan Security to a party other than the Issuer either before or after the relevant Purchase Date (or if the Issuer were to transfer or pledge the same to a party other than the Security Agent) the assignee who first notifies the Borrowers or, as the case may be, the providers of Loan Security and acts in good faith would have the first claim to the relevant SME Receivable or the relevant Loan Security. The Seller will, however, represent to the Issuer and the Security Agent that it has not made any such transfer or pledge on or prior to the relevant Purchase Date, and it will undertake to the Issuer and the Security Agent that it will not make any such transfer or pledge after the relevant Purchase Date and the Issuer will make a similar undertaking to the Security Agent;
- (c) payments made by Borrowers or providers of Related Security to creditors of the Seller, will validly discharge their respective obligations under the SME Receivables or the Related Security provided the Borrowers or, as the case may be, providers of Related Security and such creditors act in good faith. However, the Seller will undertake:
 - (i) to notify the Issuer of any *bewarend beslag/saisie conservatoire* or *uitvoerend beslag/saisie exécutoire* (attachment) by its creditors to any SME Receivable or Related Security which may lead to such payments;
 - (ii) not to give any instructions to the Borrowers or providers of Related Security to make any such payments; and
 - (iii) to indemnify the Issuer and the Security Agent against any reduction in the obligations to the Issuer of the Borrowers or providers of Related Security due to payments to creditors of the Seller; and
- (d) Borrowers or providers of Related Security may raise against the Issuer (or the Security Agent) all rights and defences which existed against the Seller prior to notification of the transfer or pledge. Under the SME Receivables Purchase Agreement, the Seller will warrant in relation to each SME Receivable and the Related Security relating thereto that no such rights and defences have arisen in favour of the Borrower or providers of Related Security up to the relevant Purchase Date. If a Borrower or provider of Related Security subsequently fails to pay in full any of the amounts which the Issuer is expecting to receive, claiming that such a right or defence has arisen in his favour against the Issuer, the Seller will indemnify the Issuer and the Security Agent against the amount by which the amounts due under the relevant SME Receivable or Related Security are reduced (whether or not the Seller was aware of the circumstances giving rise to the Borrower's or the Related Security provider's claim at the time it gave the warranty described above).

The SME Receivables Purchase Agreement provides that upon the occurrence of certain Notification Events, including *inter alia* any Pledge Notification Event, the Seller shall be required to give notice of the sale to the Borrowers or any other debtor of any assigned right or Related Security (see *SME Receivables Purchase Agreement – Assignment Notification Events* below) or, at its option, the Issuer shall be entitled to make such notifications itself.

Unless instructed by the Security Agent not to give such notice, if the Seller and the Issuer fail to give such notice, the Security Agent shall (at the expense of the Seller) be entitled to give such notice(s).

Set-Off

Set-off following the sale of the SME Receivables

The sale of the SME Receivables to the Issuer and the pledge of the SME Receivables to the Security Agent will not be notified to the Borrowers nor to third party providers of Related Security, except in certain circumstances. Set-off rights may therefore continue to arise in respect of cross-claims between a Borrower (or third party provider of Related Security) and the Seller, potentially reducing amounts receivable by the assignee and the beneficiaries of the Pledge. To mitigate this risk under the SME Receivables Purchase Agreement and the Servicing Agreement the Seller will agree to indemnify the Issuer if a Borrower or provider of Related Security, claims a right to set-off against the SME Receivables. The rights to payment of such indemnity will be pledged in favor of the Secured Parties.

As from the date on which a Borrower is notified of the assignment, the Issuer will only be subject to rights of set-off: (a) accrued prior to the receipt of the notice (i.e. to the extent that both debts were due and payable prior to the receipt of the notice) and will thus no longer be subject to rights of set-off for which the conditions are only met after the receipt of the notice (i.e. where at least one of the debts only becomes due and payable after such notice) or which arise in relation to transactions between the Seller and such Borrower after such notice has been given (Article 1295, Belgian Civil Code) or (b) to the extent that the SME loan documents provide for a contractual right of set-off for the Borrower (see *Set-off upon or following insolvency of the Seller* below). As to the set-off rights in case of closely related debts, see *Set-off upon or following insolvency of the Seller* below.

Set-off upon or following insolvency of the Seller

As from the insolvency of the Seller, set-off with amounts owing by the Seller will no longer be permitted, except where (a) rights of set-off accrued prior to the Seller's insolvency (i.e. to the extent that both debts were due and payable prior to the Seller's insolvency), (b) both debts are "closely connected" (*verknogtheid/connexité*) or (c) the SME loan documents contain provisions that give the Borrower a contractual set-off right.

The standard documents and forms used for originating SME Receivables through the network and according to the procedures of the Originator ("**Standard SME Loan Documentation**") do not contain any express provisions giving the Borrower a contractual set-off right.

The exception for *verknogtheid/connexité* is not laid down in any statute but has been developed by case law. Different opinions exist as to the precise conditions, but it is generally accepted that under the exception of *verknogtheid/connexité*, post-insolvency set-off (and arguably post-notification of assignment set-off) is allowed on the condition that the mutual debts are so closely interrelated or connected that they should be considered as originating from one and the same source (*ex eadem causa*) or as constituting a single, indivisible economic whole. These criteria will need to be assessed by a court in its full discretion on a case by case basis.

One legal author has recently argued that clauses of unicity of accounts (*eenheid van rekening/unicité de comptes*) and set-off clauses may constitute *verknogtheid/connexité* between the mutual debts of a bank and its borrower irrespective of whether or not there exist more inherent, objective links between the mutual debts. According to this author, even if these clauses are stipulated for the benefit of the bank only (and not for the benefit of the borrower), such clauses could be interpreted as characterizing the relationship between the bank and a borrower as such and such characterization should not be different when looked at from the point of view of the bank or from the point of view of the borrower. The Standard SME Loan Documentation contains a set-off clause stipulated to the benefit of the Seller and a clause stating that all transactions and accounts are part of a single relationship and a single account.

Moreover, the same author has stated that, upon insolvency of the Seller, a Borrower could invoke its right of set-off even if the claim the Seller holds against it has not yet become due and payable provided that the mutual debts between the Borrower and the Seller are closely connected. In his view, based on the defense of "non-performance" (*exceptio non adimpleti contractus*)

(see below), the Borrower would have the right to withhold payment of its debts to the Seller in order to set-off its debts against any claims it may hold against the Seller, as and when its debts owed to the Seller fall due.

In this respect, it has been considered that claims by Borrowers of SME Loans may result from certain entitlements which such Borrowers may have to request further credit to be made available to them by the Seller or to have further security provided by the Seller to their commercial counterparties under certain products offered to them under their Credit Facility or under their banking relationship with the Seller. Although such products (x) are not necessarily entered into simultaneously with the SME Loans but rather on different points in time depending on the specific funding needs of the relevant Borrower and (y) typically have their particular terms agreed upon by way of separate agreements, where most of these products are governed by the same framework of the Credit Facility and share various contractual terms and security interests, it cannot be excluded that a court might find claims resulting from such entitlements (or any default to satisfy obligations under such entitlements) to be closely connected with the SME Receivable. While the amount of such further claims that Borrowers might have may vary over time taking into account the typically evolving nature of the credit relationship and the products entered into with Borrowers over time and, in case of default, the dependence of a particular Borrower on the availability of credit from the Seller, the risk of such further claims by Borrowers effectively resulting in payable debts at the time the Seller would become subject to insolvency proceedings, is however subject to the following limitations:

- (a) under the general conditions applicable to the SME Loans and the Credit Facilities (the *Algemene Voorwaarden voor Kredietopeningen aan Ondernemingen / Conditions Générales des Ouvertures de Crédit aux Entreprises*) (i) any unused portion of further credit a Borrower is contractually entitled to request can at all times and immediately be terminated by the Seller by giving notice to the Borrower and (ii) any used portion of credit (including credit allocated under the form of security provided by the Seller to the commercial counterparties of the Borrowers) can at all times be terminated by the Seller by giving 30 days prior notice to the Borrower;
- (b) such claims of Borrowers do not automatically constitute debts that are due and payable, but require further action on behalf of the Borrower either under the form of a drawing request or a claim by the third party beneficiary of a security and, for certain products, a further agreement by the Seller on the particular terms;
- (c) the Borrower must be able to demonstrate an actual loss which is substantially material and which must be in proportion to the amounts of payments it envisages to suspend;
- (d) the termination under (a) cannot only be validly invoked by the Seller prior to the commencement of insolvency proceedings in respect of the Seller, but also following the commencement of insolvency proceedings;
- (e) the Relevant Documents provide mechanics to procure that where notice of the termination has not yet been given by the Seller prior to the commencement of insolvency proceedings, the Issuer, the Servicer or the Security Agent will invite the bankruptcy trustee of the Seller to provide at its sole discretion such notice immediately upon the Seller being declared bankrupt.

The rights of the Borrower to invoke set-off upon or following insolvency of the Seller are further subject to Article 1295 of the Belgian Civil Code (see above *Set-off following the sale of SME Receivables*). This means that, also in case of insolvency of the Seller, the Borrower may no longer exercise its rights of set-off where the conditions for such set-off would only be met after receipt of the notice of the transfer of the SME Receivables or where such set-off would arise in relation to transactions between the Seller and the Borrower after such notice has been given. Based on case law of the Belgian Supreme Court (*Hof van Cassatie/Cour de Cassation*) in respect of Article 1295 of the Belgian Civil Code, this would apply even if the claims are closely connected.

A set-off following the insolvency of the Seller would result in a loss of collections for the Issuer and could therefore adversely affect the Issuer's ability to make full payments of principal and interest to the Noteholders.

This risk is, however, mitigated by the following considerations:

- (a) the Relevant Documents provide mechanics to procure that notice of the assignment is to be given by the Seller, the Issuer or the Security Agent prior to insolvency of the Seller;
- (b) as from the date of receipt of such notice a Borrower will no longer be entitled to set-off amounts not yet due and payable on such date (see above);
- (c) that notice of the assignment can still be validly given following the commencement of insolvency proceedings in respect of the Seller.

Defense of non-performance

Under Belgian law a debtor may in certain circumstances in case of default of its creditor invoke the defense of non-performance, pursuant to which it would be entitled to suspend payment under its obligations until its counterparty has duly discharged its obligations due and payable to the debtor. The exception of non-performance is subject to various conditions, the most important ones being: (a) the debt in respect of which payment is suspended must be due and must be conditional upon payment of a debt owed by the other party; (b) the other party must have defaulted on its debt, in a material way; (c) the amount/value involved in the suspension must be in proportion to the amount/value of the default; (d) finally, there must be a close interrelationship between the two debts, typically such close interrelationship is accepted to exist where both debts arise under the same contract or otherwise are so closely interrelated that they are a part of a single transaction (as to the possible existence of closely interrelated debts, see *Set-off upon or following insolvency of the Seller* above). If all such conditions are met, the defense of non-performance may be invoked by a Borrower in respect of an SME Loan.

The Issuer has been advised that:

- (a) to date it is not established that the opinion that a contractual extension of connection between debts (i.e. by way of general provisions of unicity of accounts or a unilateral set-off provision as such, without the confirmation of the existence of more inherent links between the debts involved) would in itself constitute *verknochtheid/connexité*, is the prevailing position under Belgian law;
- (b) as far as the combination of the contractual extension of the concept of close connection as set forth above with the defense of non performance is concerned:
 - (i) such analysis has not been confirmed as such by case law;
 - (ii) such analysis in most cases assumes the acceptance by courts that a contractual extension of close connection would in itself constitute *verknochtheid/connexité*, whereas to date it is not established that such acceptance is the prevailing position under Belgian law; and
 - (iii) the view could be taken that the contractual extension of close connection is not consistent with the use of the defense of non performance because such defense traditionally implies an inherent reciprocity of debts;
- (c) the timely and legally valid and enforceable exercise of the termination provisions in the general conditions applicable to the SME Loans and the Credit Facilities (the *Algemene Voorwaarden voor Kredietopeningen aan Ondernemingen / Conditions Générales des Ouvertures de Crédit aux Entreprises*) should prevent further claims from Borrowers in respect of ongoing obligations of the Seller (other than debts already due) to the Borrower to become due and payable debts.

If a court would accept that the conditions of the defense of non-performance are satisfied (amongst others that both debts are “closely connected”, also from the point of view of the Borrower), such defense may be enforceable against the Issuer following notification of the transfer of the SME Receivables and is not addressed by Article 1295 of the Belgian Civil Code and the Supreme Court case law referred to above.

All Sums Security Interest and Credit Facilities

The Loan Security securing a SME Receivable (which may include, *inter alia*, Mortgages, Mortgage Mandates, floating charges (*pand handelszaak / gage sur fonds de commerce*) granted under Business Pledge Act (“**Floating Charges**”), floating charge mandates (“**Floating Charge Mandates**”), pledges over financial instruments and/or cash, farmers’ liens under the Belgian Act of 15 April 1884 on farmers’ loans (*landbouwenning/prêts agricoles*) (“**Farmers’ Liens**”), farmers’ lien mandates (“**Farmers’ Lien Mandates**” and together with the Mortgage Mandates and Floating Charge Mandates, “**Mandates**”)) does not necessarily only secure such SME Receivable, but often also secures (i) in case the SME Receivable constitutes a term advance under a revolving facility (*kredietopening/ouverture de crédit*) (a “**Credit Facility**”), all advances made from time to time under such Credit Facility, or (ii) in many cases, all other amounts which the Borrower owes or in the future may owe to the Seller (“**All Sums Security Interests**”).

Under the SME Receivables Purchase Agreement, the Issuer and the Seller have agreed that proceeds derived from the enforcement of Loan Security which (x) constitutes an All Sums Security Interest or (y) secures the Credit Facility related to an SME Receivable, shall, to the extent not allocated to either the SME Receivable or other debts of the relevant Borrower owed to the Seller, be shared between the Issuer and the Seller *pro rata* the amounts owed to the Issuer under the SME Receivable and

the amounts owed to Seller respectively. In this respect, it should also be noted that the pro rata share of the proceeds which is to be allocated to the Seller may increase in the future to the extent (i), in case of an All Sums Security, the amount of debts owed by the Borrower to the Seller increases, or (ii), in case of Loan Security granted in relation to a Credit Facility, additional advances are granted to the Borrower under a Credit Facility.

See also *Description of SME Loans* and the representations and warranties given pursuant to the SME Receivables Purchase Agreement in this respect (see *SME Receivables Purchase Agreement* below).

Mortgage Mandates

Certain SME Mortgage Receivables are not secured by an actual registered Mortgage, but only by a Mortgage Mandate. A Mortgage Mandate does not constitute an actual security which creates a priority right of payment out of the proceeds of a sale of the mortgaged real property (*onroerend goed / bien immobilier*), but would first need to be converted into a Mortgage. The Mortgage Mandate is an irrevocable power of attorney granted by a Borrower or a third party provider of Related Security to certain attorneys enabling them to create a Mortgage as security for the SME Loan, or, as the case may be, for other existing or future loans or all other sums owed by the Borrower to the Seller at any stage. A Mortgage will only become enforceable against third parties upon registration of the Mortgage at the Mortgage Registrar. The registration is dated the day on which the mortgage deed pertaining to the creation of the Mortgage and the “registration extracts” (*borderellen / bordereaux*) are registered at the Mortgage Registrar. When a Mortgage Mandate is transformed into a Mortgage, stamp duties (*registratierechten/droits d’enregistrement*) and other costs will be payable.

The following limitations, amongst others, exist in relation to the conversion of Mortgage Mandates:

- (a) the Borrower or the third party provider of Related Security that has granted a Mortgage Mandate, may grant a Mortgage to a third party that will rank ahead of the Mortgage to be created pursuant to the conversion of the Mortgage Mandate, although this would generally constitute a contractual breach of the contractual obligations of the Borrower or the third party provider of Related Security;
- (b) if a conservatory or an executory seizure on the real property covered by the Mortgage Mandate has been made by a third party creditor of the Borrower or, as the case may be, of the third party provider of Related Security, a Mortgage registered pursuant to the exercise of the Mortgage Mandate after the writ of seizure has been recorded at the Mortgage Registry, will not be enforceable against the seizing creditor;
- (c)
 - (i) the Mortgage Mandate can no longer be converted following the bankruptcy of the Borrower or, as the case may be, the third party provider of Related Security (in the event the third party provider of Related Security is a merchant or commercial entity) and any Mortgage registered at the Mortgage Registrar after the bankruptcy judgment is void; and
 - (ii) a Mortgage registered at the Mortgage Registrar pursuant to the exercise of a Mortgage Mandate during the pre-bankruptcy investigation period (i.e. after the date of cessation of payments that may be fixed by the court) for a pre-existing loan will not be enforceable against the bankrupt estate. Under certain circumstances, the clawback rules are not limited in time, for example where a Mortgage has been granted pursuant to a Mortgage Mandate and in order to “fraudulently prejudice” creditors; and
 - (iii) mortgages registered after the day of cessation of payments of debt can be declared void by the bankruptcy court, if the registration was made more than fifteen days after the creation of the Mortgage; and
 - (iv) the effect of a judicial reorganisation (*gerechtelijke reorganisatie /réorganisation judiciaire*) of a Borrower or of a third party provider of Related Security on the Mortgage Mandate is uncertain;
- (d) if the third party provider of Related Security is a private person and started collective debt settlement proceedings, a Mortgage registered at the Mortgage Registrar after the Judge has declared the request admissible, is not enforceable against the other creditors of the third party provider of Related Security;

- (e) besides the possibility that the Borrower or the third party provider of Related Security may grant a Mortgage to another lender as discussed above, the Mortgage to be created pursuant to a Mortgage Mandate may also come in rank after certain legal Mortgages (such as e.g. the legal Mortgage of the tax authorities) to the extent these Mortgages are registered before the exercise of the Mortgage Mandate. In this respect, it should be noted that the notary will need to notify the tax administration before passing the mortgage deed pertaining to the creation of the Mortgage;
- (f) if the third party provider of Related Security is a private person, certain limitations apply to the conversion of the Mortgage Mandate into a Mortgage if the third party provider of Related Security dies before the conversion; certain limitations also apply in case of a dissolution of the Borrower or third party provider of Related Security that is a legal person.

In the same way as the Mortgages, the Mortgage Mandates used by the Originator do not only secure a specific loan or advance, but often also the revolving credit facility (if any) and, in most cases, all other amounts which the Borrower owes or in the future may owe to the Originator.

In respect of SME Receivables originated after 30 April 2005, the terms of the Mortgage Mandates consistently allow for the mandate to be used to create a Mortgage in favour of the successors of the Originator. Although such terms could be interpreted as not necessarily allowing for the creation of a mortgage in favour of the assignee of the loans or advances, the Issuer has been advised that the more logical interpretation would be that the term successors (*rechthebbenden / ayants droits*) also includes an assignee (as a *rechtsopvolger ten bijzondere title/ayant droit à titre particulier*).

The SME Receivables Purchase Agreement will provide that if a Mortgage Mandate that relates to a SME Receivable is to be converted into an actual Mortgage, such Mortgage will be executed and registered in accordance with the following principles:

- (a) it will be created for the benefit and in the name of the Seller and the Issuer;
- (b) it will secure all existing and future debts and obligations which the Borrower owes or may owe to the Seller or to the Issuer;
- (c) so that the SME Mortgage Receivable and all other secured debts will be equal in rank and share *pro rata* in the proceeds derived from the enforcement of Loan Security.

The representations and warranties of the SME Receivables Purchase Agreement provide that :

- (a) each attorney appointed under a Mortgage Mandate and as long as such attorney, if a legal person exists or, if a private person, is alive, has the power under the Mortgage Mandate to create a Mortgage in favour of the Issuer; and
- (b) each Mortgage Mandate permits the appointment of a substitute attorney under such Mortgage Mandate.

If it would appear in relation to a SME Mortgage Receivable that no attorney has or had the power to create a Mortgage in favour of the Issuer (either because the relevant notaries consider that the relevant Mortgage Mandate does not permit such interpretation, or following a court decision invalidating the Mortgage for lack of power of attorney), this will trigger a repurchase obligation by the Seller in relation to this Mortgage Receivable.

Floating Charge Mandates

Certain SME Receivables are secured by a Floating Charge Mandate. Like the Mortgage Mandate, a Floating Charge Mandate does not constitute an actual security which creates a priority right of payment out of the proceeds of a sale of the pledged business (*handelszaak / fonds de commerce*), but would first need to be converted into a Floating Charge. The Floating Charge Mandate is an irrevocable power of attorney granted by a Borrower or a third party provider of Related Security to certain attorneys enabling them to create a Floating Charge as security for the SME Loan, or, as the case may be, for other existing or future loans or all other sums owed by the Borrower to the Seller at any stage. A Floating Charge will only become enforceable against third parties upon registration of the Floating Charge at the Mortgage Registrar.

Under the Floating Charge Mandate included in the Standard SME Loan Documentation, the attorney does in principle only have the power to create a Floating Charge in favour of the Seller. The Issuer has been advised that following the sale and assignment of the SME Receivables from the Seller to the Issuer, the related Floating Charge Mandate can no longer be converted in order to create a priority right in favour of the Issuer.

Farmers' Lien Mandates

Certain SME Receivables are secured by a Farmers' Lien Mandate. Like the Mortgage Mandate, a Farmers' Lien Mandate does not constitute an actual security (lien) which creates a priority right of payment out of the proceeds of a sale of the encumbered farming business (*landbouwexploitatie / exploitation agricole*), but would first need to be converted into a Farmers' Lien. The Farmers' Lien Mandate is an irrevocable power of attorney granted by a Borrower or a third party provider of Related Security to certain attorneys enabling them to create a Farmers' Lien as security for the SME Loan. A Farmers' Lien will only become enforceable against third parties upon registration of the Farmers' Lien at the Mortgage Registrar.

Under the Farmers' Lien Mandate included in the Standard SME Loan Documentation, the attorney does in principle only have the power to create a Farmers' Lien in favour of the Seller. The Issuer has been advised that following the sale and assignment of the SME Receivables from the Seller to the Issuer, the related Farmers' Lien Mandate can no longer be converted in order to create a priority right in favour of the Issuer.

Assignment of salary

The assignment by a Borrower (who is an employee) of their salary is governed by special legislation (articles 27 to 35 of the Belgian Act of 12 April 1965 on the protection of the salary of employees). In the absence of reported precedents, it is not certain to which extent the Seller can validly assign the benefit of an assignment of salary by a Borrower to the Issuer. Therefore, there is the risk that the Issuer may not have the benefit of such arrangement in case of insolvency of the Seller, which may adversely impact on the ability of the Issuer to meet its obligations in full to pay interest and principal in respect of the Notes.

Moreover:

- (a) the Borrower may have assigned his salary as security for debts other than the SME Loan(s); the assignee who first starts actual enforcement of the assignment against the Borrower would have priority over the other assignees; and
- (b) there are arguments that a transfer of salary in a notarised deed still requires a bailiff notification to be enforceable against third parties.

The characteristics of the SME Receivables may change from time to time

There is no guarantee that the characteristics of any New SME Receivables assigned to the Issuer will have the same characteristics as the SME Receivables as of the first purchase, in particular, new SME Loans may have different payment characteristics from the SME Loans assigned to the issuer as of the first purchase. The ultimate effect of this could be to delay or reduce the payments on the Notes or to increase the rate of repayment of the Notes.

Payments on the SME Receivables are subject to credit, liquidity and interest rate risks

Payments on the SME Receivables are subject to credit, liquidity and interest rate risks. This may 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 and bankruptcy filings or filing for a collective debt arrangement by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their SME Loans. The ultimate effect of this could be to delay or reduce the payments on the Notes or to increase the rate of repayment of the Notes.

Risks of losses associated with declining values of mortgaged assets or pledged business

The security for the Notes created under the Pledge Agreement may be affected by, among other things, a decline in the value of the mortgaged assets and/or the pledged business and/or the encumbered exploitation securing the SME Receivables. No assurance can be given that values of the mortgaged assets and/or the pledged business and/or the encumbered exploitation have remained or will remain at the level at which they were on the date of origination of the related SME Loans. A decline in value of the relevant mortgaged assets and/or the pledged business and/or the encumbered exploitation may result in losses to the relevant Noteholders if the relevant security rights on the relevant mortgaged assets and/or the pledged business and/or the encumbered exploitation are required to be enforced. The Seller will not be liable for any losses incurred by the Issuer in connection with the SME Loans.

Data Protection

To the extent the transfer of SME Receivables entails the transfer of personal data in relation to the Borrowers of the underlying SME Loans, the transfer of SME Receivables by the Seller to the Issuer in connection with the Transaction includes a processing of personal data under the Belgian Act of 8 December 1992 on the protection of privacy (the '**Belgian Privacy Act**').

The Belgian Privacy Act permits the processing of personal data under several permissibility grounds, including (a) the prior consent of the data subject, (b) the necessity to process the personal data in order to execute an agreement to which a data subject is a party, and (c) the necessity to process the personal data for legitimate interests of the controller of the processing (insofar as these interests are not outweighed by the legitimate interests of the data subject). It seems reasonable to take the view that the transfer of data relating to the SME Receivables by the Seller to the Issuer is permitted under the latter two grounds, so that the prior consent of the Borrowers must not be obtained. Moreover, the general conditions applicable to the SME Loans originated under a credit opening (*Algemene Voorwaarden voor Kredietopeningen aan Ondernemingen / Conditions Générales des Ouvertures de Crédit aux Entreprises*) or to stand-alone SME Loans (*Algemene Voorwaarden van Krediet op Afbetaling / Conditions Générales du Crédit à Tempérament*) explicitly include the possibility of a transfer of related SME Receivables.

Without regulatory guidance, there is however no complete certainty whether this is sufficient to fully comply with the Belgian Privacy Act and its implementing regulations. In order to mitigate any risks of non-compliance, the Seller shall inform the relevant Borrowers of the possibility of a transfer of the SME Receivables resulting from their SME Loans by including an explanatory note in their bank account statements.

RISK FACTORS REGARDING THE ISSUER

The status of the Issuer as Institutional V.B.S.

Relevance of the Issuer's status as V.B.S.

The Issuer has been established so as to have and maintain the status of an Institutional VBS.

Belgian law provides for a specific legal framework designed to facilitate securitisation transactions. These rules are set out in the UCITS Act. This legislation provides for a dedicated category of UCITS, which are designed for making investments in receivables. These vehicles can be set up as an investment company (*vennootschap voor belegging in schuldvorderingen* or "**V.B.S.**"), i.e. as a commercial company under Belgian law in the form of a public limited liability company (*naamloze vennootschap/société anonyme*) or in the form of a limited liability partnership (*commanditaire vennootschap op aandelen/société commandite en actions*). The operations of a V.B.S. are governed by the UCITS Act, its articles of association (*statuten/statuts*) and, except to the extent provided in the UCITS Act, the Belgian Company Code.

The legislation provides for two types of V.B.S: a "public V.B.S" or an "institutional VBS". If a V.B.S. wishes to offer its securities and/or to attract funding from parties who are not solely institutional or professional investors, it must be licensed by the CBFA as a "public V.B.S". A V.B.S. that attracts its funding exclusively from institutional or professional investors is (an "**Institutional V.B.S.**").

In order to facilitate securitisation transactions, a V.B.S. benefits from certain special rules for the assignment of receivables (see *Risk Factors regarding the SME Loans – Sale of SME Receivables* above) and from a special tax regime (see *Issuer – Belgian Tax Position of the Issuer* below). The status as Institutional V.B.S. is in particular a requirement for the true sale of the SME Mortgage Receivables, for the absence of corporate tax on the revenues of the Issuer and for an exemption of VAT on certain expenses of the Issuer. The loss of such Institutional V.B.S. status would impact adversely on the Issuer's ability to satisfy its payment obligations to the Noteholders.

Maintenance of the V.B.S. status

Under the UCITS Act, the regulatory status of an Institutional V.B.S. *inter alia* depends on the securities it issues, being acquired and held at all times by Institutional Investors only.

Article 103 of the UCITS Act provides expressly that a listing on a regulated market accessible to the public (such as Euronext Brussels) and/or the acquisition of securities (including shares) of an institutional V.B.S. by investors that are not Institutional Investors outside the control of the V.B.S., would not adversely affect the status of an investment vehicle as an institutional VBS, provided that:

- (a) the V.B.S. has taken “adequate measures” to guarantee that the investors of the V.B.S. are Institutional Investors acting for their own account; and
- (b) the V.B.S. does not contribute to the fact that securities are held by investors that are not Institutional Investors acting for their own account and does not promote in any way the holding of its securities by investors that are not Institutional Investors acting for their own account.

The “adequate measures” the Issuer has undertaken and will undertake for such purposes are described below.

The Royal Decree of 15 September 2006 relating some measures on institutional companies for collective investment in receivables (*Arrêté royal portant certaines mesures d'exécution relatives aux organismes de placement collectif en créances institutionnels / Koninklijk besluit houdende bepaalde uitvoeringsmaatregelen voor de institutionele instellingen voor collectieve belegging in schuldvorderingen*) sets out the circumstances and conditions in which a V.B.S. will be deemed to have taken such “adequate measures”. The Issuer has been advised that the measures, which the Issuer has taken to prevent that the Notes or any of the shares of the Issuer would be held by investors that are not Institutional Investors acting for their own account should fall within the circumstances and conditions of the Royal Decree.

In order to procure that the securities issued by the Issuer are held only by Institutional Investors acting for their own account, the Issuer has taken the following measures:

- (a) in respect of the shares of the Issuer:
 - (i) the shares of the Issuer will be registered shares; and
 - (ii) the articles of association of the Issuer contain transfer restrictions stating that its shares can only be transferred to Institutional Investors acting for their own account, with the sole exception, if the case arises, of shares which in accordance with Article 103, second section of the UCITS Act, would be held by the Seller as a credit enhancement; and
 - (iii) the articles of association of the Issuer provide that the Issuer will refuse the registration (in its share register) of the prospective purchase of shares, if it becomes aware that the prospective purchaser is not an Institutional Investor acting for its own account (with the sole exception, of shares which in accordance with Article 103 of second section of the UCITS Act, would be held by the Seller as a credit enhancement); and
 - (iv) the articles of association of the Issuer provide that the Issuer will suspend the payment of dividends in relation to its shares of which it becomes aware that these are held by a person who is not an Institutional Investor acting for its own account (with the sole exception, of shares which in accordance with Article 103, second section of the UCITS Act, would be held by the Seller as a credit enhancement); and

- (b) in respect of the Notes:
- (i) the Notes will have the selling and holding restrictions described in *Subscription and Sale* below; and
 - (ii) any Dealer will undertake pursuant a notes purchase agreement in respect of primary sales of the Notes, to sell the Notes solely to Eligible Holders acting on their own account; and
 - (iii) the Notes are issued in dematerialised form and will be included in the X/N clearing system operated by the National Bank of Belgium; and
 - (iv) the nominal value of each individual Note is EUR 250,000; and
 - (v) in the event that the Issuer becomes aware that Notes are held by investors other than Eligible Holders acting for their own account in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and are held by Eligible Holders acting for their own account; and
 - (vi) the Conditions of the Notes, the articles of association of the Issuer, the Prospectus and any other document issued by the Issuer in relation to the issue and initial placing of the Notes will state that the Notes can only be acquired, held by and transferred to Eligible Holders acting for their own account; and
 - (vii) all notices, notifications or other documents issued by the Issuer (or a person acting on its account) and relating to transactions with the Notes or the trading of the Notes on Euronext Brussels will state that the Notes can only be acquired, held by and transferred to Eligible Holders acting for their own account; and
 - (viii) the Conditions provide that the Notes may only be held by persons that are holders of an X-Account with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

Limited recourse - the Issuer has limited resources available to meet its obligations

The obligations of the Issuer under the Notes are limited recourse obligations and the ability of the Issuer to meet its obligations in full to pay principal and interest on the Notes will be dependent on the receipt by it of funds under the SME Receivables, the receipt by it of payments under any Interest Swap Agreements or Currency Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Issuer Accounts. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account. See further *Credit Structure*.

In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority to a Class of Notes, are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Agent in respect of any such unpaid amounts. See further *Enforcement of Security for the Notes*.

The Issuer has counterparty risk exposures

Counterparties to the Issuer may not perform their obligations under the Relevant Documents (as defined in the Conditions), which may result in the Issuer not being able to meet its obligations.

Parallel Debt

Under Belgian law no security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the security in favour of the Security

Agent and the other Secured Parties, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Agent amounts equal to the amounts due by it to all the Secured Parties.

Any payments in respect of the Parallel Debt and any proceeds received by the Security Agent may in the case of an insolvency of the Security Agent not be separated from the Security Agent's other assets, so the Secured Parties accept a credit risk on the Security Agent.

In addition, the Security Agent has been (i) designated as representative (*vertegenwoordiger/représentant*) of the Noteholders in accordance with article 27 and article 106 of the UCITS Act and (ii) as irrevocable agent (*mandataris/mandataire*) of the other Secured Parties. In each case its powers include the acceptance of the pledges and the enforcement of the rights of the Secured Parties.

Based on the above and even though there is no Belgian statutory law or case law in respect of parallel debt or case law in respect of Articles 27 and 106 of the UCITS Act to confirm this, the Issuer has been advised that such a parallel debt creates a claim of the Security Agent thereunder which can be validly secured by a pledge such as the pledge created by the Pledge Agreement and that, even if that were not the case, the pledges created pursuant to the Pledge Agreement should be valid and enforceable in favour of the Security Agent and the other Secured Parties.

Enforcement of Security for the Notes

The Pledge Agreement is governed by Belgian law. Under Belgian law, upon enforcement of the security for the Notes, the Security Agent, acting on its own behalf and on behalf of the other Secured Parties, will be permitted to collect any moneys payable in respect of the SME Receivables, any moneys payable under the contracts pledged to it and any moneys standing to the credit of the Issuer Accounts and to apply such moneys in satisfaction of obligations of the Issuer which are secured by the Pledge Agreement.

The Security Agent will also be permitted to apply to the president of the commercial court (*rechtbank van koophandel/tribunal de commerce*) for authorisation to sell the pledged assets. The Security Agent and the other Secured Parties will have a first ranking claim over the proceeds of any such sale. Other than claims under the SME Receivables Purchase Agreement in relation to a material breach of a warranty and a right to be indemnified for all damages, loss and costs caused by such breach and a right of action for damages in relation to a breach of the Servicing Agreement, the Issuer and the Security Agent will have no other recourse to the Seller.

Any proceeds from such sale of the pledged assets will be applied in accordance with the Priority of Payments upon Enforcement.

The ability of the Issuer to redeem all the Notes in full (including after the occurrence of an event of default in relation to the Notes) while any of the SME Receivables are still outstanding, may depend upon whether the Loans can be sold, otherwise realised or refinanced so as to obtain an amount sufficient to redeem the Notes. There is not an active and liquid secondary market in Belgium for loans to small and medium sized enterprises. Accordingly, there is a risk that neither the Issuer nor the Security Agent will be able to sell or refinance the SME Receivables on appropriate terms should either of them be required to do so.

Enforcement of the pledges to the extent that they comprise the security securing the SME Receivables will occur through the enforcement of the pledge over the SME Receivables.

The enforcement rights of creditors are stayed during bankruptcy proceedings. The Secured Parties will be entitled to enforce their security, but only after the verification of claims submitted in the bankrupt estate has been completed and the liquidator (*curator/curateur*) and the supervising judge have drawn up a record of all liabilities. This normally implies a stay of enforcement of about two (2) months, but the liquidator may ask the court to suspend individual enforcement for a maximum period of one year from the date of the bankruptcy judgment. This stay of enforcement should, however, pursuant to the Collateral Law, not apply, to the enforcement of a pledge over the balances standing to the credit of the Issuer Accounts nor to any financial instruments (as defined in the Collateral Law) held as Eligible Investments.

Enforcement of the Loan Security

Without prejudice to the information set out in *Servicing Agreement* below, in case of foreclosure in accordance with the Foreclosure Procedures, the sale proceeds of the sale of Related Security may not entirely cover the outstanding amount under

such SME Receivable. Subject to the availability of credit enhancement, there is a risk that a shortfall will affect the Issuer's ability to make the payments due to the Noteholders. Moreover, if action is taken by a third party creditor against a Borrower prior to the Pool Servicer acting as servicer following the sale of the SME Receivables to the Issuer, the Pool Servicer will not control the Foreclosure Procedures but rather will become subjected to any prior foreclosure procedures initiated by a third party creditor prior to the institution of Foreclosure Procedures by the Pool Servicer.

Insolvency of the Issuer

The Issuer has been incorporated in Belgium under the laws of Belgium as a commercial company and is subject to Belgian insolvency legislation. There can be no legal assurance that the Issuer will not be declared insolvent.

However, limitations on the corporate purpose of the Issuer are included in the Articles of Association, so that its activities are limited to the issue of negotiable financial instruments for the purpose of acquiring receivables. Outside the framework of the activities mentioned above, the Issuer is not allowed to hold any assets, enter into any agreements or carry out any other activities. The Issuer may carry out the commercial and financial transactions and may grant security to secure its own obligations or to secure obligations under the Notes or the other Relevant Documents, to the extent only that they are necessary to realise the corporate purposes as described above. The Issuer is not allowed to have employees.

Pursuant to the Security Agent Agreement, none of Secured Parties, including the Security Agent, (or any person acting on their behalf) shall until the date falling one year after the latest maturing Note is paid in full, initiate or join any person in initiating any insolvency proceeding or the appointment of any insolvency official in relation to the Issuer.

Limited capitalisation of the Issuer

The Issuer is incorporated under Belgian law as a limited liability company (*naamloze vennootschap/ société anonyme*) with a share capital of EUR 62,000, being EUR 500 more than the minimum legal share capital. In addition, the principal shareholder is a Belgian *stichting* which has been capitalised for the purpose of its shareholding in the Issuer. There is no assurance that the shareholder will be in a position to recapitalise the Issuer, if the Issuer's share capital falls below the minimum legal share capital.

Preferred Creditors under Belgian Law

Belgian law provides that certain preferred rights (*privilèges/voorrechten*) may rank ahead of a mortgage or other security interest. These liens include the lien for legal costs incurred in the interest of all creditors, or the lien for the maintenance or conservation of an asset.

In addition, if a debtor is declared bankrupt while or after being subject to a composition with creditors *réorganisation judiciaire judiciaire/gerechtigde reorganisatie*), then any new debts incurred during the composition procedure may be regarded as being debts incurred by the bankrupt estate ranking ahead of debts incurred prior to the composition procedure. These debts may rank ahead of debts secured by a security interest. Similarly, debts incurred by the liquidator of a debtor after such debtor's declaration of bankruptcy may rank ahead of debts secured by a security interest if the incurring of such debts were beneficial to the secured creditor.

In addition, pursuant to the Conditions, the claims of certain creditors will rank senior to the claims of the Noteholders by virtue of the relevant priority of payments referred to therein. See further *Credit Structure* below.

Risk related to the termination of Currency Swap Agreement and exchange rate risks

Repayments of principal and payments of interest on a Series and Class or Sub-class of Notes may be made in a currency other than Euro, but repayments of principal and payments of interest under the SME Receivables will be in Euro. To hedge the currency exchange and interest rate exposure on the closing date for a Series and Class of Notes the Issuer will enter into currency swap transactions for such Notes with a Currency Swap Counterparty as specified in the Final Terms (see *Credit Structure*).

A Currency Swap Counterparty will be obliged to make payments under the relevant Currency Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the relevant Currency Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount

actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The relevant Currency Swap Agreement will provide, however, that if a Tax Event occurs, the Currency Swap Counterparty may (with the consent of the Issuer and provided that the rating of the Notes will not be downgraded below the Minimum Ratings or, if the then current rating is below the Minimum Ratings, the then current rating of any of the Notes will not adversely be affected, or will not be withdrawn) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

Each Currency Swap Agreement will be terminable by one party in certain circumstances, including if (i) an event of default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Currency Swap Agreement, or (iii) an Enforcement Notice is served. Events of default under the Currency Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Currency Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligation under the Currency Swap Agreement and (iii) insolvency events.

Each Currency Swap Counterparty is obliged only to make payments under a Currency Swap Agreement as long as the Issuer makes timely payments thereunder. If such Currency Swap Counterparty is not obliged to make payments of, or if it defaults in its obligations to make payments of, amounts equal to the full amount scheduled to be paid to the Issuer on the dates for payment specified under the relevant Currency Swap Agreement or if the relevant Currency Swap Agreement is otherwise terminated, the Issuer will be exposed to changes in the exchange rates between Euro and the currency in which such Notes are denominated. As a consequence, the Issuer may have insufficient funds to make payments due on the applicable Series and Classes of Notes.

Risk related to the termination of Interest Swap Agreement

In order to hedge the risk between the rates of interest received by the Issuer on the relevant SME Receivables and received on the Issuer Accounts and the rates of interest payable by the Issuer on the Notes the Issuer will enter into one or more interest swap transactions for such Notes with the Interest Swap Counterparty as specified in the Final Terms (see *Credit Structure*).

The Interest Swap Counterparty will be obliged to make payments under each Interest Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Interest Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. Each Interest Swap Agreement will provide, however, that if a Tax Event occurs, the interest Swap Counterparty may (with the consent of the Issuer and provided that the rating of the Notes will not be downgraded below the Minimum Ratings or, if the then current rating is below the Minimum Ratings, the then current rating of any of the Notes will not adversely be affected, or will not be withdrawn) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

Each Interest Swap Agreement will be terminable by one party in certain circumstances, including if (i) an event of default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Interest Swap Agreement, or (iii) an Enforcement Notice is served. Events of default under the Interest Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Interest Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligation under the Interest Swap Agreement and (iii) insolvency events.

The Interest Swap Counterparty is obliged only to make payments under an Interest Swap Agreement as long as the Issuer makes timely payments thereunder. If the Interest Swap Counterparty is not obliged to make payments of, or if it defaults in its obligations to make payments of, amounts equal to the full amount scheduled to be paid to the Issuer on the dates for payment specified under the relevant Interest Swap Agreement or if the relevant Interest Swap Agreement is otherwise terminated, the Issuer will be exposed to changes in rates of interest payable on the Notes. As a consequence, the Issuer may have insufficient funds to make payments due on the applicable Series and Classes of Notes.

Commingling risk

The Issuer's ability to make payments in respect of the Notes and to pay its operating and administrative expenses depends on funds being received from the Borrowers into the Seller Collection Accounts and such funds subsequently being swept on (at least) a monthly basis by the Pool Servicer to the Issuer Collection Account. Whereas and to the extent such Seller Collection Accounts may also be used for the collection of monies paid in respect of loans other than the SME Loans and in respect of

other monies belonging to the Seller, a commingling risk exist. In case of insolvency of the Seller, the recourse the Issuer would have against the Seller would be an unsecured claim against the insolvent estate of the Seller for collection moneys then standing to the credit of the Seller Collection Accounts at such time. This risk is mitigated by the fact that if at any time a Seller Collection Account Provider Rating Downgrade Event occurs, the Seller will, to maintain the then current ratings assigned to the Notes at least at the Minimum Ratings or, if the then current ratings of the Notes are lower than the Minimum Ratings, to maintain the then current ratings assigned to the Notes, within thirty (30) days of any such event, have to: either (i) ensure that payments to be made in respect of amounts received on the Seller Collection Account relating to the relevant SME Receivables are guaranteed by a party having at least the Seller Collection Account Provider Required Rating; or (ii) procure that all payments paid into the Seller Collection Accounts are transferred on or before the next Business Day into the Issuer Collection Account; or (iii) implement any other actions that would prevent an adverse impact on the then current ratings assigned to the Notes.

A commingling risk also result from the fact that that Seller also acts as GIC provider. This risk is mitigated by the fact that if at any time a GIC Provider Rating Downgrade Event occurs, then the GIC Provider will use its best efforts within thirty (30) days of any such event (i) to obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the GIC Provider, or (ii) to find an alternative gic provider acceptable to the Security Agent, or any other solution, to maintain the ratings assigned to the Notes at least at the Minimum Ratings of the Notes, or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes.

RISK FACTORS REGARDING THE NOTES

Factors which might affect an investor's ability to make an informed assessment of the risks associated with Notes issued under the Programme

Investors in the Notes must be able to make an informed assessment of the Notes, based upon full knowledge and understanding of the facts and risks. Investors must determine the suitability of that investment in light of their own circumstances. The following factors might affect an investor's ability to appreciate the risk factors outlined below, placing such investor at a greater risk of receiving a lesser return on his investment:

- (i) if such an investor does not have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits of investing in the Notes in light of the risk factors outlined below;
- (ii) if such an investor does not have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his particular financial situation, the significance of these risk factors and the impact the Notes will have on his overall investment portfolio;
- (iii) if such an investor does not have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor's currency;
- (iv) if such an investor does not understand thoroughly the terms of the Notes and is not familiar with the behaviour of any relevant indices in the financial markets (including the risks associated thereof) as such investor is more vulnerable from any fluctuations in the financial markets generally; and
- (v) if such an investor is not able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect his investment and his ability to bear the applicable risks.

The Notes will be solely the obligations of the Issuer

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Originator, the Arranger, the Seller, the Pool Servicer, the Administrator, the Dealers, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Directors, the Listing Agent, the Domiciliary Agent, the Reference Agent or the Security Agent. Furthermore,

none of, the Originator, the Arranger, the Seller, the Pool Servicer, the Administrator, the Issuer, the Dealers, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Directors, the Listing Agent, the Domiciliary Agent, the Reference Agent, the Security Agent or any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Originator, the Seller, the Arranger, the Pool Servicer, the Administrator, the Dealers, the GIC Provider, the Interest Swap Counterparty, any Currency Swap Counterparty, the Directors, the Listing Agent, the Domiciliary Agent, the Reference Agent or the Security Agent will be under any obligation whatsoever to provide additional funds to the Issuer, save in the limited circumstances described in *Credit Structure*.

Risks related to prepayment on the SME Loans

The Issuer is obliged to apply the Principal Available Amounts towards repayment of the Notes in accordance with Condition 6(b). The maturity of the Notes of a Series and Class or Sub-class, in particular Pass-through Notes, will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the SME Receivables by the Issuer, Net Proceeds upon enforcement of a SME Loan and repurchase by the Seller of SME Receivables) on all relevant SME Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the SME Loans. The rate of prepayment of SME 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 and changes in Borrowers' behaviour. No guarantee can be given as to the level of prepayment that the SME Loans may experience, and variation in the rate of prepayments of principal on the SME Loans may affect each Series and each Class of Notes differently. The estimated average lives must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

Subordinated Notes bear a greater risk of non payment than higher ranking Classes of Notes

To the extent set forth in Condition 9, (a) all Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes are subordinated in right of payment to all Class A Notes, (b) all Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes are subordinated in right of payment to all Class A Notes and Class B Notes, (c) all Class D Notes, Class E Notes, Class F Notes and Class G Notes are subordinated in right of payment to all Class A Notes, Class B Notes and Class C Notes, (d) all Class E Notes, Class F Notes and Class G Notes are subordinated in right of payment to all Class A Notes, Class B Notes, Class C Notes and Class D Notes, (e) all Class F Notes and Class G Notes are subordinated in right of payment to all Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes, (f) all Class G Notes are subordinated in right of payment to all Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

Realised Losses

If, upon default by the Borrowers and after exercise by the Pool Servicer of all available remedies in respect of the applicable SME Loans, the Issuer does not receive the full amount due from such Borrowers, the relevant Noteholders may receive by way of principal repayment on the Notes of the relevant Series and Class of Notes an amount less than the Principal Amount Outstanding of their Notes and the Issuer may be unable to pay in full interest due on such Notes, to the extent set forth in Condition 9. On any relevant Note Payment Date, any Realised Losses on the SME Loans will be allocated as described in *Credit Structure* below.

Risk resulting from Repayment Test

If on any Note Payment Date on which a repayment of principal is due on any Subordinated Notes at a time when, if the repayment was made, the Principal Amount Outstanding of the remaining relevant Classes of Subordinated Notes is not sufficient to provide the level of credit enhancement required to support the ratings on the remaining Series and Classes of Notes and the Issuer is unable to issue the relevant additional Subordinated Notes or obtain acceptable alternative forms of credit enhancement, the Issuer will not be entitled to repay on such date such Series and Classes of Notes. See for more

detailed description *Repayment Test* below. Consequently, there is a risk that the holders of Subordinated Notes may not receive the principal sum due under such Notes on the due date for redemption.

Risk of redemption of Subordinated Notes with a Principal Shortfall or a Reserve Fund Shortfall

In accordance with Condition 9(b), a Class B Note, a Class C Note, a Class D Notes, a Class E Note, a Class F Note or a Class G Note may be redeemed with a Class B Principal Shortfall, a Class C Principal Shortfall, a Class D Principal Shortfall, a Class E Reserve Fund Shortfall, a Class F Reserve Fund Shortfall or a Class G Reserve Fund Shortfall. As a consequence a holder of a Class B Note, a Class C Note, a Class D Note, a Class E Note, a Class F Note or a Class G Note may not receive the full Principal Amount Outstanding of such Note on the due date for redemption.

Risk that in case of a Trigger Event the repayment of Notes may be accelerated or delayed

Upon the occurrence of a Trigger Event, any Soft-bullet Notes will become Pass-through Notes and all Pass-through Notes will be subject to mandatory (partial) redemption on a sequential basis. This may have the result that the repayment of Notes may, depending on the type of Note, be accelerated or delayed.

The Issuer may change the required subordination level

The Issuer may change the percentage of subordination required for each Class of Notes (see *Issuance of Notes* below), or the method of calculating the required amount of subordination for such Class of Notes, at any time without the consent of any Noteholders if certain conditions are met and provided that the then-current ratings of any outstanding Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, the then current ratings will not be adversely affected by such change (or the rating of the Notes will not be withdrawn) and the Rating Agencies are notified of such change.

Risk that Notes are not repaid upon maturity

The ability of the Issuer to redeem all the Notes of a Series and Class, or Sub-class thereof, on each relevant Step-up Date or Maturity Date or, on a Note Payment Date thereafter, or as the case may be, on the relevant Final Maturity Date in full and to pay all amounts due to the Noteholders of a Series or all Series, including after the occurrence of an Event of Default, may depend upon whether the value of the SME Receivables is sufficient to redeem the Notes.

Liquidity risk

There is a risk that interest and/or principal on the underlying SME Receivables is not received on a timely basis thus causing temporary liquidity problems to the Issuer. This risk is addressed and mitigated by: (a) the payments due by the Interest Swap Counterparty on each Note Payment Date to the Issuer under the Interest Swap Agreements, (b) the Excess Margin to be retained by the Issuer from the amounts payable by the Issuer to the Interest Swap Counterparty under the Interest Swap Agreements and (c) the amounts available in the Reserve Account.

Risks related to the limited liquidity of the Notes and effects of the crisis on the international financial markets

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, whereas the effects of the global financial crisis and the related turbulence on money and capital markets remain still unclear, there is no certainty whether (and when) a liquid secondary market for the Notes will develop. No underwriter has currently indicated that they intend to establish and/or maintain a secondary market in the Notes.

Credit ratings may not reflect all risks

The (future) rating of each of the Notes addresses the assessment made by the Rating Agencies of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date of the relevant Notes.

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 organisation if in its judgement, the circumstances (including a reduction in the credit rating of the GIC Providers or the Swap Counterparties) in the future so require. A rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. There is no assurance that a revision or withdrawal of rating will at all times be made in a timely manner.

Notes in dematerialized form

The Notes will be issued in the form of dematerialised notes under the Company Code and will be represented exclusively by book entries in the records of the Clearing System.

Access to the Clearing System is available through its Clearing System Participants whose membership extends to securities such as the Notes (the "**Clearing System Participants**"). Clearing System Participants include certain Belgian banks, stock brokers (*beursvennootschappen/sociétés de bourse*), Clearstream and Euroclear Bank.

Transfers of interests in the Notes will be effected between the Clearing System Participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System Participants through which they hold their Notes.

The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System Participants of their obligations under their respective rules and operating procedures.

Investors will only be able to hold the Notes through an X-account through a clearing System Participant, including Euroclear or Clearstream. The Investors will therefore need to confirm their status as Eligible Investor (as defined in Article 4 of the Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/Arrêté Royal du 26 mai 1994 sur la retenue et bonification du précompte mobilier (Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax)) in the account agreement to be entered into with a Clearing System Participant, including Euroclear or Clearstream.

Certain decisions are taken at Programme level which may affect all Notes

Any Programme Resolution must be passed at a single meeting of the holders of all Notes (of a Class) of all Series then outstanding as set out in more detail in Condition 14 (Meetings of Noteholders, Modification; Consent; Waiver) and cannot be decided upon at a meeting of Noteholders of a single Series. A Programme Resolution will be binding on all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Security Agent may agree to modifications without the Noteholders' prior consent

Pursuant to the terms of the Pledge Agreement, the Security Agent may agree without the consent of the Noteholders and the other Secured Parties, to (i) any modification of any of the provisions of the Pledge Agreement, the Notes of any Series or any other Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Pledge Agreement, the Notes of any Series or any other Relevant Documents which is in the opinion of the Security Agent not materially prejudicial to the interests of the Noteholders and the other Secured Parties, provided that (i) the Security Agent has notified the Rating Agencies and (ii) the Security Agent has obtained sufficient comfort that the then current ratings assigned to the Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, the then current ratings will not be adversely affected (or withdrawn) by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and other Secured Parties.

No consent of the Noteholders is required for new issues

The Issuer may issue Notes from time to time. New Notes may be issued without notice to existing Noteholders and without their consent, and may have different terms from outstanding Notes. For a description of the conditions that must be met before the Issuer can issue new Notes, see *Issuance of Notes*. The issuance of new Notes could adversely affect the timing and amount of payments on outstanding Notes. For example, if Notes of the same Class as existing Notes are issued and have a higher interest rate than the existing Notes, this could result in a reduction in the available funds used to pay interest on the existing Notes. Also, when new Notes are issued, the voting rights of existing Notes will be diluted.

Series of Notes

Notes issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All Notes of a Class (whether or not from the same Series or another Series) issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted to the Security Agent in order of subordination of the Class. If a Trigger Event occurs or an Enforcement Notice is served and results in acceleration, all Notes of all Series will be affected at the same time.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for investors. The notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments but as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. Investors should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the investor's overall investment portfolio.

No Gross-Up for Taxes

If withholding of, or deduction for, or an account of any present or future taxes, duties, assessments or charges of whatever nature are imposed or levied by or on behalf of the Kingdom of Belgium, any authority therein or thereof having power to tax, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

RISK FACTORS – PORTFOLIO INFORMATION

No Searches and Investigations

None of the Issuer, the Security Agent or the Administrator have made or caused to be made nor will any of them make or cause to be made, any enquiries, investigations or searches to verify the details of the SME Receivables, the Mortgages or other Related Security, or to establish the creditworthiness of any Borrower, or any other enquiries, investigations or searches which a prudent purchaser of the SME Receivables would ordinarily make, and each will rely instead on the representations and warranties given by the Seller in the SME Receivables Purchase Agreement. These representations and warranties will be given in relation to the SME Receivables, the Mortgages, the Mortgage Mandates, other Related Security and all rights related thereto.

If there is an unremedied material breach of any representation and/or warranty in relation to any SME Receivable or the Relevant SME Loan, the Seller shall be required to repurchase such SME Receivables and all rights relating thereto within 35 days after the Seller has become aware or has been notified of such breach, unless the matter has been remedied by the Seller. The SME Receivable will be repurchased for an aggregate amount equal to the aggregate of the Outstanding Principal Amount of the repurchased SME Receivable plus accrued interest thereon and pro rata costs up to (but excluding) the date of completion of the repurchase.

Limited provision of information

Except if required by law, the Issuer will not be under any obligation to disclose to the Noteholders any financial information in relation to the SME Receivables. The Issuer will not have any obligation to keep any Noteholder or any other person informed as to matters arising in relation to the SME Receivables, except for the information provided in the monthly and quarterly investor report produced by the Administrator and which will be made available as set out in *General Information* below.

RISK FACTORS - GENERAL

EU Directive on The taxation and Savings Income

Under European Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States of the European Union are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have agreed to adopt similar measures. Belgium has elected to terminate the withholding system on 31 December 2009. Up to and including 31 December 2009, a paying agent established in Belgium that is required to withhold tax on interest (and similar income) under the Savings Directive and the Law of 17 May 2004 implementing the Savings Directive, must withhold tax at a rate of 20%. With respect to payments of interest (or similar income) as of 1 January 2010, Belgium will no longer apply the withholding system but will apply the Savings Directive and the Law of 17 May 2004 implementing the Savings Directive by communicating details of such payments to the tax authorities of the Member State of residence of the beneficial owner.

Tax treatment of interest payments by the Borrowers under the SME Loans under article 198, 11° of the BITC 1992

Under Belgian income tax, at arm's length interest payments by a borrower on loans relating to such borrower's professional activities (such as the SME Loans) are generally tax deductible as professional expenses. In respect of entities subject to Belgian corporate income tax, the deduction of such interest payments as professional expenses is nevertheless refused in the event that:

- (a) the real beneficiary of the interest payments is not subject to income tax or, in respect of that income, is subject to a taxation regime which is considerably more advantageous than the regular income tax regime for Belgian corporate residents; and
- (b) the aggregate amount of the relevant loans of such borrower exceeds seven times the sum of:
 - (i) the taxed reserves of such borrower at the beginning of the taxable period; and
 - (ii) the paid-up capital of such borrower at the end of the taxable period,

whereby the tax deduction is refused to the extent that the 7 to 1 debt to equity ratio as referred to under (b) is exceeded (article 198, 11° of the BITC 1992).

As set out below (see *The Issuer – Belgian Tax Position of the Issuer – corporation tax*), a V.B.S. such as the Issuer is subject to corporation tax at the current ordinary rate of 33.99 per cent, but its tax base is notional. The Issuer can only be taxed on any disallowed expenses and any abnormal or gratuitous benefits received. Interest payments which the Issuer receives on the SME Loans are therefore not included in its tax base.

Based on a strict reading of article 198, 11° of the BITC 1992 and in the absence of case law and/or commentaries by the tax administration formally discarding the application of this article for interest payments made to a V.B.S., it cannot be excluded that the Issuer might be considered as an entity which is subject to a taxation regime which is considerably more advantageous than the regular income tax regime for Belgian corporate residents and that interest payments made to the Issuer under SME Receivables are not tax deductible for the Borrowers in respect of which, and to the extent that, the 7 to 1 debt equity ratio is exceeded. The Issuer has however been advised that:

- (a) the application of article 198, 11° of the BITC 1992 in the case of a securitization transaction with the Issuer would lead to inequitable results given that the Borrower who loses the tax deduction, was not involved with and, before being notified thereof, was even not aware of, the transfer of its SME Receivable to a V.B.S.; and
- (b) from the set-up of the credit structure of the Programme under which all Interest Available Amounts are immediately distributed on a quarterly basis in accordance with the relevant Priority of Payments (see *Credit Structure* below) in line with the specific purpose of the Issuer, which is to provide funding to the Seller through the securitization of SME Loans, it follows that in principle the accounting result of the Issuer should be zero. To the extent the Issuer would have been taxed under the regular corporate income tax regime, its taxable result should therefore in principle also have been zero. A convincing argument could therefore be made that in respect of the income derived from the interest payments received under the SME Loans, the Issuer is not subject to an income tax regime that is considerably more advantageous than the regular income tax regime for Belgian corporate residents and that even under a strict reading, article 198, 11° of the BITC should not be applied to interest payments made to a V.B.S.

On the basis of the above considerations, a challenge of the deduction of interest payments on the SME Loans by the tax administration on the basis of article 198, 11° of the BITC 1992 should be very unlikely. Prior to the date the Borrower is being notified of the assignment of the SME Receivables, this conclusion is further supported by the fact that the Borrower continues to make all payments under its SME Loan to, and is only able to validly discharge its obligations by payment to, its initial creditor (i.e. Fortis Bank NV/SA) and not to the Issuer.

However, in the event article 198, 11° of the BITC 1992 would be invoked successfully by the tax administration, as a result of which the Borrower of an SME Loan might incur a loss due to the reduced deductibility of its interest payments, the Borrower might want to hold the Seller liable for its loss and might refuse to pay an amount under its SME Loan corresponding to its loss.

This unlikely risk is, however, further mitigated by the following considerations:

- (a) given that (i) under the general conditions applicable to the SME Loans (the *Algemene Voorwaarden voor Kredietopeningen aan Ondernemingen / Conditions Générales des Ouvertures de Crédit aux Entreprises* and the *Algemene Voorwaarden van Krediet op Afbetaling / Conditions Générales du Crédit à Tempérament*) the Seller has explicitly reserved the right to assign the SME Receivables and (ii) under Belgian law, the securitization of receivables secured by a mortgage (in whole or in part) can only be set up in an efficient way through the use of a V.B.S., the Seller has the contractual right to assign the SME Loans and has bona fide business reasons to transfer the SME Loans to a V.B.S. It is debatable that the Seller could be held liable merely because of its decision to assign the relevant SME Loans to the Issuer while being aware of this potential tax risk for the Borrowers. The better analysis would be that any liability of the Seller would require proof that such decision constitutes an abuse of its rights (*rechtsmisbruik / abus de droit*). Such abuse of right in turn presumes that the Seller is found to exercise its right to securitize in a way that disproportionately disadvantages the Borrowers compared to the benefits which the Seller derives from the transaction. Taking into account that the Programme constitutes an important funding tool for the Seller and based on the considerations under (i) and (ii) above, strong arguments are available to the Seller to successfully defend such a claim for abuse of right; and
- (b) under the SME Receivables Purchase Agreement and the Servicing Agreement the Seller will agree to indemnify the Issuer for any such reduction in payment resulting from the Seller being found liable for the loss of the Borrower and the Borrower refusing to pay a corresponding amount under its SME Loan.

Force Majeure

Belgian law recognised the doctrine of *overmacht/force majeure*, permitting a party to a contractual obligation to be freed from such obligation upon the occurrence of an event which renders impossible the performance of such contractual obligation. There can be no assurance that any of the parties to the Relevant Documents will not be subject to a *overmacht/force majeure* event leading them to be freed from their obligations under the Relevant Documents to which it is a party. This could prejudice the ability of the Issuer to meet its obligations.

Change in Law or Tax

The structure of the Programme described in this Base Prospectus and, *inter alia*, the issue of the Notes are based on law, tax rules, regulations, guidelines, rates and procedures, and administrative practice in effect at the date of this Base Prospectus. No assurance can be given that there will be no change to such law, tax rules, rates, procedures or administrative practice after the date of this Base Prospectus which change might have an adverse impact on the Notes and the expected payments of interest and repayment of principal in respect of the Notes and/or on the performance by certain of the transaction parties of their obligations under the Programme. See also Condition 6(j) on Optional Redemption in case of Change of Law.

Reliance on third parties – reliance on Fortis Bank NV / SA

The ability of the Issuer to duly perform its obligations under the Notes will depend to a large extent on the due performance by other transaction parties of their obligations and duties under the Relevant Documents. Thus the Issuer will in particular be dependent on Fortis Bank NV / SA as GIC Provider, Pool Servicer, Interest Swap Counterparty, Currency Swap Counterparty (if any), Domiciliary Agent, Reference Agent and Listing Agent and on Intertrust (Netherlands) B.V. as Administrator.

Conflicts of interest

Fortis Bank NV / SA is acting in a number of capacities (as GIC Provider, Pool Servicer, Interest Swap Counterparty, Currency Swap Counterparty (if any), Domiciliary Agent, Reference Agent and Listing Agent) in connection with the transactions under the Programme described herein. In acting in such capacities in connection with such transactions, Fortis Bank NV / SA shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than expressly provided with respect to each such capacity.

Noteholders should therefore be aware that a conflict of interest could arise between the various roles of Fortis Bank NV / SA and that Fortis Bank NV / SA has no implicit or explicit obligation or duty to act in the best interest of the Noteholders when performing its various functions.

Eligible Collateral

The relevant central bank will ultimately assess and confirm whether Notes issued under the Programme qualify as eligible collateral for liquidity and/or open market operations. In accordance with its policies, the relevant central bank will not confirm the eligibility of such Notes for such purposes prior to the issuance of such Notes under the Programme. If any Notes are accepted for such purposes, the relevant central bank may amend or withdraw any such approval in relation to such Notes at any time. None of the Issuer, the Manager and/or any Dealer gives any representation or warranty as to whether the relevant central bank will ultimately confirm the eligibility of such Notes for such purpose and none of the Issuer, the Manager and/or any Dealer will have any liability or obligation in relation thereto if the Notes are deemed ineligible for such purposes.

The Issuer believes that the risks described above are certain of the principal risks inherent in the Programme for the Noteholders but the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and, accordingly, the Issuer does not represent that the above statements of the risks of holding the Notes are comprehensive. While the various structural elements described in the Prospectus are intended to lessen some of these risks for Noteholders there can be no assurance that these measures will be sufficient or effective to ensure payment to the Noteholders or interest and principal on such Notes on a timely basis at all.

ISSUANCE OF NOTES

The Notes will be issued pursuant to a Security Agent Agreement dated the Programme Closing Date (the "**Security Agent Agreement**"). The following summary summarizes the material terms of the Notes and the Security Agent Agreement relating to the issuance of the Notes. These summaries do not purport to be complete and are subject to the provisions of the Security Agent Agreement and the Conditions.

1. General

The Notes will be issued in Series. Each Series will comprise one or more Classes of Notes issued on a single issue date and any Class of Notes issued on any other day which is expressed to be consolidated and is identical in all respects except for the Issue Date, interest commencement date and issue price, with any of the Classes of Notes issued on such given day. A Series-0 of Notes is intended to be issued to (i) Fortis Bank NV / SA and/or any direct or indirect subsidiary of Fortis Bank NV / SA and/or (ii) any entity of the BNP Paribas group. A Class designation determines the relative seniority for receipt of cash flows. The Notes of a particular Class in different Series (and the Notes of differing Sub-classes of the same Class and Series) will not necessarily have all the same terms. Differences may include principal amount, interest rates, interest rate calculations, dates and final maturity dates. Each Series and Class of Notes will be secured over the SME Receivables. The specific terms of each Series of Notes will be set forth in the related Final Terms.

2. Issuance

The Issuer may issue new Series and Classes of Notes from time to time without obtaining the consent of existing Noteholders. As a general matter the Issuer may only issue a new Series and Class of Notes if sufficient subordination is provided for that new Series and Class of Notes by one or more Subordinated Classes of Notes. The conditions and tests (including the required levels of subordination) necessary to issue a series and class of notes (the "**Issuance Tests**"), are the following:

3. All Classes of Notes

On the Issue Date of any Series and Class of Notes:

- no Event of Default shall have occurred which is continuing;
- no Enforcement Notice has been served on the Issuer by the Security Agent;
- no Trigger Event shall have occurred;
- the Rating Agencies have provided written confirmation that their ratings of the outstanding Notes will not be reduced below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, below the then current ratings assigned to the Notes, or withdrawn as a consequence of such issuance.

4. For the Class A Notes of any Series

On the Issue Date for that Series of Notes:

- the Class A Available Subordinated Amount must be equal to or greater than the Class A Required Subordinated Amount;
- the Class B Available Subordinated Amount must be equal to or greater than the Class B Required Subordinated Amount;

- the Class C Available Subordinated Amount must be equal to or greater than the Class C Required Subordinated Amount;
 - the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount;
 - the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;
 - the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
 - there may be no debit balance on the Class A Principal Deficiency Ledger on the previous Note Payment Date.
- The "**Class A Required Subordinated Amount**" is calculated, on any date, as the product of:

$$A \times B$$

where:

A = the "**Class A Required Subordinated Percentage**", which is equal to 28.0 per cent.; and

B = the Principal Amount Outstanding of all Notes (other than the Reserve Fund Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The "**Class A Available Subordinated Amount**" is calculated, on any date, as the sum of (a) the aggregate Principal Amount Outstanding of the Class B Notes of all Series, the Class C Notes of all Series and the Class D Notes of all Series (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date); and (b) the amount of the Reserve Account minus the Additional Reserve Fund Amount on such date, less (c) any Principal Deficiency.

- The "**Class B Required Subordinated Amount**" is calculated, on any date, as the product of:

$$A \times B$$

where:

A = the "**Class B Required Subordinated Percentage**", which is equal to 10.5 per cent.; and

B = the Principal Amount Outstanding of all Notes (other than the Reserve Fund Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The "**Class B Available Subordinated Amount**" is calculated, on any date, as the sum of (a) the aggregate Principal Amount Outstanding of the Class C Notes of all Series and the Class D Notes of all Series (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date); and (b) the amount of the Reserve Account minus the Additional Reserve Fund Amount on such date, less (c) any Class C Principal Deficiency and any Class D Principal Deficiency.

- The "**Class C Required Subordinated Amount**" is calculated, on any date, as the product of:

$$A \times B$$

where:

A = the "**Class C Required Subordinated Percentage**", which is equal to 6.5 per cent.; and

B = the Principal Amount Outstanding of all Notes (other than the Reserve Fund Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The "**Class C Available Subordinated Amount**" is calculated, on any date, as the sum of (a) the aggregate Principal Amount Outstanding of the Class D Notes of all Series (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date); and (b) the amount of the Reserve Account minus the Additional Reserve Fund Amount on such date, less (c) any Class D Principal Deficiency.

- The "**Class D Required Subordinated Amount**" is calculated, on any date, as the product of:

$$A \times B$$

where:

A = the "**Class D Required Subordinated Percentage**", which is equal to 3.5 per cent.; and

B = the Principal Amount Outstanding of all Notes (other than the Reserve Fund Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The "**Class D Available Subordinated Amount**" is calculated, on any date, as the amount standing to the credit of the Reserve Account minus any Additional Reserve Fund Amount on such date.

- The "**Class E Required Subordinated Amount**" is calculated, on any date, as the product of:

$$A \times B$$

where:

A = the "**Class E Required Subordinated Percentage**", which is equal to 2.3 per cent.; and

B = the Principal Amount Outstanding of all Notes (other than the Reserve Fund Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The "**Class E Available Subordinated Amount**" is calculated, on any date, as the amount standing to the credit of the Reserve Account minus (i) the Additional Reserve Fund Amount on such date and (ii) the Principal Amount Outstanding of the Class E Notes on such date.

- The "**Class F Required Subordinated Amount**" is calculated, on any date, as the product of:

$$A \times B$$

where:

A = the "**Class F Required Subordinated Percentage**", which is equal to 1.1 per cent.; and

B = the Principal Amount Outstanding of all Notes (other than the Reserve Fund Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The "**Class F Available Subordinated Amount**" is calculated, on any date, as the amount standing to the credit of the Reserve Account minus (i) the Additional Reserve Fund Amount on such date and (ii) the Principal Amount Outstanding of the Class E Notes and the Class F Notes on such date.

5. For the Class B Notes of any Series

On the Issue Date for that Series of Notes:

- the Class B Available Subordinated Amount must be equal to or greater than the Class B Required Subordinated Amount;
- the Class C Available Subordinated Amount must be equal to or greater than the Class C Required Subordinated Amount;
- the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount;
- the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;
- the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
- there may be no debit balance on the Class B Principal Deficiency Ledger on the previous Note Payment Date.

6. For the Class C Notes of any Series

On the Issue Date for that Series of Notes:

- the Class C Available Subordinated Amount must be equal to or greater than the Class C Required Subordinated Amount;
- the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount;
- the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;
- the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
- there may be no debit balance on the Class C Principal Deficiency Ledger on the previous Note Payment Date.

7. For the Class D Notes of any Series

On the Issue Date for that Series of Notes:

- the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount;
- the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;
- the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
- there may be no debit balance on the Class D Principal Deficiency Ledger on the previous Note Payment Date.

8. For the Class E Notes of any Series

On the Issue Date for that Series of Notes:

- the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;
- the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
- there may be no debit balance on the Class E Reserve Fund Deficiency Ledger on the previous Note Payment Date.

9. For the Class F Notes of any Series

On the Issue Date for that Series of Notes:

- the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
- there may be no debit balance on the Class F Reserve Fund Deficiency Ledger on the previous Note Payment Date.

The Class A Required Subordinated Percentage, the Class B Required Subordinated Percentage, the Class C Required Subordinated Percentage, the Class D Required Subordinated Percentage, the Class E Required Subordinated Percentage and the Class F Required Subordinated Percentage may be changed by the Issuer from time to time without the consent of the Security Agent or the Noteholders. Such change may only be made with the written confirmation of Fitch and Moody's that the then current ratings assigned to the Notes will not be downgraded below the Minimum Ratings, or, if the then current ratings assigned to the Notes is below the Minimum Ratings, below the then current ratings assigned to the Notes (or will not be withdrawn) as a result of such change.

REPAYMENT TEST

The following summary summarizes the conditions and tests for the repayment of the Notes, other than the then most senior Class of Notes (the “**Subordinated Notes**”). This summary does not purport to be complete and is subject to the provisions of the Security Agent Agreement and the Conditions.

The Issuer is obliged to redeem a Series and Class or Sub-Class of Notes when due in accordance with and subject to the Conditions and the applicable Final Terms. Such redemption will for the Subordinated Notes be subject to conditions and tests. As a general matter the Issuer may only repay any Series and Class of Notes if sufficient subordination is provided for the remaining Series and Classes of Notes by one or more subordinate Classes of Notes. The conditions and tests (including the required levels of subordination) necessary to repay a Series and Class or Subclass of Subordinated Notes (the “**Repayment Test**”) on any date are the following:

- (i) for any Class B Note, the amount of principal due (or any part thereof) in respect of the Class B Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount is lower than the Class A Required Subordinated Amount, the Class A Available Subordinated Amount is at least equal to the Class A Available Subordinated Amount before giving effect to such payments and issuances;
- (ii) for any Class C Note, the amount of principal due (or any part thereof) in respect of the Class C Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount and the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount are, or as the case may be, is lower than the Class A Required Subordinated Amount and/or the Class B Required Subordinated Amount respectively, the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount respectively before giving effect to such payments and issuances;
- (iii) for any Class D Note, the amount of principal due (or any part thereof) in respect of the Class D Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount and the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount and/or the Class C Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount respectively, before giving effect to such payments and issuances;
- (iv) for any Class E Note, the amount of principal due (or any part thereof) in respect of the Class E Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount and the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount and/or the Class D Required Subordinated Amount

respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount respectively, before giving effect to such payments and issuances;

- (v) for any Class F Note, the amount of principal due (or any part thereof) in respect of the Class F Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount, the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount and the Class E Available Subordinated Amount is at least equal to the Class E Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount and/or the Class E Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount, the Class D Required Subordinated Amount and/or the Class E Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount and/or the Class E Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount and/or the Class E Available Subordinated Amount respectively, before giving effect to such payments and issuances; and
- (vi) for any Class G Note, the amount of principal due (or any part thereof) in respect of the Class G Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount, the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount, the Class E Available Subordinated Amount is at least equal to the Class E Required Subordinated Amount and the Class F Available Subordinated Amount is at least equal to the Class F Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount, the Class E Available Subordinated Amount and/or the Class F Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount, the Class D Required Subordinated Amount, the Class E Required Subordinated Amount and/or the Class F Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount, the Class E Available Subordinated Amount and/or the Class F Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount, the Class E Available Subordinated Amount and/or the Class F Available Subordinated Amount respectively, before giving effect to such payments and issuances.

The holders of Series-0 Notes will have the right to require the Issuer to redeem some or all of these Notes on any date, provided certain conditions (including no Trigger Event having occurred and no Enforcement Notice having been given and subject to the Repayment Test) (see *Credit Structure – 20. Early redemption Series-0 Notes* below).

RATING EVENTS

The following summarizes and defines the minimum rating requirements and the rating downgrade events

1. Minimum ratings

GIC Agreement

The GIC Provider should at least have the GIC Provider Required Rating. The "**GIC Provider Required Rating**" means a rating of (i) the long-term, unsecured and unsubordinated debt obligations of at least A by Fitch (and such rating not being put on rating watch negative by Fitch) and (ii) the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's and F1 by Fitch (and such rating not being put on rating watch negative by Fitch).

Interest Swap

The Interest Swap Counterparty or any guarantor who guarantees the obligations of the Interest Swap Counterparty should have at least the Interest Swap Counterparty Required Rating. The "**Interest Swap Counterparty Required Rating**" means a rating of (i) the long-term, unsecured and unsubordinated debt obligations of at least A by Fitch (and such rating not being put on rating watch negative by Fitch) and A2 by Moody's (or, if it is not subject to a short term rating, A1 by Moody's) and (ii) the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's and F1 by Fitch (and such rating not being put on rating watch negative by Fitch).

Currency Swap

Each Currency Swap Counterparty or any guarantor who guarantees the obligations of such Currency Swap Counterparty should have at least the Currency Swap Counterparty Required Rating. The "**Currency Swap Counterparty Required Rating**" means a rating of (i) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least and A+ by Fitch and A2 by Moody's (or, if it is not subject to a short term rating, A1 by Moody's) and (ii) the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's and F1 by Fitch.

Seller Collection Accounts

Each Seller Collection Account Provider should have at least the Seller Collection Account Provider Required Ratings. The ("**Seller Collection Account Provider Required Rating**") means a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's and F1 by Fitch.

2. Rating Downgrade Events

GIC Agreement

A "**GIC Provider Rating Downgrade Event**" means the event that the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the GIC Provider are assigned a rating of less than the GIC Provider Required Rating or such rating is withdrawn by any of the Rating Agencies.

Interest Swap Agreement

An "**Interest Swap Counterparty Downgrade Rating Event**" means the event that (i) the long-term, unsecured, unsubordinated and unguaranteed debt obligations and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Swap Counterparty or, if these obligations of the Interest Swap Counterparty are not rated by the Rating Agencies, the guarantor who guarantees the obligations of such Interest Swap Counterparty are assigned a rating of less than the Interest Swap Counterparty Required Rating or such rating is withdrawn or (ii) if these obligations of the Interest

Swap Counterparty do not have the Interest Swap Provider Required Rating, the guarantor who guarantees the obligations of such Currency Swap Counterparty withdraws the relevant guarantee.

Currency Swap Agreements

A "**Currency Swap Counterparty Downgrade Rating Event**" means the event that (i) the long-term, unsecured, unsubordinated and unguaranteed debt obligations and the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the relevant Currency Swap Counterparty or, if these obligations of the Currency Swap Counterparty are not rated by the Rating Agencies, the guarantor who guarantees the obligations of such Currency Swap Counterparty are assigned a rating of less than the Currency Swap Counterparty Required Rating or such rating is withdrawn or (ii) if these obligations of the Currency Swap Counterparty do not have the Currency Swap Counterparty Required Rating, the guarantor who guarantees the obligations of such Currency Swap Counterparty withdraws the relevant guarantee.

Seller Collection Accounts

A "**Seller Collection Account Provider Rating Downgrade Event**" means the event that the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Seller Collection Account Provider are assigned a rating of less than the Seller Collection Account Provider Required Rating or such rating is withdrawn by any of the Rating Agencies.

3. Eligible Investments

The "**Eligible Investments Minimum Ratings**" means in respect of securities (i) a rating of (a) Aaa and Prime-1 by Moody's in case of a remaining tenor longer than six (6) months or (b) Aa3 and Prime-1 by Moody's in case of a remaining tenor less than six (6) months but longer than three (3) months or (c) A1 and Prime-1 by Moody's in case of a remaining tenor less than three (3) months but longer than one (1) month or (d) A2 or Prime-1 by Moody's in case of a remaining tenor less than one (1) month and (ii) a rating of (a) AAA by Fitch in case of a remaining tenor longer than one year or (b) F1+ by Fitch in case of a remaining tenor less than one year but longer than thirty (30) days or (c) F1 by Fitch in case of a remaining tenor less than thirty (30) days.

4. Obligation to post collateral

A "**Seller Downgrade Event**" means in respect of the Seller the event that (i) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Seller are assigned a rating of less than A- by Fitch or the rating is withdrawn by Fitch or (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such Seller are assigned a rating of less than A3 by Moody's or such rating is withdrawn by Moody's.

CREDIT STRUCTURE

The structure of the credit arrangements under the Programme may be summarised as follows.

1. SME Loan Interest Rates

The SME Loans bear interest on a fixed rate basis (in certain cases, subject to reset from time to time on dates agreed with the Borrower). Interest rates vary between individual SME Loans. The actual amount of interest received by the Issuer will vary during the life of the Programme as a result of the level of delinquencies, defaults, repayments and prepayments and purchase of New SME Receivables. Similarly, the actual amounts payable under the Interest Priority of Payments will vary during the life of the transaction as a result of fluctuations in Euribor and possible variations in certain other costs and expenses of the Issuer. The eventual effect of such variations in certain other costs and expenses of the Issuer could lead to non-payment of certain items under the Interest Priority of Payments.

2. Cash Collection Arrangements

All payments made by Borrowers will be paid into the collection account(s) of the Seller (together with other banks with whom a Seller collection account is maintained, the "**Seller Collection Account Providers**" and each a "**Seller Collection Account Provider**"). Such collection account(s) (the "**Seller Collection Account(s)**") may also be used for the collection of monies paid in respect of loans other than the SME Loans and in respect of other monies belonging to the Seller.

On each Collection Payment Date, the Seller shall, inter alia, transfer (or procure that the relevant Pool Servicer transfers on its behalf) all amounts of interest, including any prepayment penalties and penalty interest and principal received by the Seller since the last Collection Payment Date (or since the Initial Cut-off Date in case of the first Collection Payment Date) in respect of the SME Receivables and paid to the Seller Collection Accounts to the Issuer Collection Account.

"**Collection Payment Date**" means, in respect of a Monthly Collection Period, at least one day occurring during such Monthly Collection Period.

"**Monthly Collection Period**" means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of the same calendar month, except for the first Monthly Collection Period which will commence on (and include) 29 November 2009 (the "**Initial Cut-off Date**") and end on (and include) 31 January 2010.

If at any time a Seller Collection Account Provider Rating Downgrade Event occurs, then the Seller will, to maintain the then current ratings assigned to the Notes at least at the Minimum Ratings or, if the then current ratings of the Notes are lower than the Minimum Ratings, to maintain the then current ratings assigned to the Notes, within thirty (30) days of any such event, either: (i) ensure that payments to be made in respect of amounts received on the collection account relating to the relevant SME Receivables will be guaranteed by a party having at least the Seller Collection Account Provider Required Rating; or (ii) procure that all payments paid into the Seller Collection Accounts are transferred on or before the next Business Day into the Issuer Collection Account; or (iii) implement any other actions to maintain the then current ratings assigned to the Notes at least at the Minimum Ratings or, if the then current ratings of the Notes are lower than the Minimum Ratings, to maintain the then current ratings assigned to the Notes.

3. Issuer Accounts

Issuer Collection Account

The Issuer will maintain with the GIC Provider the Issuer Collection Account to which (i) all amounts of interest and principal received in respect of the SME Receivables and (ii) all amounts received from the other parties to the Relevant Documents will be paid.

The Administrator will identify all amounts paid into the Issuer Collection Account by crediting such amounts to ledgers (or separate accounts) established for such purpose based on the information provided by the Pool Servicer. Payments received in respect of the SME Receivables will be identified as principal or revenue receipts and credited to the Principal Ledger or the Revenue Ledger, respectively.

The Issuer may at its option and provided that the Seller has given its prior written consent, invest the funds on the balance of the Issuer Accounts into euro denominated securities, subject to certain conditions, including that such securities may not have a maturity beyond the immediately succeeding Note Payment Date and that such securities have been assigned the Eligible Investments Minimum Ratings (the '**Eligible Investments**').

Payments from the Issuer Collection Account other than on a Note Payment Date, may only be made to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and under obligations incurred in the Issuer's business, (ii) amounts applied towards the purchase of New SME Receivables in accordance with the SME Receivables Purchase Agreement, (iii) early redemption of Series-0 Notes as described below, and (iv) investments in Eligible Investments.

The Issuer will also maintain with the GIC Provider the Reserve Account (see below).

Reserve Account

The net proceeds of the Reserve Fund Notes will be credited to the Reserve Account held with the GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (o) in the Interest Priority of Payments in the event of a shortfall of the Interest Available Amounts on a Note Payment Date, and to repay the Reserve Fund Notes.

If and to the extent that the Interest Available Amounts on any Note Calculation Date exceed the amounts required to meet items (a) up to and including (o) of the Interest Priority of Payments, such excess amount will be used to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Target Level.

If and to the extent that the amount standing to the credit of the Reserve Account on any Note Payment Date is higher than the Reserve Account Target Level, such excess will be debited from the Reserve Account on such Note Payment Date and will be included in the Interest Available Amounts for this Note Payment Date.

The '**Reserve Account Target Level**' shall, on any date, be equal to the sum of (i) the higher of (a) the aggregate Principal Amount Outstanding of the Reserve Fund Notes of all Series that are outstanding on such date, taking into account any redemptions and any issuances of Reserve Fund Notes to be made on such date, and (b) the Class D Required Subordination Amount, and (ii) the aggregate amount of Loan Loss Reserve related to all SME Receivables on such date. The '**Loan Loss Reserve**' means, in relation to a SME Receivable, the valuation reserve as calculated by the Pool Servicer in its daily operations, representing the amount needed to cover estimated losses in relation to such SME Receivable.

The Reserve Account will be debited on the Maturity Date of a Series and Class or Sub-class of Reserve Fund Notes subject to the Repayment Test, or if such Repayment Test fails, on the first Note Payment Date on which such Repayment Test is satisfied (such debit being referred to as '**Reserve Account Repayment Debit**') with an amount equal to the Principal Amount Outstanding of the Reserve Fund Notes of that Series and Class or Sub-class, less any Reserve Fund Shortfall related to such Series and Class or Sub-class, after giving effect to any issue of Reserve Fund Notes on such date and any other drawing from the Reserve Account on such date. The amount of the Reserve Account Repayment Debit shall be applied towards the redemption of the Reserve Fund Notes of the relevant Series and Class or Sub-class outside of the Interest Priority of Payments.

If the Issuer fails to redeem a Reserve Fund Note in full (except for any Reserve Fund Shortfall related to such Note) on its Maturity Date, then on such date and on each Note Payment Date thereafter, the Issuer shall apply items (q), (r) and (s) of the Interest Priority of Payments to redeem such Reserve Fund Note until redeemed in full. The Issuer shall use its best efforts to issue new Reserve Fund Notes, or, if the Issuer is unable to issue sufficient new Reserve Fund Notes, to sell SME Receivables to the extent necessary, in order to meet the Repayment Test and to be able to redeem the Reserve Fund Notes on their Maturity Date.

On any date, the difference, if positive, between (i) the amount standing to the credit of the Reserve Account and (ii) the Principal Amount Outstanding of the Reserve Fund Notes, after giving effect to any issue of Notes on such date and any other drawing from the Reserve Account on such date, will be referred to as '**Additional Reserve Fund Amount**'.

Substitution of GIC Provider

If at any time a GIC Provider Rating Downgrade Event occurs, then the GIC Provider will use its best efforts within thirty (30) days of any such event (i) to obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the GIC Provider, or (ii) to find an alternative gic provider acceptable to the Security Agent, or any other solution, in order to maintain the ratings assigned to the Notes at least at the Minimum Ratings of the Notes, or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes.

4. Interest Cash Flows

On each third business day prior to a Note Payment Date (a "**Note Calculation Date**") the Administrator will calculate the sum of the following amounts received or held by it in relation to the related Note Collection Period (items (i) up to and including (x) together the "**Interest Available Amounts**"):

- (i) as interest, including any prepayment penalties and penalty interest, on the SME Receivables;
- (ii) as interest credited to the Issuer Accounts, and as revenue on any Eligible Investments;
- (iii) as Net Proceeds on any SME Receivables, to the extent such proceeds do not relate to principal;
- (iv) as amounts to be received from the Interest Swap Counterparty or a Currency Swap Counterparty under the Interest Swap Agreement or the relevant Currency Swap Agreement (to the extent related to interest) on the immediately succeeding Note Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Interest Swap Agreement or Currency Swap Agreement;
- (v) as amounts received in connection with a repurchase of SME Receivables pursuant to the SME Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be received pursuant to the SME Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (vi) as amounts to be received on the immediately following Note Payment Date in connection with a sale of SME Receivables to the extent such amounts do not relate to principal;
- (vii) as amounts received as Post Foreclosure Proceeds on SME Receivables;
- (viii) as amounts to be drawn from the Reserve Account on the immediately following Note Payment Date, other than the Reserve Account Repayment Debits;
- (ix) on the Note Calculation Date immediately preceding the Note Payment Date on which all Notes will be redeemed in full (subject to Condition 9(b)), the remaining balance to the credit of the Issuer Accounts, if any; and
- (x) any amount exceeding the Principal Amount Outstanding of the relevant Notes in relation to an issuance of such Notes during the Interest Period related to the immediately following Note Payment Date, in case the issue price of such Notes is higher than 100%.

"Note Collection Period" means in relation to a Note Payment Date, the three successive Monthly Collection Periods preceding such Note Payment Date.

"Interest Period" means in relation to a Note Payment Date, the period between (and excluding) the last Note Payment Date until (and including) this Note Payment Date.

"Net Proceeds" means, in relation to an SME Receivable, the proceeds of foreclosure on any collateral securing such SME Receivable or any other assets of the relevant Borrower, including but not limited to (a) the proceeds of a foreclosure on a related mortgage right, (b) the proceeds, if any, of collection of any insurance policies in connection with the SME Receivable,

(c) the proceeds of foreclosure on any other Related Security, (d) the proceeds of any other guarantees or sureties, in all cases after deduction of foreclosure costs and to the exclusion of Post Foreclosure Proceeds;

"Post Foreclosure Proceeds" means any amounts received, recovered or collected from a Borrower in respect of an SME Receivable in addition to Net Proceeds, whether in relation to interest, principal or otherwise, following a Realised Loss in respect of the SME Receivable.

5. Interest Priority of Payments

Prior to the delivery of an Enforcement Notice, the Interest Available Amounts calculated on a Note Calculation Date shall be applied by the Issuer on the immediately succeeding Note Payment Date as follows (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the **"Interest Priority of Payments"**):

- (a) in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors and any costs, charges, liabilities and expenses incurred by the Security Agent;
- (b) in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of fees and expenses due and payable to the Administrator and the Pool Servicer under the Servicing Agreement;
- (c) in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any amounts due and payable to third parties under obligations incurred in the Issuer 's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer 's liability, if any, to tax and the fees and expenses of the Rating Agencies and any legal advisor, auditor and accountant appointed by the Issuer or the Security Agent;
- (d) in or towards satisfaction of amounts, if any, due but unpaid under the Interest Swap Agreement or a Currency Swap Agreement, except for any termination payment due or payable under (t) below as a result of the occurrence of an (a) Event of Default where the Interest Swap Counterparty or the Currency Swap Counterparty is the Defaulting Party or (b) an Interest Swap Counterparty Downgrade Rating Event or Currency Swap Counterparty Downgrade Rating Event, including a Settlement Amount (as defined in the Interest Swap Agreement or in the Currency Swap Agreement) (an **"Interest Swap Counterparty Default Payment"** or a **"Currency Swap Counterparty Default Payment"**);
- (e) in or towards satisfaction, *pro rata*, of interest due in respect of the Class A Notes;
- (f) in or towards making good, any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance thereof, if any, is reduced to zero;
- (g) in or towards satisfaction, *pro rata*, of interest due in respect of the Class B Notes;
- (h) in or towards making good, any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance thereof, if any, is reduced to zero;
- (i) in or towards satisfaction, *pro rata*, of interest due in respect of the Class C Notes;
- (j) in or towards making good, any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance thereof, if any, is reduced to zero;
- (k) in or towards satisfaction, *pro rata*, of interest due in respect of the Class D Notes;
- (l) in or towards making good, any shortfall reflected in the Class D Principal Deficiency Ledger until the debit balance thereof, if any, is reduced to zero;

- (m) in or towards satisfaction, *pro rata*, of interest due in respect of the Class E Notes;
- (n) in or towards satisfaction, *pro rata*, of interest due in respect of the Class F Notes;
- (o) in or towards satisfaction, *pro rata*, of interest due in respect of the Class G Notes;
- (p) in or towards satisfaction of amounts to be deposited on the Reserve Account until the Reserve Account reaches the Reserve Account Target Level;
- (q) in or towards satisfaction of principal due under the Class E Notes, in case such Notes have not been redeemed in full (for the avoidance of doubt, except for any Reserve Fund Shortfall) at their Maturity Date, or after a Trigger Event;
- (r) in or towards satisfaction of principal due under the Class F Notes, in case such Notes have not been redeemed in full (for the avoidance of doubt, except for any Reserve Fund Shortfall) at their Maturity Date, or after a Trigger Event;
- (s) in or towards satisfaction of principal due under the Class G Notes, in case such Notes have not been redeemed in full (for the avoidance of doubt, except for any Reserve Fund Shortfall) at their Maturity Date, or after a Trigger Event;
- (t) in or towards satisfaction of the Interest Swap Counterparty Default Payment or Currency Swap Counterparty Default Payment; and
- (u) in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

6. Principal Cash Flows

“**Principal Available Amounts**”, in relation to any Principal Period, shall be equal to the sum of the following amounts (as referred to under items (i) up to and including (viii)) received or held by the Issuer in relation to such period:

- (i) as repayment and prepayment of principal under the SME Receivables;
- (ii) if the Principal Period includes a Note Payment Date, any amounts to be credited to the Principal Deficiency Ledger on such Note Payment Date;
- (iii) as Net Proceeds on any SME Receivable, to the extent such proceeds relate to principal;
- (iv) as amounts received in connection with a repurchase of SME Receivables by the Seller and any other amounts received pursuant to the SME Receivables Purchase Agreement to the extent such amounts relate to principal;
- (v) as amounts received in connection with a sale of SME Receivables to the extent such amounts relate to principal;
- (vi) any part of the Principal Available Amounts in relation to a previous Principal Period which has not been applied towards payment of the relevant Notes (other than Reserve Fund Notes) or purchase of New SME Receivables;
- (vii) the net proceeds from an issuance of Notes (other than Reserve Fund Notes) other than amounts referred to under item (x) of the Interest Available Amounts; and
- (viii) amounts to be received from the Currency Swap Counterparty under the Currency Swap Agreement, to the extent relating to principal.

“**Principal Period**” means, in respect of any date, the period between the last date (excluding) on which any amount was applied in accordance with the Principal Priority of Payments and such date (including).

"Principal Priority of Payments" means the Principal Priority of Payments prior to a Trigger Event or the Principal Priority of Payments after a Trigger Event, as applicable.

7. Purchase of New SME Receivables

Following the Programme Closing Date and prior to the earlier of (i) the delivery of an Enforcement Notice and (ii) the occurrence of a Trigger Event, the Issuer will be entitled to purchase New SME Receivables from the Seller up to the Purchase Available Amount (as defined in *SME Receivables Purchase Agreement* below).

8. Principal Available Amounts for redemption of Pass-through Notes

The amount available for redemption of the Pass-Through Notes on a Note Payment Date will, in the case of mandatory redemption within the meaning of Condition 6(b), be equal to the Pass-through Principal Available Amounts.

The '**Pass-through Principal Available Amounts**' on a Note Payment Date is the sum of the Pass-through Payable Amounts since the preceding Note Payment Date.

The amount available for redemption of Class A Pass-through Notes by the Issuer on each Note Payment Date (the "**Class A Pass-through Notes Redemption Available Amount**") will, if the Pro-rata Condition is satisfied, be equal to:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class A Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date.

The amount available for redemption of Class B Pass-through Notes by the Issuer on each Note Payment Date (the **Class B Pass-through Notes Redemption Available Amount**) will, if the Pro-rata Condition is satisfied, be equal to:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class B Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date.

The amount available for redemption of Class C Pass-through Notes by the Issuer on each Note Payment Date (the **Class C Pass-through Notes Redemption Available Amount**) will, if the Pro-rata Condition is satisfied, be equal to:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class C Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date.

The amount available for redemption of Class D Pass-through Notes by the Issuer on each Note Payment Date (the **Class D Pass-through Notes Redemption Available Amount**) will, if the Pro-rata Condition is satisfied, be equal to:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class D Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date.

If the Pro-rata Condition is not satisfied, the Pass-through Principal Available Amounts will be applied to redeem the Pass-through Notes on a sequential basis.

The **"Pass-through Payable Amount"** shall mean, on any date, the product between (i) the Pass-through percentage on that date and (ii) an amount equal to the Principal Available Amounts of the Principal Period related to such date, excluding items (vi) and (vii).

The **"Pass-through Percentage"** shall mean, on any date, (x) the Principal Amount Outstanding of all Pass-through Notes on such date (prior to giving effect to any issuance or repayment on such date), less (i) any amount remaining on the Principal Deficiency Ledger on the previous Note Payment Date or, if such date is a Note Payment Date, on this date, to the extent attributable to the Pass-through Notes and less (ii) the sum of the Pass-through Payable Amounts since the last Note Payment Date (excluding the Pass-through Payable Amount calculated on such date), divided by (y) the Principal Amount Outstanding of all Notes (excluding the Reserve Fund Notes) on such date, less (i) any amount remaining on the Principal Deficiency Ledger on the previous Note Payment Date or, if such date is a Note Payment Date, on this date (for the avoidance of doubt, prior to giving effect to any issuance or repayment on such date, but after the application of the Interest Priority of Payments) and less (ii) the amount standing to the credit of the Principal Ledger at the end of the immediately preceding Principal Period.

The **"Pro-rata Condition"** shall mean, in respect of a Note Payment Date, that (i) the amount standing to the credit of the Reserve Account is at least equal to the Reserve Account Target Level after application of the Interest Priority of Payments, (ii) if in respect of a Series and Class or, if applicable, Sub-class of Notes, other than the Reserve Fund Notes, a Step-up Date has occurred, all Notes to which such Step-up Date relates are redeemed in full subject to Condition 9(b), and (iii) if, in respect of a Series and Class or, if applicable, Sub-class of Reserve Fund Notes, a Maturity Date has occurred, all Notes to which such Maturity Date relates are redeemed in full subject to Condition 9(b).

9. Principal Priority of Payments prior to a Trigger Event

Prior to the occurrence of a Trigger Event and the delivery of an Enforcement Notice, the Principal Available Amounts will be applied by the Issuer on any date where principal becomes due under the Notes (other than Reserve Fund Notes) or on any Purchase Date as follows (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **"Principal Priority of Payments prior to a Trigger Event"**)

- (i) in or towards satisfaction of payments to a Currency Swap Counterparty, to the extent related to principal;
- (ii) in or towards satisfaction of principal due under the Class A Notes;
- (iii) in or towards satisfaction of principal due under the Class B Notes;
- (iv) in or towards satisfaction of principal due under the Class C Notes;
- (v) in or towards satisfaction of principal due under the Class D Notes;
- (vi) in or towards the payment of the Initial Purchase Price in respect of New SME Receivables.

10. Principal Priority of Payments after a Trigger Event

After the occurrence of a Trigger Event and before delivery of an Enforcement Notice, the Principal Available Amounts will be applied by the Issuer on any date or which principal becomes due under the Notes (other than reserve Fund Notes) as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Principal Priority of Payments after a Trigger Event**"):

- (i) *first*, in or towards satisfaction of payments to a Currency Swap Counterparty, to the extent related to principal;
- (ii) *second*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class A Notes until fully repaid;
- (iii) *third*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class B Notes until fully repaid;
- (iv) *fourth*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class C Notes until fully repaid;
- (v) *fifth*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class D Notes until fully repaid.

"**Trigger Event**" means any of the following events:

- (i) an amount is debited to the Class A Principal Deficiency Ledger; or
- (ii) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution and liquidation or any of its assets are placed under administration; or
- (iii) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the entering into suspension of payments, or if applicable, emergency regulations or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (iv) the appointment of the Pool Servicer is terminated in accordance with the Servicing Agreement and no substitute pool servicer is appointed and enters into an agreement with the Issuer and the Security Agent substantially on the terms of the Servicing Agreement within 60 days following such termination.

11. Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice, any amounts payable by the Issuer will be paid to the Secured Parties (including the Noteholders) in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the "**Priority of Payments upon Enforcement**"):

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors, (ii) any cost, charge, liability and expenses incurred by the Security Agent under or in connection with any of the Relevant Documents, which will include, *inter alia*, fees and expenses of the Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Agent, (iii) the fees and expenses of the Domiciliary Agent and the Reference Agent incurred under the provisions of the Domiciliary Agency Agreement, (iv) the fees and expenses of the Administrator and the Pool Servicer under the Servicing Agreement;
- (b) *second*, in or towards satisfaction of amounts, *pro rata*, if any, due but unpaid under the Swap Agreements, except for any Currency Swap Counterparty Default Payments and Interest Swap Counterparty Default Payments payable under subparagraph (q) below;
- (c) *third*, in or towards satisfaction of all amounts of interest due in respect of the Class A Notes;

- (d) *fourth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class B Notes;
- (f) *sixth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class B Notes;
- (g) *seventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class C Notes;
- (h) *eighth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class C Notes;
- (i) *ninth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class D Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class D Notes;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class E Notes;
- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class E Notes;
- (m) *thirteenth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class F Notes;
- (n) *fourteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class F Notes;
- (o) *fifteenth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class G Notes;
- (p) *sixteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class G Notes;
- (q) *seventeenth*, in or towards satisfaction, *pro rata*, of the Currency Swap Counterparty Default Payments and Interest Swap Counterparty Default Payments payable to the Swap Counterparties under the terms of the Swap Agreements; and
- (r) *eighteenth*, in or towards satisfaction of the Deferred Purchase Price Instalments to the Seller, as the case may be.

12. Interest Deficiency Ledger and Principal Deficiency Ledger

An Interest Deficiency Ledger (the "**Interest Deficiency Ledger**") comprising six sub-ledgers, known as the '**Class B Interest Deficiency Ledger**', the '**Class C Interest Deficiency Ledger**', the '**Class D Interest Deficiency Ledger**', the '**Class E Interest Deficiency Ledger**', the '**Class F Interest Deficiency Ledger**' and the '**Class G Interest Deficiency Ledger**' respectively, will be established by or on behalf of the Issuer in order to record any amounts of unpaid interest on the (relevant Class of) Notes.

A Principal Deficiency Ledger comprising four sub-ledgers, known as the '**Class A Principal Deficiency Ledger**', the '**Class B Principal Deficiency Ledger**', the '**Class C Principal Deficiency Ledger**' and the '**Class D Principal Deficiency Ledger**'

respectively, will be established by or on behalf of the Issuer in order to record any Realised Losses (as defined below) on the SME Receivables, including Realised Losses on the sale of SME Receivables (each respectively the '**Class A Principal Deficiency**', the '**Class B Principal Deficiency**', the '**Class C Principal Deficiency**' and the '**Class D Principal Deficiency**', together a '**Principal Deficiency**'). Any Principal Deficiency shall be debited to the Class D Principal Deficiency Ledger (such debit items being re-credited at item (l) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class D Notes (the '**Class D Principal Deficiency Limit**') and thereafter such amounts shall be debited to the Class C Principal Deficiency Ledger (such debit items being re-credited at item (j) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class C Notes (the '**Class C Principal Deficiency Limit**') and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being re-credited at item (h) of the Interest Priority of Payments), so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class B Notes (the '**Class B Principal Deficiency Limit**') and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (such debit items being re-credited at item (f) of the Interest Priority of Payments).

If on any date the Notes of a Series and Class or Sub-class (other than the Reserve Fund Notes) are redeemed and such Notes are repaid in full (for the avoidance of doubt, except for any Principal Deficiency), then the Principal Deficiency Ledgers of the relevant Class will be reduced with the amount equal to the unpaid Principal Deficiency on such Notes of such Class or Sub-class (if any).

On each Note Payment Date the amounts credited to the Principal Deficiency Ledger as items (f),(h), (j) and (l) of the Interest Priority of Payments will form part of the Principal Available Amounts.

"**Realised Losses**" means, in respect of any period, the sum of (a) the amount of the difference (if positive) between (y) the aggregate Outstanding Principal Amount in respect of all SME Receivables in respect of which the Seller, the Pool Servicer or the Issuer has determined, according to its own credit policy, that there is no more reasonable prospects of collecting payments from the debtor by judicial proceedings, or from the Related Security, and (z) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such SME Receivables, and (b), with respect to the SME Receivables sold by the Issuer, the amount of the difference, if any, between (y) the aggregate Outstanding Principal Amount of those SME Receivables, and (z) the purchase price of the SME Receivables sold to the extent relating to principal, whereby, in case of items (a) and (b), for the purpose of establishing the Outstanding Principal Amount in the case of set-off or defense to payments asserted by the Borrowers any amount by which the SME Receivables have been extinguished will not be taken into account.

13. Principal Shortfall

The '**Class A Principal Shortfall**' shall mean on any date in respect of a Class A Note an amount equal to (i) the quotient of (x) the balance on the Class A Principal Deficiency Ledger on the preceding Note Payment, or if such date is a Note Payment Date, on this date, and (y) the Principal Amount Outstanding of Class A Notes on such date, multiplied by (ii) the Principal Amount Outstanding of such Class A Note.

If, on any date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of the Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class B Note on such date shall not exceed its Principal Amount Outstanding less the Class B Principal Shortfall on such date. The '**Class B Principal Shortfall**' shall mean on any date in respect of a Class B Note an amount equal to (i) the quotient of (x) the balance on the Class B Principal Deficiency Ledger on the preceding Note Payment, or if such date is a Note Payment Date, on this date, and (y) the Principal Amount Outstanding of Class B Notes on such date, multiplied by (ii) the Principal Amount Outstanding of such Class B Note.

If, on any date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of the Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class C Note on such date shall not exceed its Principal Amount Outstanding less the Class C Principal Shortfall on such date. The '**Class C Principal Shortfall**' shall mean on any date in respect of a Class C Note an amount equal to (i) the quotient of (x) the balance on the Class C Principal Deficiency Ledger on the preceding Note Payment, or if such date is a Note Payment Date, on this date, and (y) the Principal Amount Outstanding of Class C Notes on such date, multiplied by (ii) the Principal Amount Outstanding of such Class C Note.

If, on any date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of the Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class D Note on such date shall not exceed its Principal Amount Outstanding less the Class D Principal

Shortfall on such date. The '**Class D Principal Shortfall**' shall mean on any date in respect of a Class D Note an amount equal to (i) the quotient of (x) the balance on the Class D Principal Deficiency Ledger on the preceding Note Payment, or if such date is a Note Payment Date, on this date, and (y) the Principal Amount Outstanding of Class D Notes on such date, multiplied by (ii) the Principal Amount Outstanding of such Class D Note.

A '**Principal Shortfall**' shall mean, in relation to a Note (other than a Reserve Fund Note) the Class A Principal Shortfall, the Class B Principal Shortfall, the Class C Principal Shortfall or the Class D Principal Shortfall, as the case may be.

14. Reserve Fund Deficiency Ledger

A Reserve Fund Deficiency Ledger comprising 3 sub-ledgers, known as the '**Class E Reserve Fund Deficiency Ledger**', the '**Class F Reserve Fund Deficiency Ledger**' and the '**Class G Reserve Fund Deficiency Ledger**' will be established by or on behalf of the Issuer in order to record any difference (if positive) between (i) the Outstanding Principal Amount of the Reserve Fund Notes and (ii) the cash standing to the credit of the Reserve Account (each respectively the '**Class E Reserve Fund Deficiency**', the '**Class F Reserve Fund Deficiency**' and the '**Class G Reserve Fund Deficiency**', together a '**Reserve Fund Deficiency**'). Any Reserve Fund Deficiency shall be debited to the Class G Reserve Fund Deficiency Ledger so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class G Notes (the '**Class G Reserve Fund Deficiency Limit**') and thereafter such amounts shall be debited to the Class F Reserve Fund Deficiency Ledger so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class F Notes (the '**Class F Reserve Fund Deficiency Limit**') and thereafter such amounts shall be debited to the Class E Reserve Fund Deficiency Ledger, so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class E Notes (the '**Class E Reserve Fund Deficiency Limit**').

If on any date the Reserve Fund Notes of a Series and Class or Sub-class are redeemed and such Notes are repaid in full (for the avoidance of doubt, except for any Reserve Fund Shortfall), then the Reserve Fund Deficiency Ledgers of the relevant Class will be reduced with the amount equal to the unpaid Reserve Fund Shortfall on such Notes of such Class or Sub-class (if any).

15. Reserve Fund Shortfall

If, on any date, there is a Class E Reserve Fund Deficiency, a Class F Reserve Fund Deficiency or a Class G Reserve Fund Deficiency, then notwithstanding any other provisions of the Conditions the principal amount payable on redemption of each Class E Notes, Class F Notes or Class G Notes, respectively, on such date shall not exceed its Principal Amount Outstanding less the Class E Reserve Fund Shortfall, Class F Reserve Fund Shortfall or Class G Reserve Fund Shortfall, respectively.

The '**Class E Reserve Fund Shortfall**' shall mean on any date in respect of a Class E Note an amount equal to the quotient of the balance on the Class E Reserve Fund Deficiency Ledger, divided by the Principal Amount Outstanding of all Class E Notes outstanding on such date multiplied by the Principal Amount Outstanding of such Class E Note. The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after such redemption.

The '**Class F Reserve Fund Shortfall**' shall mean on any date in respect of a Class F Note an amount equal to the quotient of the balance on the Class F Reserve Fund Deficiency Ledger, divided by the Principal Amount Outstanding of all Class F Notes outstanding on such date multiplied by the Principal Amount Outstanding of such Class F Note. The Class F Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class F Notes after such redemption.

The '**Class G Reserve Fund Shortfall**' shall mean on any date in respect of a Class G Note an amount equal to the quotient of the balance on the Class G Reserve Fund Deficiency Ledger, divided by the Principal Amount Outstanding of all Class G Notes outstanding on such date multiplied by the Principal Amount Outstanding of such Class G Note. The Class G Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class G Notes after such redemption.

A '**Reserve Fund Shortfall**' shall mean, in relation to a Reserve Fund Note the Class E Reserve Fund Shortfall, the Class F Reserve Fund Shortfall or the Class G Reserve Fund Shortfall, as the case may be.

16. Interest Rate Hedging

The SME Loans bear a fixed rate of interest (which, for certain SME Loans may be subject to a reset from time to time). The Notes may bear a floating or fixed interest rate. The Issuer will enter into one or more interest swap agreements (including a schedule thereto and an interest swap confirmation) with the Interest Swap Counterparty (the "**Interest Swap Agreements**") to hedge the risk between the interest received by the Issuer on the SME Receivables and the interest payable by the Issuer on the Notes.

Under the Interest Swap Agreements, the Issuer will agree to pay on each Note Payment Date amounts equal to:

$A - [B+C]$

whereby:

- (A) an amount equal to items (i), (ii), (iii), (v), (vi), (vii) and (x) of the Interest Available Amounts;
- (B) an excess margin of 0.75 per cent. per annum applied to the daily average over the Note Collection Period of (x) the Principal Outstanding Amount of the Notes (other than the Reserve Fund Notes) less (y) any Principal Deficiency recorded on the relevant Principal Deficiency Ledger on the preceding Note Payment Date (the "**Excess Margin**");
- (C) the expenses set out in items (a) up to and including (c) of the Interest Priority of Payments payable on such Note Payment Date.

On each Note Payment Date, the Interest Swap Counterparty will agree to pay amounts equal to the interest due under the Notes, provided that if there is a Principal Shortfall or a Reserve Fund Shortfall on the relevant Notes as at the first day of the Interest Period (taking into account the amount of principal repaid and any amount credited to the relevant Principal Deficiency Ledger or the Reserve Fund Deficiency Ledger on such day), the Interest Swap Counterparty shall not pay such part of interest payable on the Notes that corresponds to such Principal Shortfall or Reserve Fund Shortfall.

Each Interest Swap Agreement will be documented under an ISDA Master Agreement. Each Interest Swap Agreement may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant ISDA Master Agreement) commonly found in standard ISDA documentation. Each Interest Swap Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Interest Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the Interest Swap Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Interest Swap Agreement and (ii) certain insolvency events.

Upon the early termination of an Interest Swap Agreement, the Issuer or the Interest Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Interest Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to the Interest Swap Counterparty, the Issuer will not be required pursuant to the terms of the Interest Swap Agreements to pay the Interest Swap Counterparty such amounts as would otherwise have been required to ensure that the Interest Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that the Interest Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Interest Swap Counterparty will be required pursuant to the terms of the relevant Interest Swap Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Interest Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Interest Swap Agreement to another office, have the right to terminate such Interest Swap Agreement. Upon such termination, the Issuer or the Interest Swap Counterparty may be liable to make a termination payment to the other party.

In an Interest Swap Counterparty Downgrade Rating Event, the Interest Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant Interest Swap Agreement, arranging for its obligations under the relevant Interest Swap Agreement to be transferred to an entity with the Interest Swap

Counterparty Required Rating, procuring another entity with at least the Interest Swap Counterparty Required Rating to become co-obligor in respect of its obligations under the relevant Interest Swap Agreement, or the taking of such other action to maintain the then current ratings assigned to the Notes at least at the Minimum Ratings or, if the then current ratings of the Notes are lower than the Minimum Ratings, to maintain the then current ratings assigned to the Notes.

A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the relevant Interest Swap Agreement.

Any collateral transferred by the Interest Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under the relevant Interest Swap Agreement will be returned to such Interest Swap Counterparty prior to the distribution of any amounts due to the Noteholders or the other Secured Parties.

17. Currency Hedging

In order to hedge its payment obligations in any currency other than euros under any Class or Sub-class of Notes against variations in the exchange rate of the euro vis-à-vis such currency, the Issuer will enter into a Currency Swap Agreement with a Currency Swap Counterparty.

Each Currency Swap Agreement entered into by the Issuer will be documented under an ISDA Master Agreement. The Currency Swap Agreements may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant ISDA Master Agreement) commonly found in standard ISDA documentation. Each Currency Swap Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Currency Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the Currency Swap Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Currency Swap Agreement and (ii) certain insolvency events.

Upon the early termination of a Currency Swap Agreement, the Issuer or the relevant Currency Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Currency Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to a Currency Swap Counterparty, the Issuer will not be required pursuant to the terms of the relevant Currency Swap Agreement to pay the Currency Swap Counterparty such amounts as would otherwise have been required to ensure that the Currency Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that the Currency Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Currency Swap Counterparty will be required pursuant to the terms of the relevant Currency Swap Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Currency Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Currency Swap Agreement to another office, have the right to terminate such Currency Swap Agreement. Upon such termination, the Issuer or the Currency Swap Counterparty may be liable to make a termination payment to the other party.

In a Currency Swap Counterparty Downgrade Rating Event, the relevant Currency Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant Currency Swap Agreement, arranging for its obligations under the relevant Currency Swap Agreement to be transferred to an entity with the Currency Swap Counterparty Required Rating, procuring another entity with at least the Currency Swap Counterparty Required Rating to become co-obligor in respect of its obligations under the relevant Currency Swap Agreement, or the taking of such other action to maintain the then current ratings assigned to the Notes at least at the Minimum Ratings or, if the then current ratings of the Notes are lower than the Minimum Ratings, to maintain the then current ratings assigned to the Notes.

A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the relevant Currency Swap Agreement.

Any collateral transferred by a Currency Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under a Currency Swap Agreement will be returned to such Currency Swap Counterparty prior to the distribution of any amounts due to the Noteholders or the other Programme Secured Parties.

18. Repayment of Notes on and after the Step-up Date

Pursuant to the Security Agent Agreement the Issuer shall use its best efforts to redeem each Note (other than the Reserve Fund Notes) on the relevant Step-up Date of such Note with the proceeds of the issue of new Notes and, if the Issuer is unable to issue sufficient new Notes for such purpose, such best efforts undertaking includes the sale of SME Receivables to the extent necessary.

19. Sale of SME Receivables

The Issuer will have the right to sell and assign all or part of the SME Receivables on any date, provided that (i) it shall include the proceeds of such sale as Principal Available Amounts, (ii) upon completion of such sale, the quantitative substitution conditions (i) to (v) (inclusive) as set out in *Section Receivables Purchase Agreement – 1. Purchase of SME Receivables and New SME Receivables*, are satisfied or, in the event any of those quantitative substitution conditions were not satisfied prior to such sale, such sale will, in the reasonable opinion of the Security Agent, not adversely affect such substitution condition(s) that was (were) not satisfied prior to the sale in a material way unless the Issuer has received confirmation that as a result of such sale the Notes will not be downgraded below the Minimum Ratings, (iii) in case of a sale to a third party purchaser which is not a Belgian company having an investment grade rating by Moody's, the Issuer has received written confirmation from Moody's that as a result of such sale the Notes will not be downgraded below the Minimum Ratings or, if the ratings of the Notes are below the Minimum Ratings of the Notes, that the then current ratings assigned to the Notes outstanding will not be adversely affected or that the rating of the of Notes will not be withdrawn, and (iv) in case the aggregate Outstanding Principal Amount of the SME Receivables sold since the Programme Closing Date or the date of the last rating confirmation by Moody's exceeds 5% of the aggregate Outstanding Principal Amount of all SME Receivables on the Programme Closing Date or the date of the last rating confirmation by Moody's, the Issuer has received written confirmation from Moody's that as a result of such sale the Notes will not be downgraded below the Minimum Ratings or, if the ratings of the Notes are below the Minimum Ratings of the Notes, that the then current ratings assigned to the Notes outstanding will not be adversely affected or that the rating of the of Notes will not be withdrawn.

Furthermore, under the terms of the SME Receivables Purchase Agreement, the Issuer shall be obliged to sell and assign all the SME Receivables to the Seller, or any third party appointed by such Seller at its sole discretion, if the Seller exercises its Regulatory Call Option.

The purchase price of each SME Receivable in the event of a sale shall at least be equal to the Outstanding Principal Amount of each such SME Receivable minus the Loan Loss Reserve related to each such SME Receivables, together with accrued interest due but unpaid, if any, in respect of each SME Receivable.

20. Early redemption of Series-0 Notes

Prior to (i) the occurrence of a Trigger Event and (ii) the delivery of an Enforcement Notice, and subject to a 30 day notice period (unless the Issuer agrees to a shorter notice period), any holder of a Note of Series-0 (other than Reserve Fund Notes) may request the Issuer to redeem such Note and the Issuer shall following such request apply part of the Principal Available Amounts, towards the redemption of those Series-0 Notes (other than Reserve Fund Notes), subject to the Principal Priority of Payments, the Conditions, the Security Agent Agreement and the Repayment Test.

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice, and subject to a 30 day notice period (unless the Issuer agrees to a shorter notice period), any holder of a Reserve Fund Note of Series-0 may request the Issuer to redeem such Note and the Issuer shall following such request apply amounts credited on the Reserve Account towards the redemption of Reserve Fund Notes of Series-0, subject to the Repayment Test, the Conditions and the Security Agent Agreement.

The amount to be paid in redemption of such Notes will be equal to the aggregate Principal Amount Outstanding of such Notes, less any Principal Shortfall or Reserve Fund Shortfall attributed to such Note on the previous Note Payment Date or, if such date is a Note Payment Date, on this Note Payment Date.

21. Note Clean-up Call Option

Subject to the Repayment Test, the Issuer will have the option to redeem the Notes of any Series and Class or Sub-Class of Notes, other than the Reserve Fund Notes, in full but not in part, at their aggregate Principal Amount Outstanding (subject to and in accordance with Conditions 6(e) and 9(b)) plus interest accrued but unpaid, on a Note Payment Date on which the aggregate Principal Amount Outstanding of such Series and Class or Sub-Class is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series and Class or Sub Class of Notes as at the Issue Date of such Notes.

OVERVIEW OF THE BELGIAN MARKET FOR SME LOANS

Introduction

Due to its geographic location, small surface and very dense population, the Belgian economy developed into one of the most open economies in the world. The characteristic openness of the Belgian economy has only increased over the last decades

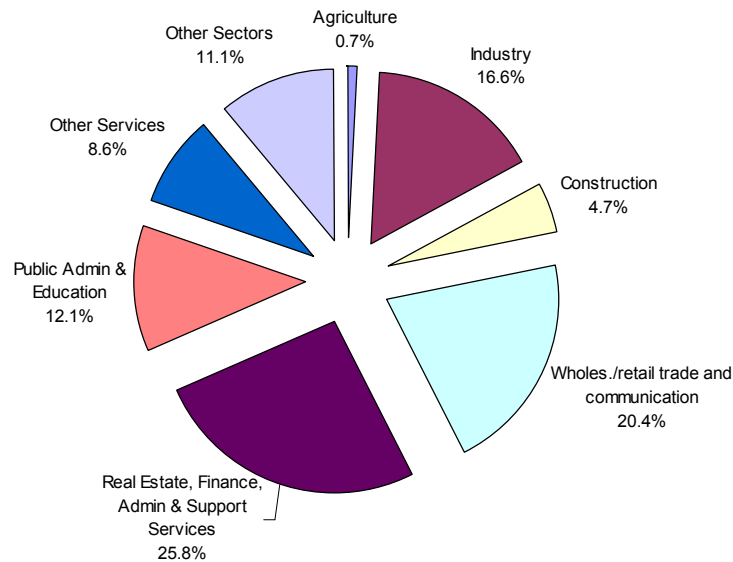
The Belgian corporate world is mainly built on a very large number of Small and Medium Enterprises. Over 95% of the Belgian companies employ less than 50 people. These SME's account for more than 70% of the GDP.

The vast majority of the Belgian SME's are family businesses, that very often have developed into important players on the international market.

In a European context, Belgian SME's rank highest on profitability.

The Belgian economy has clearly developed into a services driven economy, with over 75% of employees working in the services industry. However the development of industrial production has kept the pace (in volume) of the Belgian economy as a whole.

Economic sectors (2007)



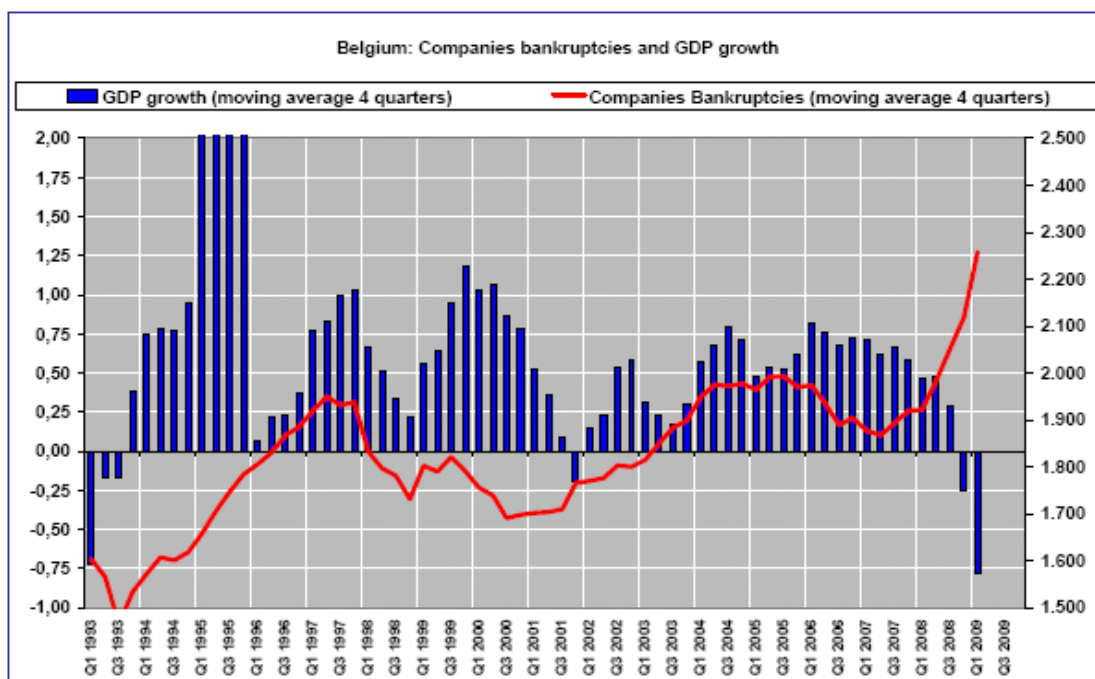
Source : Institut des Comptes nationaux.

Current economic environment

The current global financial crisis takes its toll on Belgium's small and very open economy. The estimated GDP growth rate fell below the zero line during the second quarter of 2009, in the wake of Eurozone, which entered into recession as early as Q2-2008.

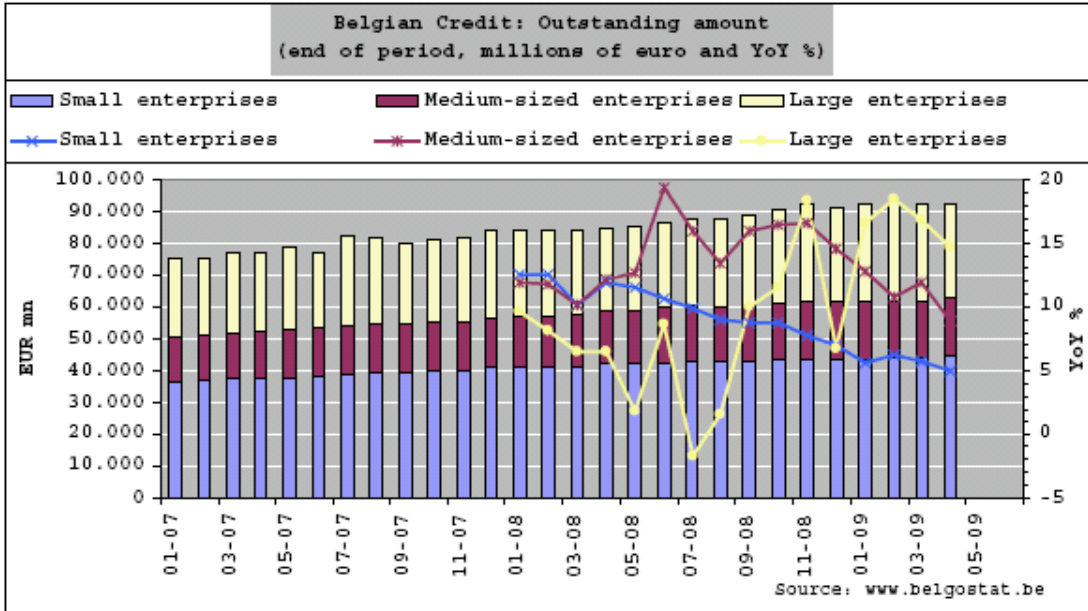
The Federal Planning Bureau, in its estimates, says that the contribution to growth of each expenditure will be negative in 2009, except for that of the public sector. In 2009, private consumption expenditure will decrease by 0.9%, and investment will drop by 3%, for a GDP contraction of 1.9%.

The economic crisis is visible in the statistics related to credit and bankruptcies. Companies bankruptcies are now well above the 2.000 figure. Of course, this level has to be compared with the total size of the companies' population, that one can expect to have grown with the 2002-2008 economic boom. The rise observed since 2008 is nonetheless clear.



The number of bankruptcies has however recently stabilized: in the month July 2009, Graydon, an independent commercial information provider, noticed 536 bankruptcies, which is only one more than in July 2008. Graydon mentions that this is the second month in a row where such stabilization appears (see www.graydon.be).

In the meantime, the growth in lending to Small Enterprises, as published by the National Bank of Belgium, has been constantly diminishing since April 2008, around EUR40bn, the growth pace slowing from 12% in early 2008 to some 5% in the first half of 2009. Credits granted to Medium-Sized and Large Enterprises have been more volatile; but growth in the three segments, except for the credits to Large Enterprises in July 2008, has remained positive.



At the time of writing, despite a generalized visible stabilization in confidence indexes, prospects for investment are not that encouraging. Unsurprisingly, the slowdown in output has led to an underutilization of production capacity, to an average of 70% in Q2-2009, from a peak of 84% in end-2007. And as long as the industrial tool remains underused, prospects for investment – and for this segment of credit – remain poor.

Fortis Bank NV/SA is market leader in Belgium in the SME loan market.

THE SELLER

Fortis Bank - Company profile

Fortis Bank NV / SA ("**Fortis Bank**") provides a total package of banking products and services to personal, business and institutional customers through its own channels and via other partners. Fortis Bank employs 35,000 people, and since 12 May 2009, it is owned at 74.93 % by BNP Paribas and at 25% by the Belgian State.

Fortis Bank has built up a presence in the European retail banking market, operating through a variety of distribution channels. In Belgium and Luxembourg, the company delivers banking and insurance services and solutions to its customers. In other countries, i.e. Turkey, Poland and Ireland, the product offer is tailored to specific customer segments.

Fortis Bank also offers financial services to companies, institutional clients and high net worth individuals and provides integrated solutions to enterprise and entrepreneur. Merchant Banking, Fortis Bank's wholesale activity, fulfils the financial needs of institutional clients and international companies through an integrated international network of business centres. Private Banking offers integrated and international asset and liability management solutions to high net worth individuals, their businesses and their advisers. Fortis Investments, Fortis Bank's asset manager, has a global presence, with sales offices and over 40 dedicated investment centres in Europe, the US and Asia.

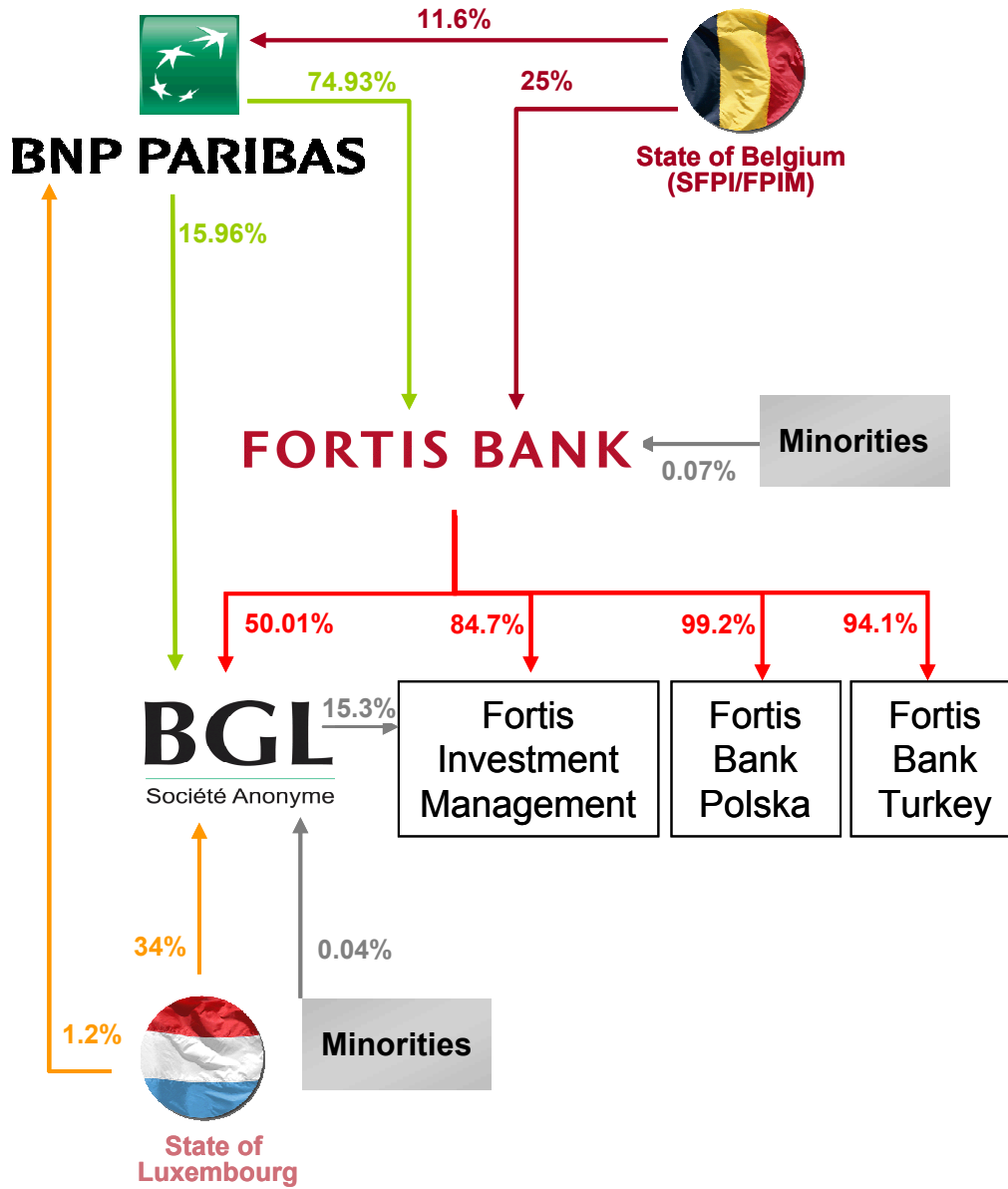
In the Belgian market, Fortis Bank offers, under the commercial name of BNP Paribas Fortis, a comprehensive package of financial services for private individuals, the self-employed, professionals and SMEs. In the insurance sector, Fortis Bank works closely with the Belgian market leader AG Insurance (formerly called Fortis Insurance Belgium), which it owns at 25 %.

In May 2009, Fortis Bank joined the BNP Paribas group (the "BNP Paribas Group") (of which BNP Paribas is the parent company), a European leader in banking and financial services. The BNP Paribas Group has one of the largest international banking networks, a presence in over 85 countries and more than 205,000 employees, including 165,000 in Europe. It enjoys key positions in its three activities: Retail banking, which includes the following operating entities: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Italian retail banking, BancWest, Emerging Market Retail Banking, Personal Finance, Equipment Solutions; Investment Solutions; Corporate & Investment Banking.

At December 31, 2008, the BNP Paribas Group had consolidated assets of €2,075.6 billion (compared to €1,694.5 billion at December 31, 2007), consolidated loans and receivables due from customers of €494.4 billion (compared to €445.1 billion at December 31, 2007), consolidated items due to customers of €414.0 billion (compared to €346.7 billion at December 31, 2007) and shareholders' equity (BNP Paribas Group share including income for 2008) of €53.2 billion (compared to €53.8 billion at December 31, 2007). Pre-tax net income for the year ended December 31, 2008 was €3.9 billion (compared to €11.1 billion for the year ended December 31, 2007). Net income, BNP Paribas Group share, for the year ended December 31, 2008 was €3.0 billion (compared to €7.8 billion for the year ended December 31, 2007).

Internationally, Fortis Bank also provides wealthy individuals, corporations and public and financial institutions with custom solutions for which it can draw on BNP Paribas' know-how and international network.

Simplified legal structure



The businesses of Fortis Bank

Part of BNP Paribas, Fortis Bank is given a future in a truly European financial leader. Fortis Bank wants to become the uncontested favourite no. 1 Belgian bank with international reach.

On 14 May 2009, Fortis Bank announced its new organisation structure (see below). This was the start of the integration project of BNP Paribas, Fortis Bank and BGL (formerly Banque Générale de Luxembourg Société Anonyme). One of the steps in this project is the development of an industrial plan for Fortis Bank, which will be available in the fourth quarter of 2009.

The current business organisation of Fortis Bank, pending the completion of the integration project, is based on three businesses and several support functions. Each of the three businesses comprises a portfolio of related activities targeting particular customer segments and operating according to common objectives and strategies.

Retail banking Belgium

Retail Banking Belgium offers financial services on the Belgian market to individuals, the self-employed, members of independent professions, small and medium-sized enterprises and high net worth individuals. In other words, it brings together the Belgian retail, commercial and private banking activities of the former Fortis Bank. Operating through a variety of distribution channels, Fortis Bank provides services and advice on every aspect of daily banking, saving, investment, credit and insurance to a clearly segmented customer base. On the Belgian market, Fortis Bank is active under the commercial name BNP Paribas Fortis.

Initiatives have been taken to restore customer confidence in Fortis Bank in its Belgian home market, e.g. 'boost confidence' campaign via intensive proactive customer contacts, cash-rich clients' offering of flagship products with good rates for a range of investment durations. As a result, asset inflows from individual customers totaled EUR 2.2bn in the second quarter of 2009 compared to EUR 1.7bn in net asset outflows in the first quarter of the year.

In June 2009, BNP Paribas Fortis launched its first publicity campaign in Belgium. The campaign highlights that one billion euros is available to help self-employed, professionals and businesses develop their activities.

International Retail and Investment Solutions

This business comprises the former retail activities (including consumer finance) outside Belgium, the private banking activities outside Belgium and asset management worldwide.

Fortis Bank has retail activities in Luxembourg, Turkey, Poland and Ireland. In Luxembourg, it delivers banking and insurance services and solutions to all customer groups. In the other countries, the product offer is tailored to specific customer segments.

Private Banking outside Belgium offers integrated and international asset and liability management solutions to high net worth individuals, their businesses and their advisers. With offices in 13 countries, Private Banking helps its clients consolidate, preserve and transfer their wealth.

Fortis Investment Management is the asset manager of Fortis Bank and is active under the commercial name Fortis Investments. It is owned at 84.67% by Fortis Bank (and at 15.33 % by BGL SA). It has EUR 158 billion in assets under management. Through its subsidiary, Fortis Bank has a global presence, with sales offices and over 40 dedicated investment centres in Europe, the US and Asia.

Merchant Banking

Merchant Banking offers tailored financial products and services to medium-sized European-oriented businesses, to large international companies and institutional clients with a focus on Europe, and in selected areas of North America and Asia.

Key developments during the first half year of 2009

This chapter covers the consolidated results of Fortis Bank NV/SA (hereafter BNP Paribas Fortis) for the first six months of 2009. These figures are therefore different from the figures presented in the half year results announcement of BNP Paribas

(4 August 2009). BNP Paribas acquired a majority stake in the bank on 12 May 2009 and therefore only reported on the contribution of BNP Paribas Fortis during this period of the second quarter.

During the first half of 2009, BNP Paribas Fortis sold a part (the 'Portfolio OUT') of its structured credit portfolio to the special purpose vehicle Royal Park Investment ('RPI') as had been agreed in the 'Protocole d'Accord' (as subsequently amended by the 'Avenant n° 3') between the SFPI/FPIM, BNP Paribas, Fortis holding (Fortis SA/NV and Fortis N.V.) and BNP Paribas Fortis. This transaction had a positive impact on the results of BNP Paribas Fortis for the first half-year.

In its reporting, BNP Paribas Fortis, as a consequence of the integration with BNP Paribas and in line with changing conditions in financial markets and in the global economic situation, has partially aligned its accounting policies, accounting estimates, classifications and methodologies and parameters used in the valuation and measurement of assets and liabilities, with the policies, estimates, classifications, methodologies and parameters applied by BNP Paribas.

Comparison with the respective half year of 2008 have limited relevance given the completely different structure of the organisation (as a result of the sale of the Dutch activities) and are therefore not included.

Statutory consolidated results in IFRS

- Reported net loss of EUR 17 million but underlying net profit of EUR 93 million for the first half year, showing improvement in commercial activities
- Better liquidity position thanks to return of confidence
- Tier 1 capital ratio increased to 12.1%
- Good performance amidst a stabilisation of the commercial franchise. In Belgian Retail Banking, net asset inflows from individual customers totalled 2.2 billion euros in the second quarter 2009 compared to 1.7 billion in net asset outflows in the first quarter of the year.
- Integration process with the BNP Paribas Group on track

BNP Paribas Fortis reported a net loss⁰ for the first semester of the year amounting to EUR 17 million. This reported result included two material impacts to be highlighted, however largely offsetting: (1) Positive impact from the sale of part of the structured credit portfolio and (2) Negative impact from changes in accounting estimates in the frame of the alignment of accounting and valuation methodologies with BNP Paribas. Excluding these highlighted impacts, BNP Paribas Fortis realised an underlying net profit of EUR 93 million during the first half of 2009.

The underlying net profit of EUR 93 million for the first half of 2009 was supported by good business in the retail networks, a solid performance by the trading activities and strict cost control, but the level of provisions remained at a high level due to the economic uncertainties.

As far as the different businesses are concerned, Retail Banking, Asset Management and Merchant Banking achieved positive underlying net results over the period.

Second quarter movements

BNP Paribas Fortis' results in the second quarter of 2009 were driven by initial signs of commercial improvement, translating into higher commercial revenues versus the prior quarter. Despite economic uncertainties, operational activities have shown resilience and all banking activities saw positive developments during the period:

- Retail Banking Belgium saw its net inflow from individuals increase to EUR 2.2 billion in the second quarter of 2009. Credits have been steady, in particular mortgages. Our average credit portfolio amounted to EUR 54.3 billion on 30 June 2009, whereas deposits amounted to EUR 60.7 billion.⁰

⁰ Referred to as "Net Profit (Loss) attributable to shareholders in the "Fortis bank sa/nv consolidated interim financial statements for the First half year 2009"

⁰ Retail Banking Belgium brings together the following activities of the old Fortis Bank: « Retail Belgium », « Private Banking Belgium » and « Commercial Banking Belgium »

- Retail Banking Luxembourg stabilised deposits (EUR 7.9 billion on 30 June 2009) and saw an encouraging increase in credits, with a portfolio of EUR 4.9 billion at the end of the second quarter.
- Retail Banking International was marked by the operational merger of Dominet Bank and FB Polska in Poland, which was successfully finalised on 31 July. Increase in new retail credits in Poland, mainly mortgage loans, was moderate whereas deposits rose in an uncertain environment. Banking activities in Turkey were stable.
- Fortis Investments Management (FIM) stabilised its assets under management, thanks to the reduction in outflows. The merger with ABN AMRO Asset Management has already led to synergies and cost reductions.
- Private Banking also stabilised its assets under management at the level of EUR 43 billion.
- Merchant Banking built a positive operational momentum, thanks to a good sales and marketing drive in an improved environment, while reducing market risks.

Fortis Bank's ratings

Fortis Bank has the following ratings (see table) on 24 November 2009:

Table: Fortis Bank Ratings

Rating agency	Short term	Long term
Fitch.....	F1+	AA-
Moody's.....	P-1	A1
Standard & Poor's	A-1+	AA- ”

DESCRIPTION OF SME LOANS

The SME Receivables to be sold and assigned to the Issuer are any and all rights (whether actual or contingent) of the Seller against any Borrower under or in connection with any SME Loan selected by agreement between the Seller and the Issuer together with the Seller's rights to or interest in any Related Security, to the extent the latter relates to the assigned SME Receivable.

The SME Receivables have been selected according to the criteria list set forth in the SME Receivables Purchase Agreement and will be selected in accordance with such agreement on the relevant Purchase Date (see *SME Receivables Purchase Agreement* below).

For a description of the representations and warranties given by the Seller, see *SME Receivables Purchase Agreement* below.

1. Governing law

The SME Loans are governed by Belgian law.

2. Interest Rates

The interest rate on each SME Loan has been fixed for an interest period as of the date of the origination of the relevant SME Loan.

The interest period can be equal to the term of the SME Loan, in which case the interest rate is called a fixed interest rate.

If the interest period is not equal to the term of the SME Loan, the interest rate will change at the end of the relevant interest period. The reset is done by Fortis Bank and the client is sent a letter at least 20 days before the reset. If the loan is an annuity, the client will receive a new amortization table.

There is no reference to an external interest rate and Fortis Bank uses as new interest rate the then current interest rate for similar loans for similar terms.

3. Types of Loans

a) Investment Credit

The "Investment Credit" is a credit with a fixed term and that is repaid according to a fixed repayment schedule. The interest rate is either fixed or resettable on fixed points in time.

The Investment Credit within Fortis Bank, is used for the financing of:

- investments in real estate, equipment or immaterial investments, in order to allow the entrepreneur:
 - o to start, develop or expand its business;
 - o to adjust its production equipment;
- working capital, in case of:
 - o expansion of the business;
 - o deterioration in case of recent investments with own means;
- consolidation of short term debt; or
- purchase of participations or shares.

Investment Credits are currently subject to a minimum amount of EUR 7,500. The credit amount depends on:

- the total amount of the investment, excl. VAT. It is important that the amount is determined with care in order to obtain a solid financial plan, and:

- to avoid an underestimation of the expenses that could lead to the necessity of Fortis Bank to provide additional lending;
- to evaluate the return of the investment;
- the cash input by the client; and
- the repayment possibilities and possibilities of self-financing.

The term of the Investment Credit is between two and thirty years and is determined depending on:

- the expected economical life of the investment being financed; and
- the repayment capacity of the client.

The standard drawing period is set at 2 months, but can be prolonged in mutual agreement between the bank and the borrower, provided that it does not exceed 3 years. Exceptionally, this period can be extended. The drawing period and the repayment period can never exceed 31 years. Redrawing of amounts that have been repaid under the same loan, are not allowed.

For the determination of the repayment schedule, the seasonal or periodical character of the client's cash flows are taken into account, e.g.:

- fixed principal payments (linear): monthly, quarterly, semi-annually or annually;
- at the request of the client, e.g. bullet or balloon; or
- annuities.

The frequency of principal payments can in any case not be smaller than the frequency of the interest payments.

In case not excluded in the credit agreement, the client has the right to repay early, subject to the payment by the client of the funding loss incurred by Fortis Bank, on the following conditions:

- the client has to send a registered letter;
- this letter has to be sent at least 15 days before repayment date; and
- a final early repayment date has to be set.

For long term credits it is a rule to ask for collateral. Collateral can in no case compensate for lack of capital, lack of return or lack of repayment possibilities. Collateral can either cover all loans granted to a client (general collateral) or only the loans that are part of a specific credit opening (specific collaterals).

The types of collateral are (non-limitative list):

- mortgage;
- cash or security pledge;
- pledge on business;
- mandate to pledge on business;
- mortgage mandate;
- shareholder guarantee (in case client is a company);
- government guarantee (national, regional or European);
- financial ratio triggers;
- insurances; and/or
- comfort letters.

b) Instalment Credit

The "**Instalment Credit**" is a credit with a fixed term and a fixed interest rate. As for Investment Credits, amounts that have been repaid cannot be redrawn. The client repays the credit within a specified term and according to a specified repayment schedule (annuity or linear).

The instalment Credit is used to finance:

- professional investments, with or without specified purpose; or
- special payments with a specific fiscal or social reason, e.g. holiday payment for employees, social security payments on holiday payment for employees, year-end bonuses, taxes, rebate pharmacists. Such credit is called Social and Fiscal Instalment Credit (see infra).

The term of the credit depends on:

- the loan amount; and
- the economic life of the property financed (not beyond usual depreciation terms).

It cannot exceed 10 years. The drawing period can never exceed 6 months.

Instalment credits can be repaid through:

- fixed principal payments (linear): monthly, quarterly, semi-annually or annually;
- annuities: monthly, quarterly, semi-annually or annually.

The frequency of principal payments is the same as the frequency of the interest payments.

The client has the right to early prepay the outstanding amount, subject to the payment by the client of the funding loss incurred by Fortis Bank, given following conditions:

- the client sends a registered letter; and
- the letter is sent at least one month before the next payment date.

The types of collaterals covering Instalment Credits are similar as for Investment Credits.

c) Social and Fiscal Instalment Credit

The "**Social and Fiscal Instalment Credit**" is an Instalment Credit used to finance special payments with a specific fiscal or social reason. It has the same characteristics as an Instalment Credit, i.e., it is a credit with a fixed term and a fixed interest rate. Amounts that have been repaid cannot be redrawn. The client repays the credit within a specified term and according to a specified repayment schedule (annuity or linear).

The Social and Fiscal Instalment Credit can only be used to finance following purposes:

- holiday payment for employees;
- social security payments on holiday payment for employees;
- year-end bonuses;
- taxes, and
- rebate pharmacists.

The minimum amount of a Social and Fiscal Instalment Credit is EUR 2.500. The term of the credit can vary from 6 to maximum 12 months. The drawing period can never exceed 1 month.

SME LOAN UNDERWRITING AND SERVICING

Underwriting Principles

1. General description

Customer identification and contact is initiated through the retail branch network or through one of the local business centers. Pro-activity, expertise and personal contact with our customers is crucial.

The customer approach is consistently based on the portfolio approach, whereby the most important customers receive a dedicated personal service and are managed by a relationship manager.

The department Professionals and Small enterprises ("P&S") is defined as a segment of professionals and small enterprises within Retail Bank Belgium ("RBB"), bordered on one side by the Commercial and Private Banking ("CPB") segment. The border is based on a maximum turnover for RBB-files of EUR 2.5 million. Transfers from P&S to CPB and vice versa are discussed on an ongoing basis and decided by the managers involved.

The P&S clients, contrary to some CPB clients, are mainly active on the Belgian market and do not have an international profile. This implies that they don't need a specialised approach in foreign exchange or foreign trade.

The P&S-client is served through 2 channels:

- Fortis Bank, commercialized through a wide network of statutory and independent branches, and
- Fintro, commercialized through a network of agents, who are also acting as independent insurance brokers.

CPB clients are mainly served from one of the local business centers.

All P&S and CPB credit requests pass through the commercial network. It is the responsibility of the branches and business centers to introduce qualitative and complete credit requests in the origination tools. The quality of the data input and the completeness of the request is measured by the central credit department that gives a score and sends it directly to the branch or business center. These scores are reported each month.

A basic principle is that all requests have to comply with:

- the local and international laws and regulations,
- Fortis Bank procedures and standards regarding reputation, sustainability, ...
- the Fortis credit policies in terms of forbidden, exclusive and reserved matters:
 - forbidden matters are not allowed because the bank, either for strategic or legal reasons, has decided as a matter of principle not to enter into a relationship with these industries, clients, etc ... ;
 - exclusive matters need a prior expert opinion by a competence centre (e.g. agricultural loans, ...);
 - reserved matters may only be decided by the credit department (e.g. clients in Intensive Care or in Recovery, real estate projects, ...).

Each credit application for a new credit facility or for the renewal/review of an existing facility needs to cover at least the following topics:

- Identification of counterparty (on credit risk group level);
- Risk portrait for existing and new credit lines: type / amount / exposure, collateral type / amount / value, etc.;
- Qualitative part: shareholders, management reputation and track-record, customers, suppliers, market, technology, client relationship history and profitability;
- Quantitative part: analysis of balance sheet and P&L (trends, horizontal and vertical analysis, ratio analysis on solvency / liquidity / profitability, flow of funds analysis, repayment capacity,...);
- Optional: advice from third parties, e.g. legal and tax department and international trade finance;
- Risk assessment: from the commercial side as well as from the credits' side.

Once the decision is taken, a contracting sheet is added with additional data for contract administration and booking purposes (e.g. account number, interest rate, name of notary, ...).

Granting a credit always means that the repayment capacity is expected either based on the analysis of the balance and

business sheet, or on the evaluation and interpretation of a complete and well-founded business plan. Nevertheless, as the economical evolution is an uncertain factor, it is important to fall back on valuable collateral (mortgage, mortgage mandates, pledge on business (floating charge), pledge on deposit accounts, ...). Collaterals are valued based on specific and conservative valuation rules, subject to regular reviews.

2. Internal Rating system

Furthermore, each client is assigned a rating which is monthly recalculated. Various Basle II compliant models are used to calculate the client's rating. The choice of the appropriate model is made automatically by the rating-tool based on the characteristics of the application. Overrides of the automatic rating can only exceptionally be decided by the credit department in case of inadequacies in the rating model. The output of the model is an internal rating comprising 20 grades (17 for non defaulted borrowers, and 3 for defaulted borrowers). Ratings up to 7 are called "blue", ratings between 8 and 10 are called "green", ratings of 11 and 12 are called "orange", ratings between 13 and 17 are called "red", and ratings between 18 and 20 are called "black".

The target regarding the intake quality is to have ca 75% files (to be measured on the requested credit amount) with a blue or green rating.

DEFAULT	Basel Rating	Probability of Default (PD) - %		
	0	0		
Blue	1	0,00 (0,03) 0,06	1.1	0,00 (0,01) 0,02
			1.2	0,02 (0,03) 0,04
			1.3	0,04 (0,05) 0,06
	2	0,06 (0,09) 0,12	2.1	0,06 (0,07) 0,08
			2.2	0,08 (0,09) 0,10
			2.3	0,10 (0,11) 0,12
	3	0,12 (0,16) 0,20	3.1	0,12 (0,13) 0,14
			3.2	0,14 (0,16) 0,17
			3.3	0,17 (0,19) 0,20
	4	0,20 (0,25) 0,30	4.1	0,20 (0,22) 0,23
4.2			0,23 (0,25) 0,26	
4.3			0,26 (0,28) 0,30	
5		0,30 (0,37) 0,44		
6		0,44 (0,53) 0,62		
7		0,62 (0,74) 0,85		
Green	8		0,85 (1,01) 1,16	
	9		1,16 (1,37) 1,58	
	10		1,58 (1,87) 2,15	
Orange	11		2,15 (2,54) 2,92	
	12		2,92 (3,45) 3,97	
Red	13		3,97 (4,69) 5,40	
	14		5,40 (6,38) 7,35	
	15		7,35 (8,68) 10,00	
	16		10,00 (12,00) 14,00	
	17		14,00 (17,00) 20,00	

3. Credit authority

Except for the specific authority, the amounts mentioned below are to be considered at group level. A "group" includes involved parties that must be considered as a whole for credit risk evaluation. A group is created when involved parties own (directly or indirectly) a shareholding of more than 50 % in other involved parties and/or exercise a control (internal or external) on policies of other involved parties.

The initiative of creating a group is taken by the branch for files falling in its credit decision power and by the credit department

(if not already done by the branch) for files that they have to decide.

The credit authority level is calculated by the origination tool and is based on amount (group exposure), rating, type of credit, sector or activity, (bad) credit history. The applications are automatically routed to the appropriate decision level.

According to the credit decision authority required, the decision can be taken by the commercial function or needs the intervention of the credit department (Origination). Important to notice is that independent branches (Fortis Bank) or agents (Fintro) do not dispose of any decision power for commercial credit products, due to rules imposed by the Belgian regulators. Furthermore, no staff member may decide on credit applications where a conflict of interest occurs. In those cases, substitution of the concerned staff member must be arranged as well in the decision process as for the realization of the credit.

Within RBB, the credit delegation model was reviewed mid-2006 in order to increase the network autonomy so that the credit department can focus on the applications with the highest credit risk. The objective is to have network autonomy of minimum 50% ensuring a balance between operational efficiency on the one hand and an acceptable credit risk level on the other hand. Under no circumstances can those commercial decision powers exceed an amount of EUR 375,000 (secured) or EUR 187,500 (unsecured).

To calculate the unsecured risk, the global exposure needs to be reduced with the real securities (mortgage, pledge on securities accounts, pledge on term deposit or saving accounts, pledge on assets under management) taking into account the outlined internal valorization rules.

The following decision powers are applicable for RBB and CBB:

RBB Decision Levels (in EUR mio)

	Blue (MS 1-7)	Orange (MS 11-12)	Red (MS 13-17)
	Green (MS 8-10)		
CEO RBB / Deputy CEO RBB / Risk Officer RB (8 eyes)	> 10	> 10	> 3.5
General Manager Risk Management RBB / Director Credit Risk Management RBB / Central Risk Manager (6 eyes)	10	10	3.5
Direction Origination + Director Zone / Director Professional Market (4 eyes)	2.5	2.5	1.25
Credit Officers/Credit Manager (2 eyes)	1.25	1.25	0.625
Commercial Level	0.375 (secured) /0.187 (unsecured)	-	-

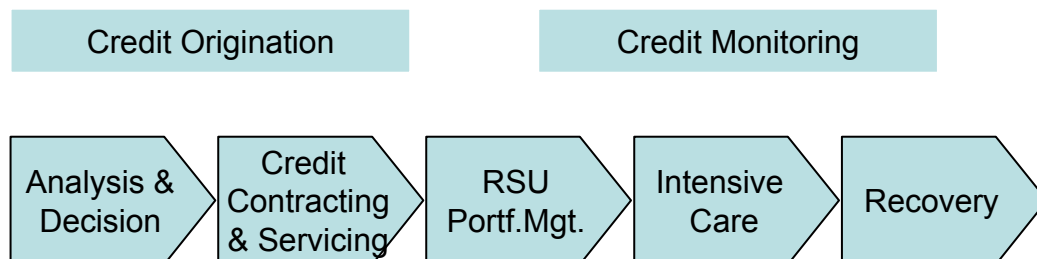
CBB Decision Levels (in EUR mio)

	Blue (MS 1-7)	Orange (MS 11-12)	Red (MS 13-17)
	Green (MS 8-10)		
Central Credit Committee (CCC)	>50	>50	>50
Commercial Banking Credit Committee (chamber 6)	50	50	50
Head of Credits Belgium (6 eyes)	N/A	25	25
Decider Central Credits (6 eyes)	25	12.5	6.25
Area Manager + Head of Origination (4 eyes)	15	7.5	3.75
Area Manager or BCM replacing Area Manager + Head of Origination (4 eyes)	10	5	2.5
Business Center Manager (BCM) + Head of Origination (4 eyes)	5	2.5	1.25
BCM + Desk Head (4 eyes)	2.5	1.25	0.625
Quick Decision (4 eyes)	2.5	1.25	0
BCM or Head Desk (2 eyes)	0.75	0.375	0
Account Manager (commercial level) (2 eyes)	0.125	0.0625	0

Arrears Management of Investment Credit and Installment Credits

1. Principles

After the origination phase, the credit is serviced internally by Fortis Bank through different business units, according to the following schema:



The payment of amounts due is automatically debited from a Fortis bank account. In case insufficient funds are available on the account, further attempts at debiting are done twice a day.

In case funds remain insufficient on the payment day, the status of the credit is set at 'unpaid' while the daily efforts to debit the bank account continue until the file is sent to the recovery department (Recovery). In case more than one payment is due and there is a settlement, the oldest amount due is paid first.

Fortis Bank produces daily and monthly follow-up lists of unpaid amounts, which are sent to the relevant commercial entity (account manager or branch).

Monthly letters are prepared for both clients and potential guarantors. The first monthly letter is sent if the loan is 10 days past due. The second monthly letter is sent one month after the first missed payment date, so for monthly payers on the second missed payment date. These two letters are sent automatically.

A third letter is sent 60 days after the first missed payment date (so for monthly payer on the third missed payment date). This third monthly letter serves notice to the client and a copy is sent to the responsible risk management entities: Risk Surveillance Unit (RSU), Intensive Care (IC) or Recovery.

If the client is not settling its arrears after the third letter has been sent, a proposal to terminate the contract is made to the file manager of the relevant risk management entity. This proposal is sent 75 days after the first missed payment date (third missed payment date plus 15 days for monthly payers).

In case the underlying collateral is in the form of a mortgage mandate, the decision to convert the mandate into a mortgage is made by RSU or Intensive Care as early as possible in the process.

If the client settles all of the amounts in arrears in the course of this process, the procedure is stopped immediately.

2. Risk Surveillance Unit (RSU)

There is a constant scanning of the events happening in credit files (such as excess drawings beyond attributed limit, unpaid social premiums, negative equity,...) by means of triggers generated by a tool named FIRST (Fortis Integrated Risk Surveillance Tool). This automated tool aims to rationalize and accelerate the risk detection process and accessory decision-making. FIRST traces all events (or triggers) that could have an impact on the risk profile of a borrower. Each trigger will receive a weighting in function of its importance. Depending on the weighting of these triggers the commercial entity will be further questioned or imperative actions will be undertaken, such as a transfer to Intensive Care or Recovery.

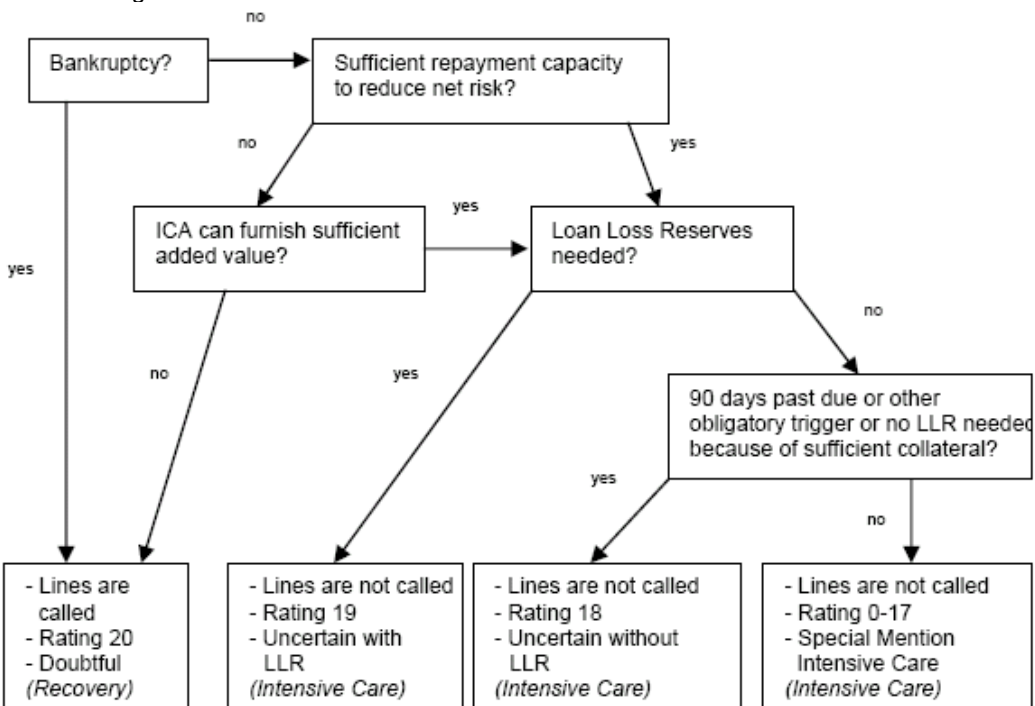
In the Basle II framework, obligatory triggers lead imperatively to a reclassification of the obligor to 'impaired'. Judgmental triggers lead possibly to such a reclassification, but this is depending on the decision of the competent authority. Obligors are reclassified to 'impaired' in case of:

- the presence of one or more obligatory triggers,
- the presence of three or more judgmental triggers,
- an obligor belonging to a group with at least one obligor in Intensive Care,
- expert judgment to declassify.

Obligatory Triggers	Judgmental Triggers	
Bankruptcy	Unpaid social premiums, VAT, taxes	Legal action by other creditors
Chapter 11 (& alike)	Excess drawings or unpaid interest/principal	Other banks requesting collateral
90 days past due	Deterioration to an orange rating	Non-respect of important commitments
Other banks calling their lines	Existence of a red rating	Auditor's qualification
Distressed debt restructuring	Negative equity	Request for consolidation or re-negotiation of credits
Material fraud	Regular Payment problems	Loss or death of a key manager
	Improper use of credit lines	

RSU is involved continuously when adjustments to a loan in arrears are proposed or when a mandate is converted.

RSU File Handling



LLR = Loan Loss Reserve
ICA = Intensive Care

3. Intensive Care (IC)



At a certain point in time, files can be transferred to the Intensive Care department. This is generally based on the RSU files handling process.

When a file is transferred to Intensive Care, the customer relation is taken over by Intensive Care officers. So the file is treated outside of the normal outside of the normal commercial relation. Intensive Care is an independent entity without links to either credit or commercial functions and it has its own delegation model.

At inception of a file, Intensive Care makes an assessment on the chances on continuity of the client. If IC thinks it is unlikely that the client can be cured, loan loss reserves (LLR) are booked to cover the calculated open risk. At each important event or at least each quarter, the file is reassessed to determine whether LLR should be booked or not. For files under EUR 50.000 there is no individual LLR booked, but a global one on portfolio basis.

The first goal of Intensive Care is to reduce the open risk, (negotiate additional collateral, decrease credit lines,...) in collaboration with the borrower.

Files handled in the Intensive Care department can either (i) stay within IC and be fully repaid, or (ii) go back to the business (cured), or (iii) be handed over to the Recovery Department if the situation cannot be improved.

IC works on a credit group approach and will take responsibility for the entire relationship (but can delegate tasks). Its main responsibilities are to:

- reduce the unsecured risk,
- maximize the risk return by adapting margins and fees to the increased risk without jeopardizing long-term relationships,
- manage loan loss provisions, and
- maximize the transition rate, i.e. remedy the problem and return the file to the business.

The average handling time of a file is 18-24 months.

4. Recovery



Recovery is the last department in the credit chain and is active at denunciation of credits or termination of client relationship. At that moment, all outstanding loan amounts become immediately due and payable and the file is classified as “Denounced”. The aim of Recovery is to recover credit balances of recovery files as quickly, as much and as efficiently (in terms of costs) as possible.

The provisioning process starts as soon as a file is submitted to Intensive Care (IC). The aim of IC is to bring problem files back to the business (historically, two thirds of all IC files return to the business). If it is impossible to return the file to the Business, the file is transferred to the Recovery department that takes care of calling the loan (or the entire credit relation) or confirming the calling of the loan by IC.

Provisions cover the non-performing portfolio. This means that they are made for clients or files for which it is reasonable to think that the bank will not be able to recover the outstanding debt in full.

The amount of the provisions is assessed on a continuous basis, based on the evolution of the prospects of the file and on an expert based valuation of the collaterals.

The administration and settlement of files with an amount up to EUR 50.000 can be outsourced to a bailiff. The bailiff's remuneration consists of a flat file cost and a variable fee linked to the recovery amount. Files with a higher outstanding amount are entirely handled by Fortis Bank's recovery officers.

PORTFOLIO REVIEW

If a “**Portfolio Review Event**” occurs, Fitch may at its discretion review the then current pool of SME Receivables sold to the Issuer by means of a regular review of the portfolio on a loan-by-loan basis. The Issuer is obliged to cooperate with this review and undertake to use reasonable efforts to provide Fitch with the requested information.

A Portfolio Review Event means any of the following events:

- (a) a half calendar year has passed since (i) the previous Portfolio Review Event occurred, or (ii) if no Portfolio Review Event has occurred, the Programme Closing Date; or
- (b) the Outstanding Principal Amount of all SME Loans on any date has increased by 10 per cent. or more since the date of the last Portfolio Review Event; or
- (c) the amount standing to the credit of the Reserve Account is less than the Reserve Account Target Amount; or
- (d) if a new Series and Class or Sub-class of Notes is issued in order to fund the purchase of New SME Receivables; or
- (e) if new types of SME loan products are included in the pool, which have not been described herein or in any supplemental prospectus hereto or if a new Seller accedes to the Programme; or
- (f) if a Seller materially changes its underwriting/lending criteria; or
- (g) any time Fitch requests to review the pool of SME Loans.

SME RECEIVABLES PURCHASE AGREEMENT

On the Programme Closing Date the Seller and the Issuer will enter into the SME Receivables Purchase Agreement. Under the SME Receivables Purchase Agreement on each Business Day the Seller may sell SME Receivables and the Related Security relating thereto, to the Issuer. The sale and assignment of the SME Receivables will be effectuated by the Seller and the Issuer signing a deed (a "**Deed of Sale and Assignment**") The assignment of the SME Receivables from the Seller to the Issuer will not be notified to the Borrowers, except in case of the occurrence of Assignment Notification Events. Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen/paiement libératoire*) to the Seller. The Issuer will be entitled to all proceeds in respect of the SME Receivables as of the relevant Purchase Date.

1. Purchase of SME Receivables and New SME Receivables

On the Programme Closing Date the Issuer will purchase SME Receivables and Related Security up to an amount equal to the Principal Amount Outstanding of the Notes issued on such date (except for the Reserve Fund Notes).

Under the SME Receivables Purchase Agreement the Seller will be entitled to sell and assign and the Issuer will purchase and accept assignment of SME Receivables and the Related Security on each Business Day, to the extent offered to it, up to the Purchase Available Amount (the "**New SME Receivables**").

The "**Purchase Available Amount**" means on any date, (i) the amount standing to the credit of the Principal Ledger, plus (ii) the net proceeds of Notes (other than Reserve Fund Notes, and other than amounts referred to under item (x) of the Interest Available Amounts) that have not been applied towards the repayment of Notes (other than Reserve Fund Notes), to the extent not included in (i), plus (iii) on a Note Payment Date the sum of items (f), (h), (j) and (l) of the Interest Priority of Payments to the extent actually paid, less (iv) amounts to be used by the Issuer to redeem Notes (other than Reserve Fund Notes) fully (subject to Condition 9b), less (v) the sum of the Pass-through Payable Amounts since the last Note Payment Date.

The purchase by the Issuer of New SME Receivables and the Related Security relating thereto will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant Purchase Date:

- (a) the Seller will represent and warrant to the Issuer and the Security Agent (i) the matters set out in the clauses providing for the representations and warranties relating to the Relevant SME Loans and the Relevant SME Receivables with respect to the New SME Receivables and the Related Security relating thereto sold by it on such date and (ii) those relating to the Seller;
- (b) no Assignment Notification Event has occurred and is continuing;
- (c) there has been no failure by the Seller to repurchase any SME Receivable which it is required to repurchase pursuant to the SME Receivables Purchase Agreement;
- (d) the Purchase Available Amount is sufficient to pay the Initial Purchase Price for the New SME Receivables;
- (e) no withdrawal of rating of the Notes by Fitch, no downgrading of the Notes by Fitch below the Minimum Ratings of the Notes or, if the then current ratings of the Notes are below the Minimum Ratings, no downgrading of the Notes by Fitch will occur as a result of such purchase;
- (f) the balance on the Reserve Account was at least equal to the Class D Required Subordinated Amount;
- (g) except in the case of any purchase of New SME Receivables by the Issuer either (x) in relation to a new issue of Notes (other than an issue under an existing Series and Class, or Sub-class thereof) to the extent that the aggregate Outstanding Principal Amount of the New SME Receivables to be purchased on the relevant Purchase Date does not exceed the issue proceeds of such Notes (other than the Reserve Fund Notes) or (y) where Fitch has confirmed that such purchase will not result in a change to the rating of the Notes below the Minimum Ratings of the Notes, or, if the then current ratings assigned to the Notes are below the Minimum Ratings, will not adversely affect the then current

rating assigned to the Notes, (i) the aggregate Outstanding Principal Amount of the New SME Receivables to be purchased on the relevant Purchase Dates falling after the immediately preceding Note Payment Date does not exceed 20 per cent. of the aggregate Outstanding Principal Amount of all SME Loans on such Purchase Date and (ii) the aggregate Outstanding Principal Amount of the New SME Receivables to be purchased on the relevant Purchase Date or any earlier Purchase Dates falling after the Note Payment Date falling one year before the relevant Purchase Date does not exceed 50 per cent. of the aggregate Outstanding Principal Amount of all SME Loans on such relevant Purchase Date;

- (h) if, in respect of a Series and Class or, if applicable, Sub-class of Notes, a Step-up Date, or, for Reserve Fund Notes, a Maturity Date, has occurred, all Notes to which such Step-up Date or Maturity Date relates are redeemed in full subject to Condition 9(b) prior to or on the Note Payment Date falling one (1) year after such Step-up Date or Maturity Date;
- (i) after the purchase of the New SME Receivables, the weighted average expected loss (calculated on a loan-by-loan basis by multiplying yearly probability of default (PD) with the loss given default (LGD) as both calculated by the models of BNP Paribas Fortis) of the whole pool, excluding SME Loans with a Borrower having an internal rating of 18, 19 and 20 or an unknown rating, will not be higher than 0.40% per annum;
- (j) after the purchase of the New SME Receivables, the aggregate Outstanding Principal Amount of SME Loans with an expected loss of 0.52% or higher, excluding SME Loans with a Borrower having an internal rating of 18, 19 or 20 or an unknown rating, will not be higher than 15% of the aggregate Outstanding Principal Amount of all SME Loans, excluding SME Loans with an internal rating of 18, 19 and 20 or an unknown rating;
- (k) after the purchase of the New SME Receivables, the aggregate Outstanding Principal Amount of SME Loans with a Borrower having an 'unknown' rating is not higher than 5% of the aggregate Outstanding Principal Amount of all SME Loans;
- (l) after the purchase of the New SME Receivables, the aggregate Outstanding Principal Amount of SME Loans of the top 20 Borrowers will not be higher than 7% of the aggregate Outstanding Principal Amount of all SME Loans and the aggregate Outstanding Principal Amount of SME Loans of the top 100 Borrowers will not be higher than 23% of the aggregate Outstanding Principal Amount of all SME Loans;
- (m) after the purchase of the New SME Receivables, the weighted average expected loss (calculated on a loan-by-loan basis by multiplying the probability of default (PD) with the loss given default (LGD) as calculated by the models of BNP Paribas Fortis) of the top 100 Borrowers, excluding the Borrowers with an internal rating of 18, 19 and 20 or an unknown rating, will not be higher than 0,40% per annum;
- (n) after the purchase of the New SME Receivables, the weighted average maturity of the aggregate Principal Amount Outstanding of the SME Loans does not exceed 10.5 years;
- (o) after the purchase of the New SME Receivables, (i) the proportion of SME Loans related to a particular economic sector according to the Nace Rev. 2 sector classification (most general level) does not exceed 15% of the aggregate Principal Amount Outstanding of the SME Loans, except for the sector 'Wholesale and Retail' in respect of which such proportion shall not exceed 25% of the aggregate Principal Amount Outstanding of the SME Loans, and (ii), without prejudice to the 15% sector limitation as set out under (i), the proportion of the sum of SME Loans of the sectors 'Construction' and 'Real Estate Activities' does not exceed 25% of the aggregate Principal Amount Outstanding of the SME Loans;
- (p) after the purchase of the New SME Receivables, the percentage of SME Loans paying annually does not exceed 12% of the aggregate Principal Amount Outstanding of the SME Loans;
- (q) after the purchase of the New SME Receivables, the aggregate Outstanding Principal Amount of SME Loans with bullet and 'other' repayment does not exceed 5% of the aggregate Outstanding Principal Amount of all SME Loans;

- (r) after the purchase of the New SME Receivables, the weighted average annual probability of default of the SME Loans of the top 100 Borrowers (as calculated by the models of BNP Paribas Fortis, and excluding SME Loans with a Borrower with an internal rating of 18, 19 and 20 or an unknown rating) does not exceed 2.5% and the weighted average life of the SME Loans of the top 100 Borrowers does not exceed 7.5 years;
- (s) after the purchase of the New SME Receivables, (i) the aggregate value of the Loan Security securing the SME Receivables under the form of a Mortgage or a pledge over cash is at least equal to 20% of the Outstanding Principal Amount of all SME Receivables and (ii) the aggregate value of the Loan Security securing the SME Receivables under the form of a Mortgage, Mortgage Mandate or a pledge over cash is at least equal to 80% of the Outstanding Principal Amount of all SME Receivables;
- (t) after the purchase of the New SME Receivables, the aggregate value of the Loan Security securing the SME Receivables under the form of a Mortgage Mandate does not exceed 45% of the aggregate value of all the Loan Security securing the SME Receivables under any of the following forms: Mortgage Mandate or other Mandate, Mortgage, Floating Charge, pledge over cash, financial instruments or other assets, government guarantee and *aval* and related guarantees;
- (u) after the purchase of the New SME Receivables, the weighted average annual probability of default of the SME Loans (as calculated by the models of BNP Paribas Fortis), excluding SME Loans with a Borrower with an internal rating of 18, 19 and 20 or an unknown rating, will not exceed 2.75% of the aggregate Outstanding Principal Amount of all SME Loans excluding SME Loans with a Borrower with an internal rating of 18, 19 and 20 or an unknown rating; and
- (v) after the purchase of the New SME Receivables, the aggregate Outstanding Principal Amount of SME Loans with a Borrower having a rating above 13, excluding SME Loans with a Borrower with an internal rating of 18, 19 and 20 or an unknown rating, is not higher than 15% of the aggregate Outstanding Principal Amount of all SME Loans excluding SME Loans with a Borrower with an internal rating of 18, 19 and 20 or an unknown rating.

2. Purchase Price

The purchase price for each sale of SME Receivables shall consist of an initial purchase price (the "**Initial Purchase Price**"), which shall be payable on the relevant Purchase Date and the sum of all relevant deferred purchase price instalments (each a "**Deferred Purchase Price Instalment** "). In respect of New SME Receivables the Initial Purchase Price will be equal to the aggregate Outstanding Principal Amount in respect of the New SME Receivables on the cut-off date set out in the Deed of Sale and Assignment. The relevant Deferred Purchase Price shall be equal to the sum of all relevant Deferred Purchase Price Instalments and each relevant Deferred Purchase Price Instalment on any relevant Note Payment Date will be equal to (A) prior to delivery of an Enforcement Notice, the positive difference, if any, between the Interest Available Amounts as calculated on each Note Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under all items ranking above a Deferred Purchase Price Instalment or, as the case may be, (B) following delivery of an Enforcement Notice, the amount remaining after all the payments as set forth in the Priority of Payments upon Enforcement ranking above a Deferred Purchase Price Instalment on such date, have been made.

3. Representations and warranties

Each Seller will represent and warrant on the relevant Purchase Date with respect to the SME Receivables that it will sell and assign to the Issuer on such date (the "**Relevant SME Receivables**") and the Related Security relating thereto and the SME Loans from which such SME Receivables result (the "**Relevant SME Loan**"), *inter alia*, that:

(a) Valid existence – SME Loan Characteristics

- (i) The SME Receivables and Related Security exist and are valid, legally binding and enforceable obligations of the relevant Borrowers or, as the case may be, the relevant third party provider of the Related Security.
- (ii) The SME Loans are granted with respect to investments related to the enterprise of the Borrower.
- (iii) Each SME Loan was granted by the Seller or, as the case may be, another Originator as its legal predecessor as the original lender as a loan with respect to investments related to the enterprise of the Borrower and, in the latter case, acquired by the Seller as a true sale and in accordance with the then prevailing credit policies of the original lender.
- (iv) The SME Loans are either Investment Credits, Instalment Credits or Social and Fiscal Instalment Credits.

(b) Governing legislation

- (i) Each SME Loan and relating Related Security is governed by Belgian law and no SME Loan or Related Security expressly provides for the jurisdiction of any court or arbitral tribunal other than Belgian courts or tribunals.
- (ii) The SME Loans are not subject to consumer protection legislations (in particular the Act of 12 June 1991 on consumer credit loans and the Act of 4 August 1992 on mortgage credit (save for Title III)).

(c) Free from third-party rights

- (i) Each SME Loan has been granted by the Seller for its own account or, if applicable, by the relevant Originator.
- (ii) The Seller has exclusive, good and marketable title to and has the absolute property right over each SME Loan and SME Receivable and the other rights, interests and entitlements sold pursuant to the SME Receivables Purchase Agreement.
- (iii) The SME Loans, the SME Receivables and Related Security are free and clear of any encumbrances, liens, charges, pledges, pre-emption rights, options or other rights or security interests of any nature whatsoever in favour of, or claims of, third parties and of any attachments (*derdenbeslag / saisie-arrêt*).
- (iv) The Seller has not assigned, transferred, pledged, disposed of, dealt with or otherwise created or allowed to arise or subsist any security interest or other adverse right or interest in respect of its right, title, interest and benefit in or to any of the SME Loans, SME Receivables or Related Security and of the rights relating thereto or any of the property, rights, titles, interests or benefits sold or assigned pursuant to the SME Receivables Purchase Agreement or pledged pursuant to the Pledge Agreement, in any way whatsoever other than pursuant to the SME Receivables Purchase Agreement or the Pledge Agreement.
- (v) The SME Loans can be easily segregated and identified for ownership and collateral security purposes.

(d) Fully disbursed SME Loans

The proceeds of each SME Loan (including any brokers fees) have been fully disbursed and the Seller has no further obligation to make further disbursement relating to the SME Loan.

(e) No set-off or other defense

- (i) None of the SME Loans and Related Security is subject to any reduction resulting from any valid and enforceable *exceptie / exception* or *verweermiddel / moyen de défense* (including *schuldvergelijking / compensation*) available to the relevant Borrower or third party provider of Related Security and arising from any act or omission on the part of, or event or circumstance attributable to, the Seller prior to the execution of the SME Receivables Purchase Agreement

(except any *exceptie/exception* or *verweermiddel/moyen de défense* based on the provisions of Article 1244, paragraph 2 of the Belgian Civil Code or the provisions of Belgian insolvency laws).

(ii) No pledge, lien, counterclaim or other security interest has been created or arisen or now exists between the Seller and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under its SME Loan.

(f) No subordination

The Seller has not entered into any agreement, which would have the effect of subordinating the right to the payment of any of the SME Loans to any other indebtedness or other obligations of the Borrower thereof.

(g) No limited recourse

The Seller has not entered into any agreement, which would have the effect of limiting the rights in respect of the SME Loan to any assets of the Borrower for the payment thereof.

(h) No abstraction

No bills of exchange or promissory notes have been issued or subscribed in connection with any amounts owing under any SME Loan.

(i) Performing loan

(i) Except for any arrears referred to in paragraph (ii) below, no event has occurred and has not been cured prior to the Programme Closing Date, entitling the Seller to accelerate the repayment of such SME Loan.

(ii) On the relevant Purchase Date, no SME Loan is in arrears for more than 30 days.

(iii) No notice of prepayment of all or any part of the SME Loan has been received by the Seller.

(j) Litigation

The Seller has not received written notice of any litigation or claim calling into question in any material way the Seller's title to any SME Loan or Related Security.

(k) Insolvency

The Seller has not received written notice, nor is otherwise aware, that any Borrower is bankrupt, has entered into or has filed for a rescheduling or repayments (*betalingsfaciliteiten /facilités de paiements*), a judicial composition (*gerechtelijk akkoord / concordat judiciaire*), judicial reorganization (*gerechtelijke reorgansiatie / réorganisation judiciaire*) or a moratorium (*uitstel van betaling / sursis de paiement*), or has applied for a collective reorganisation of its debts (*collectieve schuldenregeling/règlement collectif de dettes*) pursuant to the law of 5 July 1998, or is in a situation of cessation of payments or has otherwise become insolvent nor has the Seller any reason to believe that any Borrower is about to enter into, or to file for, any of the above situations or procedures.

(l) Incapacity

The Seller has not received notice of the death or any other incapacity of any Borrower (to the extent the Borrower is an individual).

(m) No Withholding Tax

Neither the Seller nor the Borrower is required to make any withholding or deduction for or on account of tax in respect of any payment in respect of the SME Loans.

(n) Assignability of the SME Receivables

- (i) Each SME Receivable, secured by the Related Security, may be validly assigned to the Issuer and each SME Receivable may be validly pledged by the Issuer in accordance with the Pledge Agreement.
- (ii) Each SME Receivable, secured by Related Security, is legally entitled of being transferred by way of sale, and their transfer by way of sale is not subject to any contractual or legal restriction, other than the notification to the Borrower.
- (iii) No sale of a SME Receivable in the manner herein contemplated will be recharacterised as any other type of transaction and the sale of all SME Receivables will be effective to pass to the Issuer full and unencumbered title thereto and benefit thereof, and no further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of each SME Receivable or the enforcement of each SME Receivable in any court other than the giving of notice to the Borrower of the sale of such SME Receivable by the Seller to the Issuer.
- (iv) Upon the sale of any SME Receivables such SME Receivables will no longer be available to the creditors of the Seller on its liquidation.

(o) Related Security

The Seller has not received notice of any material breach of the terms of any Related Security.

(p) The Seller's compliance with laws

The Seller has, in relation to the origination, the servicing and the assignment of the SME Loans and SME Receivables, complied in all material respects with all relevant banking, privacy, money laundering and other laws.

(q) Servicing

- (i) No other person has been granted or conveyed the right to service any SME Loan and/or to receive any consideration in connection therewith, unless agreed otherwise between the parties hereto.
- (ii) All payments on each SME Loan are settled by way of direct debit.

(r) Selection process

The Seller has not taken any action in selecting the SME Loans which, to the Seller's knowledge, would result in delinquencies or losses on the SME Loans being materially in excess of the average delinquencies or losses on the Seller's total portfolio of loans of the same type.

(s) Originating and Standard Loan Documentation

- (i) Prior to making each SME Loan the Seller carried out or caused to be carried out all investigations, searches and other actions and made such enquiries as to the Borrower's status and obtained such consents (if any) as would a reasonably prudent lender and nothing which would cause any such a lender to decline to proceed with the initial loan on the proposed terms was disclosed.

- (ii) Prior to making each SME Loan, the Seller's lending criteria laid down in the Credit Policies or, as the case may be, the lending criteria of the Seller applicable at the time or the lending criteria of the relevant original lender, were satisfied so far as applicable subject to such waivers as might be exercised by a reasonably prudent SME lender.
- (iii) Each SME Loan has been granted and each of the Related Security has been created, subject to the general terms and conditions and materially in the forms of the Standard Loan Documentation (so far as applicable) and any amendment to the terms of the SME Loans has been made substantially in accordance with the Credit Policies or the then prevailing credit policies of the Seller or the original lender.
- (iv) Each SME Loans originated under a Credit Facility has been made subject to the "*Algemene Voorwaarden voor Kredietopeningen aan Ondernemingen / Conditions Générales des Ouvertures de Crédit aux Entreprises*", version 2001.

(t) Proper Accounts and Records

Each SME Loan and Related Security is properly documented in the Contract Records relating to such SME Loan. The relevant transactions, payments, receipts, proceedings and notices relating to such SME Loan and such Contract Records are properly recorded in the Contract Records and in the possession of the Seller or held to its order.

(u) Data protection and privacy laws

The Seller and the databases it maintains, in particular with regard to the SME Loans and the Borrowers, fully comply with the data protection and privacy laws and regulations.

(v) Financial Criteria

- (i) On the relevant Purchase Date, the Outstanding Principal Amount of the SME Receivables related to a Borrower is not more than 0.5% of the Outstanding Principal Amount of all SME Receivables.
- (ii) Each SME Receivable, except for SME Receivables providing for a bullet repayment, is repayable by monthly, quarterly, semi-annual or annual Instalments.
- (iii) Each SME Receivable is denominated exclusively in euro (this includes SME Loans historically denominated in Belgian frank).
- (iv) On the relevant Purchase Date, no SME Receivable is a Disputed SME Receivable.
- (v) No SME Receivable has a remaining maturity in excess of 30 years.
- (vi) No SME Receivable has a maturity date falling after the date that is three years before the Final Maturity Date of any Note.
- (vii) The Borrower of an SME Receivable is not assigned an internal rating of 18, 19 or 20 in accordance with the internal rating models of BNP Paribas Fortis.

(w) Specific SME Loan information

The items of information provided to Moody's in respect of the SME Loans and the Related Security related to the SME Receivables, as specifically identified in the SME Receivables Purchase Agreement, are true and accurate in all material respects.

(x) Mandates

- (i) Each attorney appointed under a Mortgage Mandate and as long as such attorney, if a legal person, exists, or, if a private person, is alive, has the power under the Mortgage Mandate to create a mortgage in favor of the Issuer.
- (ii) The wording of the terms of any Mortgage Mandate related to a New SME Receivable explicitly provides that the mandate can be used to create a Mortgage in favour of the successors of the Originator.

(y) Date of origination

Each SME Loan has been originated after 1 January 2000.

4. Eligibility Criteria

All representations and warranties other than those relating to the Seller, shall be considered to constitute the eligibility criteria relating to the SME Loans or, as the case may be, the SME Receivables (the "**Eligibility Criteria**"). The Eligibility Criteria pertain to the SME Receivables and SME Loans on the relevant Purchase Date.

5. Repurchase

Under the SME Receivables Purchase Agreement the Seller will be obliged to repurchase and accept re-assignment of a SME Receivable:

- (a) if any of the representations and warranties given by the Seller in respect of such Relevant SME Receivables or the Relevant SME Loan on its Purchase Date is untrue or incorrect, within 35 days after the Seller has been notified or otherwise become aware thereof, unless the matter has been remedied by the Seller; and
- (b) if the Seller agrees with a Borrower to amend the terms of the Relevant SME Loan as a result of which (i) the SME Loan no longer meets the Eligibility Criteria and the representations and warranties given in the SME Receivables Purchase Agreement or (ii) the quantitative substitutions conditions (i) to (v) (inclusive) as set out in Section *Receivables Purchase Agreement – 1. Purchase of SME Receivables and New SME Receivables* are breached, or, in the event any of those quantitative substitution criteria were not satisfied prior to such amendment or variation, such amendment or variation, in the reasonable opinion of the Security Agent, adversely affects such substitution criteri(on)(a) that was not satisfied prior to the amendment or variation in a material way unless the Issuer has received confirmation that as a result of such amendment or variation the Notes will not be downgraded below the Minimum Ratings or the rating of the of Notes will not be withdrawn, (iii) while any Pass-through Note is outstanding or after an Enforcement Notice has been served, the remaining maturity of an SME Loan that was not arrears on the day preceding such amendment is increased or (iv) while any Pass-through Note is outstanding or after an Enforcement Notice has been served, (x) the remaining maturity of an SME Loan that was in arrears on the day preceding such amendment is increased and (y) the cumulative Outstanding Principal Amount of the SME Loans so amended exceeds 5% of the aggregate Outstanding Principal Amount of the SME Receivables at the time such Note became a Pass-Through Note or such Enforcement Notice was given (the "**SME Loan Amendment**"), within 35 days following such amendment.

The purchase price in case of a repurchase by the Seller of a SME Receivable in the event described under (a) above, will be equal to the '**Outstanding Principal Amount**' (which means with respect to a SME Receivable the aggregate principal sum (*hoofdsom / principal*) due by the relevant Borrower under the relevant SME Receivable and, other than in case of repurchase, after the occurrence of a Realised Loss in respect of such SME Receivable, zero) of the relevant SME Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the relevant SME Receivable.

In the event of a repurchase as a result of (b) above the purchase price shall be as described as under (a) above minus the Loan Loss Reserve related to the Relevant SME Receivable.

In case and for so long as the Seller is rated below Baa3 by Moody's, the purchase price for any SME Receivable repurchased by the Seller as a result of (a) or (b) above and paid to the Issuer will as of such date be used by the Issuer to fund a reserve on its accounts and will not be included as Principal Available Amounts and/or Interest Available Amounts until the expiration of a 6 month period starting on the repurchase date of the relevant repurchased SME Receivable. An amount corresponding to the purchase price of a repurchased SME so reserved will only become available for inclusion in the Principal Available Amounts and/or the Interest Available Amounts and shall no longer have to be taken into account for the purposes of the level of such reserve referred to above upon the expiration of the 6 month period starting on the repurchase date of the relevant SME Receivable provided that (i) if in the meantime insolvency proceedings were started in relation to the Seller, the amount corresponding to the purchase price of the repurchased SME Receivable so reserved shall remain reserved in the accounts of the Issuer until such repurchase is no longer open for challenge by the bankruptcy trustee of the Seller and the risk of such repurchase being held ineffective against the bankrupt estate of the Seller can no longer materialise and (ii) any amounts relating to any repurchase so reserved may again be included as Principal Available Amounts and/or Interest Available Amounts as soon as the Seller is rated at least Baa3 by Moody's.

6. Assignment Notification Events

If:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the SME Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Issuer or the Security Agent to such Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the SME Receivables Purchase Agreement or under any other Relevant Document to which it is a party and if such failure, capable of being remedied, is not remedied within ten (10) Business Days after having knowledge of such failure or notice thereof has been given by such Issuer or the Security Agent to such Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the Seller in the SME Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant SME Loans and the Relevant SME Receivables (which the Seller consequently repurchases), or under any of the other Relevant Documents to which it is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or
- (d) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding/dissolution*) and liquidation (*vereffening/liquidation*) or any of its assets are placed under administration (*onder bewind gesteld/placé sous administration*); or
- (e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations (*saneringsmaatregel/mesure d'assainissement*) as referred to in article 3, §1, 8° of the Credit Institutions Supervision Act, as amended from time to time, or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a party; or
- (g) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Agent in connection with the entering into the SME Receivables Purchase Agreement and/or any of the Relevant Documents; or

- (h) a Pledge Notification Event occurs; or
- (i) (a) a Seller Downgrade Event has occurred and (b) (i) the Seller (1) has not opened an escrow account in the name of the Issuer, for its own account, with a party having at least the Seller Collection Account Provider Required Rating, and (2) has not transferred to the escrow account within (30) days after such downgrade, an amount equal to the lesser of (A) the aggregate amount of deposits held by the Borrowers on any savings or current accounts held with the Seller and (B) an amount equivalent to the next instalment payable under the SME Loans of the Borrowers or (ii) the Seller has not found and complied with any other solution to maintain the ratings assigned to the Notes at least at the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes, within (10) days after such downgrade; or
- (j) the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations falls below BBB by Fitch or such rating is withdrawn; or
- (k) the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn,

then

the Seller shall, unless the Security Agent instructs the Seller otherwise, forthwith notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Agent are forthwith notified of the assignment of the SME Receivables and that all future payments in relation to the SME Receivables are henceforth to be paid directly into the Issuer Collection Account. The Issuer shall, at its option, also be entitled to make such notifications itself. The Security Agent will only instruct the Seller not to give notice of the assignment as described above, if, after the Rating Agencies have been notified of such instruction not to give such notice of the assignment, it has received sufficient comfort that as a result of not giving such notice the Notes will not be downgraded below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, the then current ratings assigned to the Notes (or that as a result of not giving such notice the rating of Notes will not be withdrawn).

Unless instructed by the Security Agent not to give such notice, if the Seller and the Issuer fail to give such notice the Security Agent shall (at the expense of the Seller) be entitled to give such notice(s).

Jointly held Related Security and Credit Facilities

Where SME Receivables have been originated using a Credit Facility and/or are secured by an All Sums Security Interest, the Seller shall, following the sale and purchase of the Relevant SME Receivables continue to have rights under the relevant Credit Facilities and/or to the All Sums Security Interest (see above *Risk Factors regarding the SME Loans – All Sums Security Interest and Credit Facilities*).

Under the SME Receivables Purchase Agreement, the Issuer and the Seller have agreed that proceeds derived from the enforcement of Loan Security which (x) constitutes an All Sums Security Interest or (y) secures the Credit Facility related to an SME Receivable, shall, to the extent not allocated to either the SME Receivable or other debts of the relevant Borrower owed to the Seller, be shared between the Issuer and the Seller *pro rata* the amounts owed to the Issuer under the SME Receivable and the amounts owed to Seller respectively

SERVICING AGREEMENT

1. Services

In the Servicing Agreement the Pool Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the SME Loans and the SME Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the SME Receivables and the transfer of such amounts at least on a monthly basis to the Issuer Collection Account (see also *Cash Collection Arrangements* in *Credit Structure*) and the implementation of arrear procedures including, if applicable, the enforcement of the Related Security (see further *SME Loan Underwriting and Servicing* above). The Pool Servicer will be obliged to administer the SME Loans and the SME Receivables at the same level of skill, care and diligence as SME loans in its own or, as the case may be, the Seller's portfolio. The Servicing Agreement in this respect also provides for certain undertakings by the Pool Servicer in relation to the making of amendments to the conditions applicable SME Loans including, *inter alia*, an undertaking not to propose any increase to the maturity of an SME Loan which is not arrears. In the Servicing Agreement, the Issuer (assisted by the Pool Servicer) will further undertake to use its best efforts to appoint a back-up pool servicer if at any time the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Pool Servicer would be assigned a rating of less than Baa3 by Moody's or BBB- by Fitch.

The Administrator will in the Servicing Agreement agree to provide certain administration, calculation and cash management services to the Issuer, including, without limitation, (a) the direction of amounts to be received from the Pool Servicer to the relevant Issuer Collection Account and the production of monthly and quarterly reports in relation thereto and the distribution of such reports to the relevant parties, (b) drawings (if any) to be made by the Issuer from the Reserve Account, (c) if applicable, all payments to be made by the Issuer under each Currency Swap Agreement, (d) all payments to be made by the Issuer under the Interest Swap Agreement, (e) all payments to be made by the Issuer under the Notes in accordance with the Domiciliary Agency Agreement and the Conditions, (f) the maintaining of data for all required ledgers in connection with the above and (g) all calculations to be made pursuant to the Conditions under the Notes.

2. Termination

The Servicing Agreement may *inter alia* be terminated (in respect of the relevant party) by the Security Agent or the Issuer (with the consent of the Security Agent) in certain circumstances, including (a) a default by the Pool Servicer or the Administrator in the payment on the due date of any payment due and payable by it under the Servicing Agreement, (b) a default by the Pool Servicer or the Administrator in the performance or observance of any of its other covenants and obligations under the Servicing Agreement or (c) the Pool Servicer 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 entering into emergency regulations (*saneringsmaatregel/mesure d'assainissement*) as referred to in article 3, §1, 8° of the Credit Institutions Supervision Act as amended from time to time, or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets.

Upon termination of the Servicing Agreement, the Security Agent and the Issuer shall use their best efforts to appoint a substitute administrator or substitute pool servicer and such substitute administrator or substitute pool servicer shall enter into an agreement with the Issuer and the Security Agent substantially on the terms of the Servicing Agreement, provided that such substitute administrator or substitute pool servicer shall have the benefit of a servicing fee and an administration fee at a level to be then determined. Any such substitute pool servicer must have experience of administering SME loans in Belgium. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Secured Parties in accordance with the Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Agent.

The Servicing Agreement may be terminated by the Pool Servicer in respect of it or by the Administrator in respect of it and by the Issuer in respect of the Pool Servicer and/or the Administrator, upon the expiry of not less than 12 months' notice of termination given by the Pool Servicer and/or the Administrator to each of the Issuer and the Security Agent, or by the Issuer to the Pool Servicer and/or the Administrator, as the case may be, and the Security Agent, provided that - *inter alia* - (a) the Security Agent consents in writing to such termination and (b) a substitute pool servicer or a substitute 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 and the Pool Servicer or the Administrator shall not be released from its obligations under the Servicing Agreement until such substitute pool servicer or substitute administrator has entered into such new agreement.

THE ISSUER

1. Name and status

The Issuer is a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the name Esmée Master Issuer N.V./S.A. *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* in accordance with the UCITS Act.

Its registered office is at Rue Royale 97 (4th floor), 1000 Brussels, Belgium and it is registered with the Crossroad Bank for Enterprises under 820.094.121 and its telephone number is +32 2 209 22 00.

The Issuer is subject to the rules applicable to *institutionele vennootschappen voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* as set out in the UCITS Act. It has been duly registered with the Belgian Federal Public Service Finance (the “**Federale Overheidsdienst Financiën**”) on 23 November 2009 as an *institutionele vennootschappen voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge*. This registration cannot be considered a judgement as to the quality of the transaction, nor on the situation or prospects of the Issuer.

The Issuer is a public company within the meaning of article 438 of the Company Code.

2. Incorporation

The Issuer was incorporated on 23 October 2009 for an unlimited period of time.

A copy of the articles of association of the Issuer are available together with this Base Prospectus at the registered office of the Issuer and at the specified offices of the Domiciliary Agent. The Issuer has the corporate power and capacity to issue the Notes, to acquire SME Receivables and to enter into and perform its obligations under the Relevant Documents.

The founders of the Issuer are Stichting Holding Esmée and Genfinance International N.V..

3. Share Capital and Shareholding

The Issuer has a total issued share capital of EUR 62,000, which is divided into 62,000 ordinary registered shares, each fully paid-up, without fixed nominal value. It does not have any authorised capital which is not fully paid up.

61,900 of the shares of the Issuer are all owned by Stichting Holding Esmée. One hundred (100) shares are owned by Genfinance International N.V.. Stichting Holding Esmée is a foundation (*stichting/fondation*) incorporated under the laws of Belgium on 22 September 2009. The objects of Stichting Holding Esmée are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and comparable companies and to exercise all rights attached to such shares and to dispose of and encumber such shares.

The directors of Stichting Holding Esmée are:

- Herman Coppens, resident at 9430 Lede, Kerkevijverstraat 1, national register number 59042032155;
- Christophe Tans, resident at 3700 Tongeren, Gravierstraat 96, national register number 72122320522; and
- Pierre Verhaegen, resident at 1200 Sint-Lambrechts-Woluwe, Kerselarenlaan 136 b13, national register number 74081324703,

(the “**Holding Directors**”).

Each of the Holding; the Security Agent and the Holding Director has entered into a management agreement pursuant to which the Holding Director agrees and undertakes to, *inter alia*, (i) do all that an adequate director should do or should refrain from doing, and (ii) refrain from taking certain actions (a) detrimental to the obligations of the Issuer under any of the Relevant Documents or (b) which it knows would or could reasonably result in a change to the ratings assigned to the Notes outstanding

below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will adversely affect the then current ratings assigned to the Notes outstanding.

In addition each of the Holding Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Agent and without written confirmation by Fitch that there will be no downgrade of the ratings assigned to the Notes outstanding below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, that the then current ratings assigned to the Notes outstanding will not be adversely affected (and that the ratings of the Notes will not be withdrawn), and without the prior notification of Moody's thereof.

4. Corporate purpose and permitted activity

The corporate purpose of the Issuer as set out in article 3 of its Articles of Association consists exclusively in the collective investment of financial means, that are exclusively collected with institutional or professional investors for the purposes of Article 103 of the UCITS Act, in receivables that are assigned to it by third parties.

The securities issued by the Issuer can only be acquired by those institutional or professional investors.

The Issuer may carry out all activities and take all measures that can contribute to the realisation of its corporate purpose, such as e.g., but not exclusively, to issue financial instruments whether or not negotiable, contract loans or credit agreements in order to finance its portfolio of receivables or to manage payment default risks on the receivables and pledge the receivables it holds in its portfolio and its other assets. The Issuer may hold additional or temporary term investment, liquidities and securities. The Issuer may purchase, issue or sell all sorts of financial instruments, purchase or sale options relating to financial instruments, interest instruments or currencies, as well as enter into swaps, interest swaps or term contracts relating to currencies or interest and negotiate options on such contracts, provided that the transaction serves to cover a risk linked to one or more assets on its balance sheet.

Outside the scope of the securitisation transactions carried out by it and outside the investments permitted by law, the Issuer may not hold any assets, enter into any agreements or engage in any other activities. It may not engage personnel.

Any amendment of the corporate purpose of the Issuer requires a special majority of 80 percent of the voting rights.

5. Administrative, management and supervisory bodies

Board of directors

The board of directors of the Issuer ensures the management of the Issuer. Pursuant to article 16 of its Articles of Association, the board consists of a minimum of 2 directors and a maximum of 5 directors. The Issuer's current board of directors consists of the following persons:

- Intertrust (Belgium) NV/SA, registered with the Crossroads Bank for Enterprises under number 435.177.929 (LPR Brussels), with registered office at Rue Royale 97 (4th floor), 1000 Brussels, having appointed as permanent representative Herman Coppens, resident at 9430 Ledde, Kerkevijverstraat 1, national register number 59042032155; and
- Stichting Holding Esmée, private stichting, with registered office at Rue Royale 97 (4th floor), 1000 Brussels, having appointed as permanent representative Pierre Verhaegen, resident at 1200 Sint-Lambrechts-Woluwe, Kerselarenlaan 136 b13, national register number 74081324703,

(the "Issuer Directors")

The current term of office of the Issuer Directors expires after the annual shareholders meeting to be held in 2014

Companies of which Intertrust (Belgium) NV / SA has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years are: ACB Holdings NV, AJE GROUP BELGIUM SA, Alberic Holding SPRL, AMB Belgium New Eagle Holding 1 BVBA, AMB Belgium New Eagle Holding 2 BVBA, AMB BELGIUM NEW EAGLE HOLDING 3 BVBA, AMB BELGIUM NEW EAGLE HOLDING 4 BVBA, AMB BELGIUM NEW EAGLE HOLDING 5 BVBA, Andorwine SPRL, APPAREL HOLDINGS SPRL, Arlington International Developments NV, ARLINGTON PROPERTY SERVICES BELGIUM

BVBA, AVOCENT BELGIUM LTD SPRL, Baffin (Belgium) SPRL, Barrington BVBA, BBGP Belgium Holdings NV, BBQ Holdings NV, BBQ USA Holdings NV, BELEGGINGSMAATSCHAPPIJ WASSENAARSE STAND BV BVBA, BELHOF BVBA, BENEFOOD NV, Benvenuta SA, Bestford Europe BVBA, Blue Music BVBA, Boekhoorn België NV, Bonito Belgium Holdings NV, Brahman Investments (BEL) SPRL, Brat Capital NV, Broadex NV, Buschberg Associates SA, CANTERBURY HOLDING SA, Caroco Holding SPRL, CARP HOLDING NV, CG REAL ESTATE PARTNERS C (BELGIUM) BVBA, CGRE PARTNERS D (BELGIUM) BVBA, CGREP B (BELGIUM) BVBA, CLANTERN HOLDINGS NV, CODYLCO NV, COHIL HOLDING SPRL, CONSOLIDATED MINERALS (BELGIUM) LIMITED SPRL, CorLeather SPRL, CPE Monterrey Holding BVBA, CPIS SA, CPIT SA, CPIV SA, CPIW SA, CPT BELGIUM HOLDINGS SPRL, CSFB (UNW) Co-Investors BVBA, CSFB (UNW) IEP BVBA, Der Boede BVBA, DEUXDANSLEBUISSON BVBA, Dexta Holdings NC, Dorade Investments SA, DRILFORMANCE BVBA, Duel Group SA, Elena NV, Ellerstina (Belgium) SPRL, Envirowaste Holdings NV, Escape Europe NV, Euro-Fashion-Center SA, Fal Nazareth NV, Fal Zevenbronnen NV, Famigro SA, FERMACA AMERICAS SPRL, First Pacific Telecom Assets Limited BVBA, Fortis Private V&V Handling NV, Fuenciment SA, FURSTENBERG INVESTISSEMENTS SPRL, Galactic Europe Investments SPRL, GATTACA HOLDINGS NV, GCCL (BELGIUM) SERVICES SPRL, Global Income SPRL, GPI Investment Holdings (Belgium) BVBA, GUAYMAS CO-INVESTMENT (BELGIUM) BVBA, Habitare SA, Henley Holding BVBA, HERITAGE FUND SPRL, HERMI HOLDINGS SPRL, Hole In One SA, Housemartin BVBA, HT MEDIA HOLDINGS NV, Hudovare SPRL, Immixtus BVBA, Infovest SA, Inland BVBA, Interlopam Invest (IN LIQ) NV, Ironbridge Capital 2003/4 Fund Belgium Investments NV, KF Japan BVBA, Kim NV, Kipling Investments Belgium NV, Kolff Beheer BV, LATIN AMERICA VTRE HLG I BVBA, LATIN AMERICA VTRE HLG II BVBA, LATIN AMERICA VTRE HLG III BVBA, Lavanda Brisas BVBA, LO JACK INTERNATIONAL BENELUX SPRL, Mallorca Investments NV, Marathon Playa (BEL) SPRL, Mardas Investment BVBA, Margit Holding SPRL, Mason Investments NV, Med Devices Holding SA, MEXICAN PIPELINES AND TERMINALS SPRL, MGMF LIMBURG SA, MIHER HOLDINGS SPRL, Moulin Rouge SA, Nextville NV, NIKKO FLEET HOLDINGS NV, NIKKO WASTE HOLDINGS NV, Nivobel BVBA, NORTH AMERICA POWER INC. SA, OIFS Partners NV, OLMECA SPRL, Orinda BVBA, Overland Ventures NV, OYKS Partners NV, PARASOL NV, PAWBEL 1 SPRL, PAWBEL 2 SPRL, PAWBEL 3 SPRL, PAWBEL 4 SPRL, PAWBEL 5 SPRL, PERMIT CAPITAL JAVER SPRL, Pine Investments BVBA, PLANTERN HOLDINGS NV, Post Oak Investments BVBA, Propylaia NV, QUALCARE Holdings NV, R. BREUR BVBA, RANDAMAN HOLDINGS SPRL, RE PARTNERS E (BELGIUM) BVBA, Redwood Investments BVBA, Resco Holding SPRL, RIMA 1 NV, RIMA 2 NV, RMB Belgium NV, ROBHEIN BV BVBA, Rosarito BVBA, Rospa Belgium BVBA, Rubella BVBA, SAILFISH HOLDINGS NV, San Bonifacio SA, Schiphol Belgium NV, SEC ANA private stichting, Second Euro Industrial Properties SPRL, Securholds SPRL, Snoeks investments Belgium BVBA, Spell Investments NV, Spoel BVBA, Sprangers Interim Management BVBA, Squadron Asia Pacific NV, SQUADRON ASIA PACIFIC II NV, SR Holdings BVBA, Starboard Investments BVBA, Stichting JPA Properties private stichting, STORM HOLDING NEDERLAND BV BVBA, Taifoen Holding BVBA, The Marketplace Company Belgium NV, Thimay II BVBA, Thyme Investments NV, TKK Belco SCA, Todd International Investments NV, TOLTECA SPRL, Troon Investments BVBA, TVG Consolidation Holdings SPRL, TVG Neighborhood Cable Holdings SPRL, TVG Outdoor SPRL, TVG Transact Holdings SPRL, VACCA-INVEST SPRL, VERCA BV BVBA, Vermeg International SA, Vinoy Investments BVBA, Vruchtenburg BVBA, W.I.N. WEB Investment Network NV, Wasabi Capital SPRL, WIRRA HOLDINGS NV, WTC Investment BVBA, YAQUI SPRL.

Companies of which Herman Coppens has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years are: Addra Holdings SPRL, Aurian Management II SPRL, Aurian Management III SPRL, Belarthur SA, Beleggingsmaatschappij Giever BVBA, Belfelicia SA, BELFELIX SA, BRS Telecom Holding BVBA, Cultura 2006 Fondation Privée Fondation privée, Ducasse Gestion SPRL, FIMKO NV, FORTIS INTERTRUST GOVERNANCE ADVISORY NV, Gelase SA, Gerbo Société d'Investissements SA, HANRO BVBA, HEKO Holding NV, HILLBRO BVBA, HILLBRO HOLDING NV, I-Cap Belgium NV, Interinfo Holding SCA, Intertrust (Belgium) NV/SA, Kofran (vroeger: World Motion Pictures) BVBA, Koro Holding NV, Krowal NV, Marks & Spencer Ventures NV, MELICO BVBA, MP Beheersmaatschappij 2 NV, MPI Services NV, MPT Services NV, Ottawa (Belgium) SPRL, Phidias Management NV, Ridavo NV.

Companies of which Pierre Verhaegen has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years are: DELNOVEST NV, EVERE REAL ESTATE SPRL, Intertrust (Belgium) NV/SA, INTERTRUST CORPORATE SERVICES NV, INTERTRUST SERVICES NV, Phidias Management NV, REC DE II SPRL, SPE III AVIGNON SPRL, SPE III SERCLAES 1 SPRL, SPE III SERCLAES 2 SPRL, SPE III SPILLIERT SPRL, SPE III STEVENS SPRL, SPE III VOLTA SPRL.

None of the Issuer Directors have been subject to official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor have they been disqualified by a court from acting as member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Other administrative, management or supervisory bodies

The Issuer has no other administrative, management or supervisory bodies than the board of directors. The board of directors will delegate some of its management powers to the Administrator for the purpose of assisting it in the management of the affairs of the Issuer but it will retain overall responsibility for the management of the Issuer, in accordance with the UCITS Act. For more information about the Administrator, see below *Related Party Transactions – the Administrator*.

Following the enactment of the Belgian Act of 17 December 2008 on the installation of an audit committee within listed companies and financial institutions and the implementation thereof in the Company Code, the Issuer has in particular confirmed that no audit committee will be installed within its Board of Directors based on the exemption available to companies the only business activity of which is limited to the issuance of asset backed securities as provided for in Article 256bis §7 b) of the Company Code. Whereas the type and limited number of transactions effected within the context of the securitisation transaction entered into by the Issuer and the limitation of the Issuer's activities (see 4. *Corporate purpose and permitted activity* above), should not result in complex financial reporting, the Issuer deems the installation of a separate audit committee within the Board of Directors not useful, also taken into account that the Board of Directors is only constituted of a limited number of professional directors.

Conflicts of interest

None of the Issuer Directors has any conflict of interest between its duties as director and its other duties or private interests.

None of the Issuer or Stichting Holding have a conflict of interest with any of its directors with respect to the entering into the Relevant Documents.

Issuer Management Agreement

Each of the Issuer Directors has entered into a management agreement with the Issuer and the Security Agent. In these management agreements (the "**Issuer Management Agreements**") each of the Issuer Directors agrees and undertakes to, *inter alia*, (i) act as director of the Issuer and to perform certain services in connection therewith, (ii) do all that an adequate director should do or should refrain from doing, and (iii) refrain from taking any action detrimental to the obligations under any of the Relevant Documents.

In addition each of the Issuer Directors agrees in the relevant Issuer Management Agreements that it will not enter into any agreement relating to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Agent and without the written confirmation by Fitch that there will be no downgrade of the ratings assigned to the Notes outstanding below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, that the then current ratings assigned to the Notes outstanding will not be adversely affected (and that the rating of the Notes will not be withdrawn), and without the prior notification of Moody's thereof.

6. Shareholders meeting

The shareholders' meeting has the power to take decisions on matters for which it is competent pursuant to the Belgian Company Code. In addition, the Articles of Association provide that if as a result of a conflict of interest of one or more directors with respect to a decision to be taken by the board of directors of the Issuer, such decision cannot be validly taken due to the applicable legal provisions with respect to conflicts of interests in public companies, the matter will be submitted to the shareholders' meeting and the shareholders' meeting will have the power to appoint a direction *ad hoc* or to take a decision on such matter.

The annual shareholders' meeting will be held each year on the last Business Day of the month of May at 3.00 pm (Central European Time) at the registered office of the Issuer. The shareholders' meetings are held at the Issuer's registered office. A general meeting may be convened at any time and must be convened whenever this is requested by shareholders representing 20 per cent of the share capital.

Shareholders' meetings are convened upon convening notice of the board of directors (or the auditor or liquidator). Such notices contain the agenda as well as the proposals of resolutions and are made in accordance with the Company Code. Copies of the documents to be provided by law are provided with the convening notice.

A shareholder may be represented at a meeting of shareholders by a proxyholder. In order to be valid, the proxy must state the agenda of the meeting and the proposed resolutions, a request for instruction for the exercise of the voting right for each item on the agenda and the information on how the proxyholder must exercise his voting right in the absence of restriction of the shareholders.

The shareholders' meeting may validly resolve irrespective of the number of shares present or represented, unless otherwise provided by law. Any resolution is validly adopted at the majority of the votes. Amendments of the Articles of Association require a majority of 75 per cent of the votes (and a majority of 80 per cent for the amendment of the corporate purpose).

Pursuant to Article 646, §2 of the Belgian Company Code, the Shareholder will, as long as it remains the sole shareholder of the Issuer, exercise the powers vested with the shareholders' meeting.

7. Share transfer restrictions

Given the specific purpose of the Issuer and Article 103, 2° of the UCITS Act, the shares in the Issuer can only be held by institutional or professional investors within the meaning of Article 5, §3 of the UCITS Act. Each transfer in violation of the share transfer restrictions contained in Article 11 of the Articles of Association of the Issuer, is null and is not enforceable against the Issuer. In addition :

- (a) if shares are transferred to a transferee who does not qualify as an institutional or professional investor within the meaning of Article 5, §3 of the UCITS Act, the Issuer will not register such transfer in its share register; and
- (b) as long as shares are held by a shareholder who does not qualify as an institutional or professional investor within the meaning of Article 5, §3 of the UCITS Act, the payment of any dividend in relation to the shares held by such shareholder will be suspended.

Share transfers are further subject to authorisation by the board of directors. If a proposed transfer of shares is not authorised by the board of directors, the board of directors will have to propose one or more alternative transferees for the shares.

The shares may not be pledged or be the subject matter of another right *in rem* other than the property interest, unless approved by the board of directors.

8. Corporate Governance

The Issuer complies with all binding regulations of corporate governance applicable to it in Belgium.

9. Capitalisation

The following table shows the capitalisation of the Issuer as of 24 November

Share Capital

Issued Share Capital: EUR 62,000

10. Auditors

PricewaterhouseCoopers Bedrijfsrevisoren, incorporated under Belgian law with registered office at Woluwegarden, Woluwedal 18, 1932 St.-Stevens-Woluwe, Belgium and member of the Instituut der Bedrijfsrevisoren has been appointed as statutory auditors of the Issuer.

11. Belgian Tax Position of the Issuer

Withholding tax on moneys collected by the Issuer

Receipts of moveable income (in particular interest, and with the exception of Belgian source dividends) by the Issuer are exempt from Belgian withholding tax. Therefore no such tax is due in Belgium on interest payments received under any Loan by the Issuer from a Borrower.

Similarly a withholding tax exemption will be available for interest paid to the Issuer on investments or cash balances.

Corporation tax

The Issuer is subject to corporation tax at the current ordinary rate of 33.99 per cent. However its tax base is notional: it can only be taxed on any disallowed business expenses and any abnormal or gratuitous benefits received by it. The Issuer does not anticipate incurring any such expenses or receiving any such benefits.

Value added tax (VAT)

The Issuer qualifies in principle, as a VAT taxpayer but is fully exempt from VAT in respect of its operations. Any VAT payable by the Issuer is therefore not recoverable under the VAT legislation. The current ordinary VAT rate is 21 per cent.

Services supplied to the Issuer by the Pool Servicer, the Seller, the Security Agent, the Issuer Directors, the Administrator, the GIC Provider, the Interest Swap Counterparties, the Currency Swap Counterparties, the Domiciliary Agent, the Rating Agencies and Auditors are, in general, subject to Belgian VAT provided that the services are located for VAT purposes in Belgium. However, fees paid in respect of the financial and administrative management of the Issuer and its assets including fees paid for the receipt and collection of payments on behalf of the Issuer as well as transactions with receivables, securities and liquid assets are exempt from Belgian VAT.

12. Accounting Year

The Issuer's accounting year ends on 31 December of each year. As to the first year, the Issuer's accounting year will start as from the date of the incorporation of the Issuer and will end on 31 December 2010.

13. Information to investors – availability of information

The Administrator will prepare quarterly reports to be addressed to the Security Agent, the Rating Agencies and the Domiciliary Agent on each Note Calculation Date (the "**Quarterly Investor Report**").

In addition to the Quarterly Investor Report, a "**Monthly Investor Report**" will be published by the Administrator on the 20th calendar day following the end of each Monthly Collection Period, except if the end of such Monthly Collection Period is also the end of a Note Collection Period.

The Investor Reports will be made available for inspection by the Administrator on the website www.tbe.eu.com and will be made available upon request free of charge to any person at the office of the Domiciliary Agent.

In addition, the Administrator and the Auditor will assist the Issuer in the preparation of the annual reports to be published in order to inform the Noteholders.

14. Notices

For Notices to the Noteholders, see Condition 13

15. Financial Information concerning the Issuer

Since the date of its incorporation, the Issuer has not commenced operations other than the Programme and no financial statements have been made up as at the date of this Base Prospectus.

Pursuant to Article 30 of the Articles of Association of the Issuer, the profit of the Issuer may (after constitution of the legal reserve) either be distributed as dividend or reserved for later distribution or for the cover of risk of default of payment of the SME Receivables.

The Issuer has as such no borrowing or leverage limits. Pursuant to its Articles of Association, the Issuer may however only invest in receivables that are assigned to it by third parties as well as in temporary investments. The Issuer may not hold other assets than those necessary for the realisation of its corporate purpose.

16. Negative statements

As at the date of this Base Prospectus, the Issuer has not commenced any operations other than the transaction and no financial statements have been made up.

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including proceedings which are pending or threatened of which the Issuer is aware), during a period since its incorporation, which may have or have had in the recent past significant effects on the Issuer or its financial position or profitability.

17. Valuation rules

The financial statements of the Issuer will be prepared in accordance with following valuation rules.

ASSETS

Amounts receivable after more than one year and within one year

This heading contains the current principal outstanding amount of the securitized loans. The receivables are booked in the balance sheet at the nominal value of the loans.

The receivables on less than one year are also booked in the balance sheet at nominal value plus interests due.

On a regular basis the loans are analyzed on potential credit risk. A credit risk for specific loan impairment is recorded when there is objective evidence that the Issuer will not be able to collect all amounts due in accordance with contractual terms. The amount of the provision is the difference between the carrying amount and the recoverable amount. Impairments are recorded as a decrease in the carrying value of the loans.

Quarterly an excess spread is calculated on the remaining balance of the outstanding notes of classes A to D. This excess spread is deducted from the interest collections and covers realised and unrealised losses.

Cash

This heading contains the cash on the current account and the reserve account established at the issuance of the subordinated class E, F and G Notes. The amounts in this heading are booked at nominal value.

Deferred charges and accrued income

Under the heading 'Deferred Charges and Accrued Income', all amounts of deferred charges and accrued income relating to the reference period, are booked. It consists mainly of pro-rata interests on the SME loans, the pro-rata interests on the current account and the pro-rata interests on the IRS.

LIABILITIES

Amounts payable after more than one year

- a) financial debts – subordinated loans

The outstanding class E, F and G Notes are booked at nominal value. The repayment of class E, F and G Notes is subordinated to the repayment of classes A to D. The proceeds of an issuance of class E, F and G Notes are put into a reserve account, booked under the heading 'Cash' on the asset side. This reserve account is meant to allow the issuer to comply to its payment obligations on each payment date in case of insufficient interest collections.

- b) financial debt – unsubordinated loans

This heading comprises the outstanding amounts of classes A to D, of which the proceeds are used to purchase loans.

The outstanding amounts are booked at nominal value minus repayments. The timing of the repayments is subject to the incoming cash flows of the loans and the terms and conditions of the different classes of notes. It can be the case that principal repayments under the loans are used to securitise new loans instead of repaying the notes.

Amounts payable within one year

'Amounts payable within one year' contains the principal of notes that are due within one year. These amounts payable are booked at nominal value.

Trade debts and other debts

These liabilities are booked at nominal value.

Accrued charges and deferred income

'Accrued charges and deferred income' contains the pro-rata interests on the Notes, the pro-rata interest on the interest rate swap, the pro-rata deferred purchase price (payment of the difference between the excess spread and the realized and unrealised losses on the loans, in case a positive amount), the deferred income and the costs to be charged in relation to the reference period.

A swap agreement (see 'Off-balance sheet rights and commitments') provides for a regular exchange of (i) on the one hand interests paid on the Notes and (ii) on the other hand interest collections of the loans plus interest received on the accounts minus an excess spread and costs paid. At the end of the financial year a 'pro-rata swap payment' is booked, which is equal to the result of the Issuer at the end of the period, in order to bridge the time gap between the interests paid and received. The counter booking is done under the heading 'accrued charges'

OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

Collaterals and guarantees received

Under this heading the real and personal collaterals and guarantees are booked that have been received under the loans.

Other rights and obligations

The risk following the difference in interest rate between the loans and the outstanding notes is hedged through an IRS, here booked for its nominal amount. On every interest payment date of the notes, the following amounts are exchanged: (i) on the one hand interests paid on the Notes and (ii) on the other hand interest collections of the loans plus interest received on the accounts minus an excess spread to cover for realized and unrealised losses and minus costs paid.

18. Articles of association of the Issuer

A copy of the text of the articles of association (*statuten/statuts*) of the Issuer (the "**Articles of Association**") is attached as Annex 2 of this Base Prospectus. A copy of the Issuer's articles of association together with the Issuer's deed of incorporation is available, free of charge, at the office of the Issuer and at the offices of the Domiciliary Agent and can be obtained at: www.tbe.eu.com. A summary overview of certain relevant articles is set out below.

Article 1 (Form and Status): the Issuer is a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the name Esmée Master Issuer N.V./S.A. *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* in accordance with the UCITS Act, subject to the rules applicable to *institutionele vennootschappen voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* as set out in the UCITS Act. The Issuer is a public company within the meaning of article 438 of the Company Code. See further 1. *Name and Status* above.

Article 3 (Corporate Purpose): The corporate purpose of the Issuer consists exclusively in the collective investment of financial means, that are exclusively collected with institutional or professional investors for the purposes of Article 103 of the UCITS Act, in receivables that are assigned to it by third parties. See further 4. *Corporate Purpose and permitted activity* above.

Article 4 (Duration): the Issuer has been incorporated an unlimited period of time.

Article 11 (transfers of shares): Given the specific purpose of the Issuer and Article 103, 2° of the UCITS Act, the shares in the Issuer can only be held by institutional or professional investors within the meaning of Article 5, §3 of the UCITS Act. Article

11 of the Articles of Association sets out share transfer restrictions, the violation of which will result in the concerned transfer of shares being null and unenforceable against the Issuer. See further 7. *Share transfer restrictions* above.

Article 13 (Notes and other financing): The board of directors has the power to authorize the issuance of financial instruments and the pledging of the assets of the Issuer to secure such financial instruments. The Issuer may attract other forms of financing, including loans and facilities.

Article 14 (Representative of Noteholders): The holders of financial instruments issued by the Issuer can be represented by one or more representatives the powers of which are determined by the terms and conditions of the relevant instruments in accordance with article 27, §1, first to seventh indent and article 106 of the UCITS Act.

Article 15 (Eligible holders and transfers of financial instruments): Given the specific purpose of the Issuer and Article 103, 2° of the UCITS Act, the financial instruments issued by the Issuer can only be held by institutional or professional investors within the meaning of Article 5, §3 of the UCITS Act. Article 15 of the Articles of Association sets out transfer restrictions, the violation of which will result in the concerned transfer of financial instruments being null and unenforceable against the Issuer. See further *Important information - Sale, holding and transfer restrictions applicable in any jurisdiction - Only permitted to Eligible Holders* above.

Articles 16 to 24 (chapter on management and control): The board of directors of the Issuer ensures the management of the Issuer and has the broadest powers to take all actions necessary or useful to accomplish the corporate purpose of the Issuer. The board consists of a minimum of 2 directors and a maximum of 5 directors. A board meeting is held at least once each accounting year and can be convened each time the interests of the Issuer so require. Vis-à-vis third parties the Issuer can also be represented by two directors acting jointly. Control over the financial condition and annual accounts of the Issuer is exercised by one or more auditors.

Articles 25 to 34 (chapter on general meetings of shareholders): The shareholders' meeting has the power to take decisions on matters for which it is competent pursuant to the Belgian Company Code. The annual shareholders' meeting will be held each year on the last Business Day of the month of May at 3.00 pm (Central European Time) at the registered office of the Issuer. A general meeting may be convened at any time and must be convened whenever this is requested by shareholders representing 20 per cent of the share capital. See further 6. *Shareholders Meeting* above

Article 35 (Annual Accounts): The Issuer's accounting year starts on 1 January and ends on 31 December of each year.

RELATED PARTY TRANSACTIONS – MATERIAL CONTRACTS

1. The Seller

Name and status

The SME Loans have been originated by the Seller or the other Originators as legal predecessors of the Seller. For a description of the Seller, see *the Seller* above.

SME Receivables Purchase Agreement

Under the SME Receivables Purchase Agreement, the Issuer will on the Programme Closing Date and, to the extent offered to it, on each Purchase Date thereafter purchase and accept the transfer by way of assignment of legal title to the SME Receivables and Related Security under or in connection with certain selected SME Loans.

For a description of the SME Receivables Purchase Agreement, see further in the section entitled *SME Receivables Purchase Agreement*.

2. The Pool Servicer

Name and Status

The Seller has been appointed as Pool Servicer. For a description of the Seller, see *the Seller* above.

The Servicing Agreement

Pursuant to the Servicing Agreement the Seller has been appointed as Pool Servicer and, in this capacity as Pool Servicer, will agree to provide loan administration and collection services and the other services as agreed in the Servicing Agreement in relation to the SME Receivables.

For a description of the Servicing Agreement, see further in the section entitled *Servicing Agreement*.

Remuneration

In consideration of the Pool Servicer's agreement to carry out certain services as agreed in the Servicing Agreement, the Issuer shall pay quarterly in arrear on each Note Payment Date to the Pool Servicer a servicing fee of 0.03 per cent per annum calculated over the aggregate Outstanding Principal Amount of all SME Receivables.

Replacement

In certain events, the Security Agent or the Issuer (with the prior consent of the Security Agent) may terminate the appointment of the Pool Servicer.

For a further description, see *Servicing Agreement, Termination* below.

Conflict of Interest

The Pool Servicer may have a conflict of interest resulting from its responsibilities as Pool Servicer for the Issuer pursuant to the Servicing Agreement, on the one hand, and its concern to preserve its commercial relations with the Borrowers, on the other hand. This conflict of interest risk is mitigated by the terms of the Servicing Agreement. The Servicing Agreement provides, among other things, that the Pool Servicer must at all times act in such a manner as would be reasonable to expect from a reasonably prudent professional of high standing in providing services similar to the services provided by the Pool Servicer. In addition, the Servicing Agreement contains certain specific undertakings to protect the interests of the Issuer.

3. The Administrator

Name and status

Pursuant to the Servicing Agreement, the Issuer has appointed Intertrust (Netherlands) B.V., a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, registered with the commercial register (*Kamer van Koophandel te Amsterdam*) under number 33144202 as the Administrator. Its phone number is +31 (0)20 521 47 77 and fax number: +31 (0)20 521 48 88.

Intertrust (Netherlands) B.V. is part of the Intertrust group ("**Intertrust**"), which is active in the provision of corporate services, administration services and specialised post closing securitisation services.

Intertrust was recently sold through by a controlled auction. Waterland Private Equity Investments (www.waterland.nu) (**Waterland**) was selected by the former shareholders (including Fortis Bank Nederland N.V.) as the most suitable new owner of Intertrust Group, taking into account the interests of all stakeholders involved.

Waterland is an independent private equity firm active in the Netherlands, Germany and Belgium with €1.4 billion funds under management. Waterland focuses on consolidation strategies, investing in fragmented growth markets in the services sector that are undergoing transformation as a consequence of one or more of the following trends: outsourcing & efficiency, aging population, leisure & luxury and sustainability.

A service level agreement with Fortis Bank Nederland N.V. is currently being drawn up in order to safeguard continuity of services.

Servicing Agreement

Under the Servicing Agreement, the Administrator will agree to provide certain administration, calculation and cash management services for the Issuer.

For a description of the Servicing Agreement, see further in the section entitled *Servicing Agreement*.

Remuneration

The issuer shall pay to the Administrator for the performance of the Administration Services an annual fee of Euro 20,000,- exclusive of VAT (if any) which shall be paid on a quarterly basis to the administrator in advance on each Note Payment Date.

The annual fee of Euro 20,000,- shall each year, starting on the first Note Payment Date falling in 2011, be increased with a percentage equal to the Dutch Consumer Price Index as published on the website www.cbs.nl.

In addition, the Issuer will reimburse to the Administrator all reasonable out-of pocket costs, expenses and charges properly incurred by the Administrator in connection with the services and the preparation, execution, delivery, administration, modification or amendment in respect of its rights, obligations and responsibilities under the Servicing Agreement.

Replacement

In certain events, the Security Agent or the Issuer (with the prior consent of the Security Agent) may terminate the appointment of the Administrator.

For a further description, see *Servicing Agreement, Termination* below.

4. The Security Agent

Name and status

Stichting Security Agent Esmée is a foundation (*stichting*) incorporated under the laws of the Netherlands on 13 November 2009, with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands has been appointed as representative of the Noteholders and as agent of the Secured Parties on terms and subject to the conditions set out in the Security Agent Agreement.

The Security Agent Agreement

For a description of the Security Agent Agreement and the powers and liabilities of the Security Agent, see further in the section entitled *Terms and Conditions of the Notes*, in particular Condition 15.

Remuneration

The Issuer shall pay to the Security Agent for the performance of the security Agent Services as described in the Security Agent Agreement an annual fee of Euro 5,000,- exclusive of VAT (if any), which shall be paid annually up front starting from the day of incorporation of the Security Agent.

Replacement

See *Terms and Conditions of the Notes*, in particular Condition 15, (e).

5. The GIC Provider

Name and status

Pursuant to the GIC Agreement the Seller has been appointed as GIC Provider to hold the Issuer Accounts and to guarantee a certain interest rate in respect of the balance standing from time to time to the credit of the issuer Accounts.

For a description of the Seller, see *the Seller* above.

The GIC Agreement

The GIC Provider shall guarantee an interest rate equal to EONIA on the balance standing from time to time to the credit of the issuer Accounts.

Replacement

The Issuer may at any time (but, if prior to the date on which the Notes are redeemed or written off in full, only with the prior written consent of the Security Agent), by written notice terminate the appointment of the GIC Provider with immediate effect upon the occurrence of certain events.

If at any time a GIC Provider Rating Downgrade Event occurs, then the GIC Provider will use its best efforts within thirty (30) days of any such event (i) to obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the GIC Provider, or (ii) to find an alternative GIC Provider acceptable to the Security Agent, or any other solution, to maintain the ratings assigned to the Notes at least at the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes.

6. The Interest Swap Counterparty

Name and status

The Issuer will enter into one or more Interest Swap Agreements with the Seller.

For a description of the Seller, see *the Seller* above.

The Interest Swap Agreement

For a description of the Interest Swap Agreements, the termination thereof and the hedging of interest rates, see section *Credit Structure – 16. Interest Rate Hedging*, above

7. The Domiciliary Agent, Listing Agent, Reference Agent

Name and status

The Seller has been appointed as Domiciliary Agent, Listing Agent and Reference Agent.

For a description of the Seller, see *Fortis and the Seller* above.

The Domiciliary Agency Agreement

Under the Domiciliary Agency Agreement, the Domiciliary Agent will undertake to ensure the payment of the sums due on the Notes and perform all other obligations and duties imposed on it by the Conditions and the Agency Agreement.

The Domiciliary Agent will also perform the tasks described in the Clearing Agreement, which comprise inter alia providing the Clearing System Operator with information relating to the issue of Notes, the Base Prospectus, Supplemental Prospectus and other documents required by law.

The Listing Agent will cause an application to be made to Euronext Brussels N.V./S.A. for the admission to trading of the Notes.

The Reference Agent shall determine rates of interest and perform other duties in respect of the Notes as set out in the Conditions and the Domiciliary Agency Agreement.

Remuneration

No remuneration is foreseen for the Domiciliary Agent.

Replacement

The Issuer and each of these agents may at any time, subject to prior written notice, terminate the appointment of a relevant agent. In certain events, the Issuer may terminate the appointment of an agent forthwith, subject to the prior approval of the Security Agent.

The termination of the appointment of an agent (whether by the Issuer or by the resignation of the agent) shall not be effective unless upon the expiry of the relevant notice a suitable replacement has been appointed.

8. The Rating Agencies

The following rating agencies have been requested to rate the Notes:

- (a) Moody's Investors Service Limited; and
- (b) Fitch France S.A..

9. The Clearing System Operator

Pursuant to the Clearing Agreement, the Clearing System Operator will provide clearing services to the Issuer.

FORM OF THE NOTES

The Notes will be issued in the form of dematerialised notes under the Company Code and will be represented exclusively by book entries in the records of the Clearing System.

Access to the Clearing System is available through its Clearing System Participants whose membership extends to securities such as the Notes. Clearing System Participants include certain Belgian banks, stock brokers (*beursvennootschappen/sociétés de bourse*), Clearstream and Euroclear Bank.

Transfers of interests in the Notes will be effected between the Clearing System Participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System Participants through which they hold their Notes.

The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System Participants of their obligations under their respective rules and operating procedures.

FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series of Notes issued under the Programme.

[Date]

Esmée Master Issuer N.V. – S.A. Institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht /société d'investissement en créances institutionnelle de droit belge, (incorporated under the laws of Belgium with limited liability and having its registered office in Brussels)

Issue of [...] (Aggregate Nominal Amount of Series of Notes)

[Title of relevant Series and Class of Notes]

[Class or Sub-class of Notes]
under the EUR 25,000,000,000
SME Asset-Backed Note Programme

[Dealers]

The Notes offered by the Issuer may only be subscribed, purchased or held by investors ("**Eligible Holders**") that qualify both as (a) institutional or professional investors within the meaning of Article 5 § 3 of the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (*Wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d'investissement*), as amended from time to time (the "**UCITS Act**") ("**Institutional Investors**") that are acting for their own account; and (b) a holder of an exempt securities account ("**X-Account**") with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

In the event that the Issuer becomes aware that particular Notes are held by investors other than Eligible Holders in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and held by Eligible Holders. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 24 November 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the specified offices of the Security Agent and the Domiciliary Agent during normal business hours and on the website www.tbe.eu.com.

[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 or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: Esmée Master Issuer N.V. – S.A. *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge*
2. Currency: [euros/dollars/other]
3. Class of Notes or Sub-class of Note: [Class [•] Notes/Sub-class [•]Notes/other]
4. (a) Series number: [•]
- (b) Tranche number: Class [•] Notes/Sub-class [•] Notes: [•]
5. Series: [the Notes described herein comprise [Sub-class [1/2/3, other] of] the Class [specify] Notes of Series [specify], and together with all other Notes of Series [specify] such Series [specify][the Notes are consolidated with the Notes of a Series and Class or Sub-class [specify] and the Notes of Series [specify] and the Notes described herein together comprise Series [specify] [other]
6. (a) Nominal Amount Series: Class [•] Notes/Sub-class [•] Notes: [•]
- (b) Nominal Amount Tranche[•]: Class [•] Notes/Sub-class [•] Notes: [•]
7. Issue Price: [•] per cent. of the Nominal Amount (*in case of fungible issues only, if applicable*)
8. Denominations: [*minimum EUR [250,000] or its equivalent in other currencies*]
9. (a) Issue Date: [•]
- (b) Interest Commencement Date (if different from the Issue Date): [•]
10. Final Maturity Date: Note Payment Date falling in or nearest to [*specify month and year*]
11. Interest Basis: [Fixed Rate Notes]
[Floating Rate Notes, Euribor (as calculated in accordance with Condition 4c) plus margin specified below/Dollar Libor (as calculated in accordance with Condition 4c) plus margin specified below/other]
[Other]
(*When adding any other interest basis, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Fixed Rate prior to the Step-up Date [•] per cent. per annum payable annually/quarterly
- (If payable other than annually, consider amending Condition [Interest])*
- (b) As of the Step-up Date the Fixed Rate Notes will switch to Floating Rate Notes [Applicable/Not Applicable]
- (c) Payment Date: [Note Payment Date falling in] [•] in each year up to and including the Step-up Date/[specify other] *(NB: This will need to be amended in the case of long or short coupons)*
- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
13. Floating Rate Note Provisions Applicable
- (Note that soft bullet Fixed Rate Notes switch to Floating Interest Rates after the Step-up date)*
- (a) Interest: [Euribor][Dollar Libor][specify other and give details] plus Interest Margin
- (b) Interest Margin prior to the Step-up Date: [Not applicable]/ [•] per cent per annum
- (c) Interest Margin after the Step-up Date: [•] per cent. per annum
- (d) Note Payment Date(s): [[25]th day of January, April, July, October of each year up to and including the Final Maturity Date]/[specify other] (or, if such day is not a Business Day (as defined in the Conditions), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day)
- (e) Other terms relating to the method of calculating interest for Floating Rate Notes: [None/Give details]

14. [Other] (When changing the interest determination, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

PROVISIONS RELATING TO REDEMPTION

15. Pass-through Notes or Soft Bullet Notes or Reserve Fund Notes: [Pass-through Notes/Soft Bullet Notes/Reserve Fund Notes]
16. Step-up Date: Note Payment Date falling in or nearest to [specify month and year]
17. Maturity Date (only for Reserve Fund Notes) Note Payment Date falling in or nearest to [specify month and year]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

18. Form of Notes: Dematerialised Securities
19. Exchange Date N/A
20. [Additional Financial Centre(s) or other special provisions relating to Payment Days]: [Not Applicable/give details]
(Note that this item relates to the place of payment and not Interest Period end dates)
21. New Global Note: No
22. Other Final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

23. (a) If syndicated, names of Dealers: [Not Applicable/give names]
- (b) If not syndicated, name of Dealer: [Not Applicable/give names]
- (c) Stabilising Manager (if any): [Not Applicable/give names]
24. [Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicabl]: [TEFRA D/TEFRA C/TEFRA not applicable]
25. Additional selling restrictions: [Not Applicable/give details]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 25,000,000,000 SME Asset-Backed Note Programme of Esmée Master Issuer N.V. – S.A. *Institutionele*

Vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the impact of such information. The Issuer accepts responsibility accordingly.

[The [Seller] accepts responsibility for the information contained in these Final Terms in respect of [the Additional Pool[s] provided under C below] [the Consolidated Pool[s] provided under C below]. To the best of the knowledge and belief of the [Seller] (which [has] taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the impact of such information. The [Seller] accepts responsibility accordingly.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [Euronext Brussels/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [Eurolist by Euronext Brussels/*specify other*] with effect from [•] [] [•.] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings:

The Notes of Esmée Series [] to be issued have been rated:

Fitch: Class A Notes: AAA
 Class B Notes: NR
 Class C Notes: NR
 Class D Notes: NR
 Class E Notes: NR
 Class F Notes: NR
 Class G Notes: NR

Moody's: Class A Notes: Aaa
 Class B Notes: A2
 Class C Notes: Baa2
 Class D Notes: Ba2
 Class E Notes: NR
 Class F Notes: NR
 Class G Notes: NR

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. NOTIFICATION

[Not applicable / [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] [the names of competent authorities of host member states] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

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

Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer

[]

(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds:

[]

(Only required for listed issues. 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.)

(iii) Estimated total expenses:

[Include breakdown of expenses]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

6. OPERATIONAL INFORMATION

(i) ISIN Code:

[PER CLASS – SUB-CLASS]

(ii) Common Code:

[PER CLASS – SUB-CLASS]

(iii) Any clearing system(s) the relevant identification number(s):

[X/N Clearing System operated by National Bank of Belgium + Euroclear + Clearstream]

[Not Applicable/give name(s) and number(s)]

(iv) If NGN form is chosen, the Common Safekeeper on the issue date:

Not Applicable

(v) If NGN form is not chosen, the Common Depository on the issue date, if applicable:

Not Applicable

(vi) Delivery:

Delivery [against/free of] payment

(vii) Names and addresses of additional Domiciliary Agent(s) (if any):

[_____]

(vii) Intended to be held in a manner which would allow Eurosystem eligibility:

[[Yes/No] [ELIGIBILITY BEING CHECKED BY FORTIS]]

7. OTHER SERIES ISSUED

The aggregate Principal Amount Outstanding of the Notes on the Issue Date of the Notes described herein issued by Esmée Master Issuer N.V. – S.A. *institutionele vennootschap voor belegging in schulvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* [(converted, where applicable, into euros at the [specify rate])] including the Notes described herein, will be:

Class A Notes:

Class B Notes:

Class C Notes:

Class D Notes:

Class E Notes:

Class F Notes:

Class G Notes:

8. ISSUER CURRENCY SWAP

- (i) Currency Swap Agreement in respect of this Series and Class or Sub-class (necessary in case of denominations other than euros): [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (ii) Currency Swap Counterparty: [give name]
- (iii) Other provisions in respect of Currency Swap Agreement: [none/give details]

PART C - INFORMATION ON, IF APPLICABLE, THE ADDITIONAL POOL[S] OF SME RECEIVABLES TO BE SOLD TO THE ISSUER ON OR ABOUT THE ISSUE DATE IN RELATION TO THIS ISSUE OF NOTES AND , IF APPLICABLE, THE CONSOLIDATED POOL OF SME RECEIVABLES HELD BY THE ISSUER]

[Include if applicable] The numerical data set out below relate to a consolidated pool of SME Loans (the "**Consolidated Pool**") as of [•] [____] [•], which combines an additional pool of SME Loans (the "**Additional Pool**") and the pool of SME Receivables held by the Issuer prior to the Issue Date (the "**Current Pool**"). The numerical information in respect of the Consolidated Pool will relate to the Consolidated Pool which will be determined prior to the relevant Issue Date. Therefore, the information set out below in respect of the Consolidated Pool may not entirely reflect the Consolidated Pool as it is on the relevant Issue Date.

[Include if applicable] [The numerical data set out below relate to a provisional pool of SME Loans (the "**Provisional Pool**") as of [•] [____] [•] of the Issuer. A final portfolio will be selected on or before the Issue Date, from the Provisional Pool and, as a result of repayments, prepayments, new production and other circumstances, may also include other SME loans which were not included in the Provisional Pool. The information on the Provisional Pool set out below may therefore not necessarily correspond to the SME Receivables actually sold by the Seller to the Issuer on the Issue Date.]

[The following is an example of the information which may be provided in the applicable Final Terms. If applicable, details of the Consolidated Pool and/or Provisional Pool may be provided in the below manner or in a similar manner. For each Final Terms the specific information in the tables will, if necessary, be adjusted. Information may be provided on a Seller by Seller basis or on a consolidated basis.]

Pool Characteristics	
Outstanding Principal Balance	[•]
Nb Loans	[•]
Nb Clients	[•]
Avg Loan Size	[•]
Avg Client Size	[•]
WA PD (%)	[•]
WA LGD (%)	[•]
WA Int Rate (%)	[•]
WA Seasoning (Y)	[•]
WA Rem Maturity (Y)	[•]
WA WAL (Y)	[•]
WA Tot Collateral Ratio	[•]

Products				
Products	Outstanding Principal	%	Number	%
Investment Credit	[•]	[•]%	[•]	[•]%
Instalment Credit	[•]	[•]%	[•]	[•]%
Social & Fiscal Instalment	[•]	[•]%	[•]	[•]%
TOTAL	[•]	[•]%	[•]	[•]%

Internal Rating				
Internal Rating	Outstanding Principal	%	Number	%
01.00	[•]	[•]%	[•]	[•]%
01.10	[•]	[•]%	[•]	[•]%
01.20	[•]	[•]%	[•]	[•]%
01.30	[•]	[•]%	[•]	[•]%
02.00	[•]	[•]%	[•]	[•]%
02.10	[•]	[•]%	[•]	[•]%
02.30	[•]	[•]%	[•]	[•]%
03.00	[•]	[•]%	[•]	[•]%
03.10	[•]	[•]%	[•]	[•]%
03.20	[•]	[•]%	[•]	[•]%
03.30	[•]	[•]%	[•]	[•]%
04.00	[•]	[•]%	[•]	[•]%
04.10	[•]	[•]%	[•]	[•]%
04.20	[•]	[•]%	[•]	[•]%
04.30	[•]	[•]%	[•]	[•]%
05.00	[•]	[•]%	[•]	[•]%
06.00	[•]	[•]%	[•]	[•]%
07.00	[•]	[•]%	[•]	[•]%
08.00	[•]	[•]%	[•]	[•]%
09.00	[•]	[•]%	[•]	[•]%
10.00	[•]	[•]%	[•]	[•]%
11.00	[•]	[•]%	[•]	[•]%
12.00	[•]	[•]%	[•]	[•]%
13.00	[•]	[•]%	[•]	[•]%
14.00	[•]	[•]%	[•]	[•]%
15.00	[•]	[•]%	[•]	[•]%
16.00	[•]	[•]%	[•]	[•]%
17.00	[•]	[•]%	[•]	[•]%
Unknown	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Top 20 Clients

Top 20 Clients (Borrower N°)	Outstanding Principal	%	Internal Rating
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
	[•]	[•]%	[•]
TOTAL	[•]	[•]%	[•]

[•]

Client Province				
Client Province	Outstanding Principal	%	Number	%
Antwerpen	[•]	[•]%	[•]	[•]%
West-Vlaanderen	[•]	[•]%	[•]	[•]%
Oost-Vlaanderen	[•]	[•]%	[•]	[•]%
Vlaams-Brabant	[•]	[•]%	[•]	[•]%
Brussels	[•]	[•]%	[•]	[•]%
Hainaut	[•]	[•]%	[•]	[•]%
Limburg	[•]	[•]%	[•]	[•]%
Liège	[•]	[•]%	[•]	[•]%
Brabant Wallon	[•]	[•]%	[•]	[•]%
Namur	[•]	[•]%	[•]	[•]%
Luxembourg	[•]	[•]%	[•]	[•]%
Unknown	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Int Rate				
Int Rate	Outstanding Principal	%	Number	%
<=3%	[•]	[•]%	[•]	[•]%
>3% and <=4%	[•]	[•]%	[•]	[•]%
>4% and <=5%	[•]	[•]%	[•]	[•]%
>5% and <=6%	[•]	[•]%	[•]	[•]%
>6% and <=7%	[•]	[•]%	[•]	[•]%
>7% and <=8%	[•]	[•]%	[•]	[•]%
>8% and <=9%	[•]	[•]%	[•]	[•]%
>9% and <=10%	[•]	[•]%	[•]	[•]%
>10%	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	[•]%

Interest Rate Type				
Interest Rate Type	Outstanding Principal	%	Number	%
Fixed	[•]	[•]%	[•]	[•]%
Resetable	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Next Reset Date				
Next Reset Date	Outstanding Principal	%	Number	%
2009	[.]	[.]%	[.]	[.]%
2010	[.]	[.]%	[.]	[.]%
2011	[.]	[.]%	[.]	[.]%
2012	[.]	[.]%	[.]	[.]%
2013	[.]	[.]%	[.]	[.]%
2014	[.]	[.]%	[.]	[.]%
2015	[.]	[.]%	[.]	[.]%
2016	[.]	[.]%	[.]	[.]%
2017	[.]	[.]%	[.]	[.]%
2018	[.]	[.]%	[.]	[.]%
2019	[.]	[.]%	[.]	[.]%
2020	[.]	[.]%	[.]	[.]%
2021	[.]	[.]%	[.]	[.]%
2022	[.]	[.]%	[.]	[.]%
2023	[.]	[.]%	[.]	[.]%
2024	[.]	[.]%	[.]	[.]%
2026	[.]	[.]%	[.]	[.]%
2027	[.]	[.]%	[.]	[.]%
2028	[.]	[.]%	[.]	[.]%
2029	[.]	[.]%	[.]	[.]%
Fixed To Maturity	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]%	100.00%

Int Payment Freq				
Int Payment Freq	Outstanding Principal	%	Number	%
Monthly	[.]	[.]%	[.]	[.]%
Quarterly	[.]	[.]%	[.]	[.]%
Yearly	[.]	[.]%	[.]	[.]%
TwiceAYear	[.]	[.]%	[.]	[.]%
UNKNOWN	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]	100.00%

Sectors	Sectors			
	Outstanding Principal	%	Number	%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	[.]	[.]%	[.]	[.]%
REAL ESTATE ACTIVITIES	[.]	[.]%	[.]	[.]%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	[.]	[.]%	[.]	[.]%
CONSTRUCTION	[.]	[.]%	[.]	[.]%
MANUFACTURING	[.]	[.]%	[.]	[.]%
FINANCIAL AND INSURANCE ACTIVITIES	[.]	[.]%	[.]	[.]%
AGRICULTURE, FORESTRY AND FISHING	[.]	[.]%	[.]	[.]%
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	[.]	[.]%	[.]	[.]%
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	[.]	[.]%	[.]	[.]%
TRANSPORTATION AND STORAGE	[.]	[.]%	[.]	[.]%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	[.]	[.]%	[.]	[.]%
INFORMATION AND COMMUNICATION	[.]	[.]%	[.]	[.]%
OTHER SERVICE ACTIVITIES	[.]	[.]%	[.]	[.]%
ARTS, ENTERTAINMENT AND RECREATION	[.]	[.]%	[.]	[.]%
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	[.]	[.]%	[.]	[.]%
MINING AND QUARRYING	[.]	[.]%	[.]	[.]%
EDUCATION	[.]	[.]%	[.]	[.]%
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	[.]	[.]%	[.]	[.]%
ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS- AND SERVICES-PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE	[.]	[.]%	[.]	[.]%
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	[.]	[.]%	[.]	[.]%
Unknown	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]	[.]%

Arrears				
Arrears	Outstanding Principal	%	Number	%
Current	[•]	[•]%	[•]	[•]%
02 > 0 and <= 30	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Redemption Type				
Redemption Type	Outstanding Principal	%	Number	%
Annuity	[•]	[•]%	[•]	[•]%
Linear	[•]	[•]%	[•]	[•]%
Bullet	[•]	[•]%	[•]	[•]%
Other	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Origination Year				
Origination Year	Outstanding Principal	%	Number	%
2000	[•]	[•]%	[•]	[•]%
2001	[•]	[•]%	[•]	[•]%
2002	[•]	[•]%	[•]	[•]%
2003	[•]	[•]%	[•]	[•]%
2004	[•]	[•]%	[•]	[•]%
2005	[•]	[•]%	[•]	[•]%
2006	[•]	[•]%	[•]	[•]%
2007	[•]	[•]%	[•]	[•]%
2008	[•]	[•]%	[•]	[•]%
2009	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Remaining Maturity (years)				
Remaining Maturity (years)	Outstanding Principal	%	Number	%
<=1	[.]	[.]%	[.]	[.]%
>1 and <=2	[.]	[.]%	[.]	[.]%
>2 and <=3	[.]	[.]%	[.]	[.]%
>3 and <=4	[.]	[.]%	[.]	[.]%
>4 and <=5	[.]	[.]%	[.]	[.]%
>5 and <=6	[.]	[.]%	[.]	[.]%
>6 and <=7	[.]	[.]%	[.]	[.]%
>7 and <=8	[.]	[.]%	[.]	[.]%
>8 and <=9	[.]	[.]%	[.]	[.]%
>9 and <=10	[.]	[.]%	[.]	[.]%
>10 and <=11	[.]	[.]%	[.]	[.]%
>11 and <=12	[.]	[.]%	[.]	[.]%
>12 and <=13	[.]	[.]%	[.]	[.]%
>13 and <=14	[.]	[.]%	[.]	[.]%
>14 and <=15	[.]	[.]%	[.]	[.]%
>15 and <=16	[.]	[.]%	[.]	[.]%
>16 and <=17	[.]	[.]%	[.]	[.]%
>17 and <=18	[.]	[.]%	[.]	[.]%
>18 and <=19	[.]	[.]%	[.]	[.]%
>19 and <=20	[.]	[.]%	[.]	[.]%
>20 and <=21	[.]	[.]%	[.]	[.]%
>21 and <=22	[.]	[.]%	[.]	[.]%
>22 and <=23	[.]	[.]%	[.]	[.]%
>23 and <=24	[.]	[.]%	[.]	[.]%
>24 and <=25	[.]	[.]%	[.]	[.]%
>25 and <=26	[.]	[.]%	[.]	[.]%
>26 and <=27	[.]	[.]%	[.]	[.]%
>27 and <=28	[.]	[.]%	[.]	[.]%
>28 and <=29	[.]	[.]%	[.]	[.]%
>29 and <=30	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]	100.00%

Original Maturity (years)				
Original Maturity (years)	Outstanding Principal	%	Number	%
<=1	[.]	[.]%	[.]	[.]%
>1 and <=2	[.]	[.]%	[.]	[.]%
>2 and <=3	[.]	[.]%	[.]	[.]%
>3 and <=4	[.]	[.]%	[.]	[.]%
>4 and <=5	[.]	[.]%	[.]	[.]%
>5 and <=6	[.]	[.]%	[.]	[.]%
>6 and <=7	[.]	[.]%	[.]	[.]%
>7 and <=8	[.]	[.]%	[.]	[.]%
>8 and <=9	[.]	[.]%	[.]	[.]%
>9 and <=10	[.]	[.]%	[.]	[.]%
>10 and <=11	[.]	[.]%	[.]	[.]%
>11 and <=12	[.]	[.]%	[.]	[.]%
>12 and <=13	[.]	[.]%	[.]	[.]%
>13 and <=14	[.]	[.]%	[.]	[.]%
>14 and <=15	[.]	[.]%	[.]	[.]%
>15 and <=16	[.]	[.]%	[.]	[.]%
>16 and <=17	[.]	[.]%	[.]	[.]%
>17 and <=18	[.]	[.]%	[.]	[.]%
>18 and <=19	[.]	[.]%	[.]	[.]%
>19 and <=20	[.]	[.]%	[.]	[.]%
>20 and <=21	[.]	[.]%	[.]	[.]%
>21 and <=22	[.]	[.]%	[.]	[.]%
>22 and <=23	[.]	[.]%	[.]	[.]%
>23 and <=24	[.]	[.]%	[.]	[.]%
>24 and <=25	[.]	[.]%	[.]	[.]%
>25 and <=26	[.]	[.]%	[.]	[.]%
>26 and <=27	[.]	[.]%	[.]	[.]%
>27 and <=28	[.]	[.]%	[.]	[.]%
>28 and <=29	[.]	[.]%	[.]	[.]%
>29 and <=30	[.]	[.]%	[.]	[.]%
>30	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]	100.00%

LGD				
LGD Range (%)	Outstanding Principal	%	Number	%
>0 and <=10	[•]	[•]%	[•]	[•]%
>10 and <=20	[•]	[•]%	[•]	[•]%
>20 and <=30	[•]	[•]%	[•]	[•]%
>30 and <=40	[•]	[•]%	[•]	[•]%
>40 and <=50	[•]	[•]%	[•]	[•]%
>50 and <=60	[•]	[•]%	[•]	[•]%
>60 and <=70	[•]	[•]%	[•]	[•]%
>70 and <=80	[•]	[•]%	[•]	[•]%
10 > 80	[•]	[•]%	[•]	[•]%
Unknown	[•]	[•]%	[•]	[•]%
TOTAL	[•]	100.00%	[•]	100.00%

Size of Loans				
Range (eur 1000)	Outstanding Principal	%	Number	%
<=100	[•]	[•]%	[•]	[•]%
>100 and <=200	[•]	[•]%	[•]	[•]%
>200 and <=300	[•]	[•]%	[•]	[•]%
>300 and <=400	[•]	[•]%	[•]	[•]%
>400 and <=500	[•]	[•]%	[•]	[•]%
>500 and <=600	[•]	[•]%	[•]	[•]%
>600 and <=700	[•]	[•]%	[•]	[•]%
>700 and <=800	[•]	[•]%	[•]	[•]%
>800 and <=900	[•]	[•]%	[•]	[•]%
>900 and <=1000	[•]	[•]%	[•]	[•]%
>1000 and <=1100	[•]	[•]%	[•]	[•]%
>1100 and <=1200	[•]	[•]%	[•]	[•]%
>1200 and <=1300	[•]	[•]%	[•]	[•]%
>1300 and <=1400	[•]	[•]%	[•]	[•]%
>1400 and <=1500	[•]	[•]%	[•]	[•]%
>1500 and <=1600	[•]	[•]%	[•]	[•]%
>1600 and <=1700	[•]	[•]%	[•]	[•]%
>1700 and <=1800	[•]	[•]%	[•]	[•]%
>1800 and <=1900	[•]	[•]%	[•]	[•]%
>1900 and <=2000	[•]	[•]%	[•]	[•]%
>2000 and <=2100	[•]	[•]%	[•]	[•]%
>2100 and <=2200	[•]	[•]%	[•]	[•]%

>2200 and <=2300	[.]	[.]%	[.]	[.]%
>2300 and <=2400	[.]	[.]%	[.]	[.]%
>2400 and <=2500	[.]	[.]%	[.]	[.]%
>2500 and <=2600	[.]	[.]%	[.]	[.]%
>2600 and <=2700	[.]	[.]%	[.]	[.]%
>2700 and <=2800	[.]	[.]%	[.]	[.]%
>2800 and <=2900	[.]	[.]%	[.]	[.]%
>2900 and <=3000	[.]	[.]%	[.]	[.]%
>3000	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]	100.00%

Collateral Ratio				
Range (%)	Outstanding Principal	%	Number	%
>0 and <=10	[.]	[.]%	[.]	[.]%
>10 and <=20	[.]	[.]%	[.]	[.]%
>20 and <=30	[.]	[.]%	[.]	[.]%
>30 and <=40	[.]	[.]%	[.]	[.]%
>40 and <=50	[.]	[.]%	[.]	[.]%
>50 and <=60	[.]	[.]%	[.]	[.]%
>60 and <=70	[.]	[.]%	[.]	[.]%
>70 and <=80	[.]	[.]%	[.]	[.]%
>80 and <=90	[.]	[.]%	[.]	[.]%
>90 and <=100	[.]	[.]%	[.]	[.]%
>100 and <=110	[.]	[.]%	[.]	[.]%
>110 and <=120	[.]	[.]%	[.]	[.]%
>120 and <=130	[.]	[.]%	[.]	[.]%
>130 and <=140	[.]	[.]%	[.]	[.]%
>140 and <=150	[.]	[.]%	[.]	[.]%
>150 and <=160	[.]	[.]%	[.]	[.]%
>160 and <=170	[.]	[.]%	[.]	[.]%
>170 and <=180	[.]	[.]%	[.]	[.]%
>180 and <=190	[.]	[.]%	[.]	[.]%
>190 and <=200	[.]	[.]%	[.]	[.]%
>200	[.]	[.]%	[.]	[.]%
NoCollateral	[.]	[.]%	[.]	[.]%
TOTAL	[.]	100.00%	[.]	100.00%

Collaterals		
MORTGAGE MANDATE	[•]	[•]%
AVAL & RELATED GUARANTEE	[•]	[•]%
MORTGAGE	[•]	[•]%
OTHER MANDATE	[•]	[•]%
FLOATING CHARGE	[•]	[•]%
OTHER PLEDGE	[•]	[•]%
SECURITY PLEDGE	[•]	[•]%
CASH PLEDGE	[•]	[•]%
TOTAL	[•]	100.00%

End of Final Terms

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the '**Conditions**'), and any reference to a '**Condition**' shall be construed accordingly (and in respect of each Note, as these may be amended by the Applicable Final Terms) of the Notes.

References herein to the '**Notes**' shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer.

Notes are issued in series (each a '**Series**') and each Series comprises one or more classes of Notes (each a '**Class**'). Each Series and Class may have two or more sub-classes (each a '**Sub-class**'). Each Series of Notes is subject to Final Terms. The Final Terms in relation to each Series and Class of Notes or Sub-class thereof will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. References to the '**Applicable Final Terms**' are, in relation to a Series and Class of Notes, or Sub-class thereof, to the Final Terms (or the relevant provisions thereof).

The Final Terms applicable to a Series of Notes will be certified by the Domiciliary Agent, will be available upon request from the Domiciliary Agent and any dealer appointed in respect of the Programme or in respect of such Series, will be provided to the CBFA and to Euronext Brussels (or any regulated market to which the relevant Notes will be admitted) on or prior to the date of issue of the Notes and will be published on and can be obtained at www.tbe.eu.com.

References herein to a '**Series and Class**' of Notes refer to a particular Class of Notes of a given Series.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Security Agent Agreement, the Domiciliary Agency Agreement, the Parallel Debt Agreement and the Pledge Agreement.

The holders of any Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Security Agent Agreement, the Parallel Debt Agreement, the Pledge Agreement, the Domiciliary Agency Agreement, each of the other Relevant Documents and the Applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes. Copies of the Security Agent Agreement, the Domiciliary Agency Agreement, the Parallel Debt Agreement, the Pledge Agreement and each of the other Relevant Documents are available for inspection free of charge by holders of the Notes at the specified office of the Domiciliary Agent, being at the date hereof Montagne du Parc 3, 1000 Brussels, Belgium.

By subscribing or otherwise acquiring the Notes, the Noteholders (i) shall be deemed to have acknowledged receipt of, accept and be bound by the Conditions and the Applicable Final Terms and (ii) acknowledge that they are Eligible Holders and that they can only transfer their Notes to Eligible Holders.

A glossary of definitions appears in Condition 17 of these Conditions.

References herein to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and Class G Noteholders shall, in each case and unless specified otherwise, be references to the holders of the Notes of all Series of the applicable Class.

1. Form, Denomination, Selling Restrictions

(a) Form

The Notes are issued in dematerialised form under the Company Code as amended from time to time. The Notes are accepted for clearance through the clearing system operated by the National Bank of Belgium or any successor thereto (the '**Clearing System**'), and are accordingly subject to the applicable clearing regulations of the National Bank of Belgium. The Notes may be cleared through the X/N accounts system organised within the Clearing System in accordance with the Act of 6 August 1993 on transactions in certain securities (*wet betreffende de transacties met bepaalde effecten/loi relative aux opérations sur certaines valeurs mobilières*) and the corresponding royal decrees of 26 May 1994 and 14 June 1994. The Noteholders will not be entitled to the exchange of the Notes into bearer or registered notes.

If at any time the Notes are transferred to another clearing system, not operated or not exclusively operated by the National Bank of Belgium, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an '**Alternative Clearing System**').

(b) *Selling, Holding and Transfer Restrictions - Only Eligible Holders*

The Notes offered by the Issuer may only be subscribed, purchased or held by investors ('**Eligible Holders**') that qualify both as:

- (i) institutional or professional investors within the meaning of Article 5 § 3 of the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (*Wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d'investissement*, as amended from time to time (the '**UCITS Act**') ('**Institutional Investors**') that are acting for their own account; and
- (ii) a holder of an exempt securities account ('**X-Account**') with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

In the event that the Issuer becomes aware that particular Notes are held by investors other than Eligible Holders in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and held by Eligible Holders. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer.

(c) *Excluded holders*

Notes may not be acquired by a Belgian or a foreign transferee who is not subject to income tax or who is, with regard to the interest income concerned, subject to a tax regime that is significantly more advantageous than the common Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, 11° of the BITC 1992).

The transferees meant by this provision include both traditional tax haven vehicles and entities which although established in a country not generally viewed as a tax haven, benefit from an advantageous tax regime on the interest income.

2. Status, Relationship between the Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.
- (b) In accordance with the provisions of Conditions 4, 6 and 9 and the Security Agent Agreement (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and (ii) payments of principal and interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes and (iii) payments of principal and interest on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes and (iv) payments of principal and interest on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, Class B Notes, Class C Notes and Class D Notes and (v) payments of principal and interest on the Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes and (vi) payments of principal and interest on the Class G Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes.
- (c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out in the Pledge Agreement, which will create the following security rights:

In order to secure its obligations under the Relevant Documents, including the Parallel Debt, to the Security Agent and the other Secured Parties, on terms set out in a pledge agreement (the "**Pledge Agreement**") the Issuer shall grant on the Programme Closing Date a first ranking pledge over:

- (i) the SME Receivables, including the New SME Receivables and all rights and Related Security relating thereto, as acquired by the Issuer pursuant to the SME Receivables Purchase Agreement;

- (ii) all rights, title, interest and benefit, present and future, actual and contingent in respect of the Issuer Accounts, including without limitation, all amounts of money and financial instruments that may from time to time be credited to any of such accounts;
- (iii) to the extent legally possible, all rights, title, interest and benefit of the Issuer under or pursuant to the Relevant Documents to which the Issuer is a party.
- (d) The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes will be secured (directly and/or indirectly) by the Security. The Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes. The Class B Notes will rank in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes. The Class C Notes will rank in priority to the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes. The Class D Notes will rank in priority to the Class E Notes, the Class F Notes and the Class G Notes. The Class E Notes will rank in priority to the the Class F Notes and the Class G Notes. The Class F Notes will rank in priority to the Class G Notes. The Security Agent Agreement contains provisions requiring the Security Agent to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Agent (except where expressly provided otherwise) but requiring the Security Agent in any such case to have regard only to the interests of the Class A Noteholders, if, in the Security Agent's opinion, there is a conflict between the interests of the Class A Noteholders, on one hand, and the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders, on the other hand, and, if no Class A Notes are outstanding, to have regard only to the interests of the Class B Noteholders, if, in the Security Agent's opinion, there is a conflict between the interests of the Class B Noteholders, on the one hand, and the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders, on the other hand, and, if no Class A Notes and Class B Notes are outstanding, to have regard only to the interests of the Class C Noteholders, if, in the Security Agent's opinion, there is a conflict between the interests of the Class C Noteholders, on the one hand, and the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders, on the other hand, and, if no Class A Notes, Class B Notes and Class C Notes are outstanding, to have regard only to the interest of the Class D Noteholders if, in the Security Agent's opinion, there is a conflict between the interests of the Class D Noteholders, on the one hand, and the Class E Noteholders, the Class F Noteholders and the Class G Noteholders, on the other hand, and, if no Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding, to have regard only to the interest of the Class E Noteholders if, in the Security Agent's opinion, there is a conflict between the interests of the Class E Noteholders, on the one hand, and the the Class F Noteholders and the Class G Noteholders, on the other hand, and, if no Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are outstanding, to have regard only to the interest of the Class F Noteholders if, in the Security Agent's opinion, there is a conflict between the interests of the Class F Noteholders, on the one hand, and the Class G Noteholders, on the other hand. In addition, the Security Agent shall have regard to the interests of the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the Priority of Payments upon Enforcement determines which interest of which Secured Party prevails.

3. Covenants of the Issuer

So long as any of the Notes under the Programme remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Belgian business practice and in accordance with the requirements of Belgian law and accounting practice and shall not, except (i) to the extent permitted by the Relevant Documents or (ii) with the prior written consent of the Security Agent:

- (a) carry out any business other than as described in the Base Prospectus dated 24 November 2009 relating to the issue of Notes under the Programme and as contemplated in the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated by the Relevant Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Relevant Documents;

- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Relevant Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Issuer Accounts or accounts to which collateral under a Currency Swap Agreement or Interest Swap Agreement is transferred, unless all rights in relation to such account will have been pledged to the Security Agent as provided in Condition 2(c); or
- (h) make investments other than, subject to the prior written consent of the Servicer, Eligible Investments (except for other investments as contemplated by the Relevant Documents).

4. Interest

(I) Interest on Fixed Rate Notes

(a) Period of Accrual

Fixed Rate Notes shall bear interest on their Principal Amount Outstanding from and including the relevant Issue Date. Each Fixed Rate Note (or in the case of the redemption of part only of a Note that part only of such Fixed Rate Note) shall cease to bear interest from its due date for redemption unless, the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which payment in full of the relevant amount of principal is made. Whenever it is necessary to compute an amount of interest in respect of any Fixed Rate Note for any period, such interest shall be calculated on the basis of the actual number of days in the Fixed Rate Interest Period concerned divided by a year of 365 days or, in the case of a Fixed Rate Interest Period falling in a leap year, 366 days.

(b) Fixed Rate Interest Periods and Accrual Payment Dates

Up to (but excluding) the Step-up Date interest on the Notes shall be payable by reference to successive quarterly or annual Fixed Rate Interest Periods and will be payable in arrear in euros or any other currency indicated in the Applicable Final Terms on the Note Payment Date(s) specified in the Final Terms. The first fixed rate interest period will commence on (and include) the interest commencement date set out in the Applicable Final Terms (the '**Interest Commencement Date**') and end on (but exclude) (i) in case of Notes payable annually, the same date in the next succeeding year and each following interest period will start (and include) on the same date in the relevant year and end on (but exclude) the same date in the next succeeding year, or (ii) in case of Notes payable quarterly, the first Note Payment Date as set out in the Applicable Final Terms and each following fixed rate interest period will commence on (and include) a relevant Note Payment Date and end on (but exclude) the next succeeding relevant Note Payment Date (each such Period a '**Fixed Rate Interest Period**').

(c) Interest up to the Step-up Date

Up to (but excluding) the relevant Step-up Date the rate of interest applicable to the Fixed Rate Notes will be as stated in the Applicable Final Terms.

(d) Interest following the Step-up Date

If on the relevant Step-up Date the Fixed Rate Notes of any Series and Class or Sub-class thereof have not been redeemed in full, *either* a floating rate of interest will be applicable to such Notes from and including the relevant Step-up Date (unless specified otherwise in the Final terms) equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Note Payment Date, plus a margin as specified in the Applicable Final Terms as calculated in accordance with Condition 4, II *or* a fixed rate of interest will be applicable to such Notes as specified in the Applicable Final Terms.

If the Fixed Rate Notes of a Series and Class or Sub-class are not redeemed on the relevant Step-up Date, and the Issuer notifies all Noteholders of such Series and Class or Sub-class:

- (i) within one month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the interest rate applicable in respect of such Notes will be equal to the sum of two times the interest rate applicable prior to the Step-up Date for a Fixed Rate Interest Period (for the avoidance of doubt, in case of Fixed Rate Notes payable annually, two quarters of interest applicable to such Fixed Rate Notes prior to the Step-up Date) and the interest rate applicable after the Step-up Date for, as the case may be, a Floating Rate Interest Period or a Fixed Rate Interest Period (for the avoidance of doubt, in case of Fixed Rate Notes payable annually after the Step-up Date, one quarter of interest applicable to such Fixed Rate Notes following the Step-up Date), divided by three; and
- (ii) after one month but within the second month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the interest rate applicable in respect of such Notes will be equal to the sum of the interest rate applicable prior to the Step-up Date for a Fixed Rate Interest Period (for the avoidance of doubt, in case of Fixed Rate Notes payable annually, one quarter of interest applicable to such Fixed Rate Notes prior to the Step-up Date) and two times the interest rate applicable after the Step-up Date for, as the case may be, a Floating Rate Interest Period or a Fixed Rate Interest Period (for the avoidance of doubt, in case of Fixed Rate Notes payable annually after the Step-up Date, two quarters of interest applicable to such Fixed Rate Notes following the Step-up Date), divided by three;

unless the Notes are not repaid on such Note Payment Date, in which case the margin after the Step-up Date applies.

(e) Determination of the Fixed Interest Amount

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time in respect of Euros (€) and London time or New York Time, as the case may be, in respect of dollars (\$)) on each relevant Interest Determination Date, calculate the amount of interest payable on such Notes for the following Fixed Rate Interest Period (the '**Fixed Interest Amount**') by applying the relevant fixed rate of interest to the Principal Amount Outstanding of the relevant Series and Class, or Sub-class, as the case may be, of Notes. The determination of the Fixed Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(f) Notification of the Fixed Interest Amount

The Reference Agent will cause the relevant Fixed Interest Amount and the relevant Note Payment Date applicable to each relevant Series and Class, or Sub-class, as the case may be, of Notes to be notified to the Issuer, the Security Agent, the Domiciliary Agent, the Administrator, Euronext Brussels and to the holders of such Class of Notes in accordance with Condition 13(b). The Fixed Interest Amount and relevant Note Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Fixed Rate Interest Period.

(g) Determination or Calculation by Security Agent

If the Reference Agent at any time for any reason does not determine the relevant Fixed Interest Amount in accordance with paragraph (e) or (f) above, as the case may be, the Security Agent shall calculate the Fixed Interest Amount in accordance with paragraph (e) above, and each such determination or calculation shall be final and binding on all parties.

(II) Interest on Floating Rate Notes

(a) Period of Accrual

The Floating Rate Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 17) from and including the relevant Issue Date. Each Floating Rate Note (or in the case of the redemption of part only of a Floating Rate Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Floating Rate Note up to but excluding the date on which payment in full of the relevant amount of principal is made. Whenever it is necessary to compute an amount of interest in respect of any Floating Rate Note for any period, such interest shall be calculated on the basis of the actual number of days in the Floating Rate Interest Period (as defined below) concerned divided by a year of 360 days.

(b) Floating Rate Interest Periods and Note Payment Dates

Interest on the Notes shall be payable by reference to Floating Rate Interest Periods. Each successive floating rate interest period will commence on (and include) a relevant Note Payment Date and end on (but exclude) the next succeeding relevant Note Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Note Payment Date as set out in the Applicable Final Terms (each such floating rate interest period a '**Floating Rate Interest Period**').

Interest on each of the Floating Rate Notes will be payable quarterly in arrear in Euros or any other currency indicated in the Applicable Final Terms, in respect of the Principal Amount Outstanding of such Floating Rate Notes on the 25th day of January, April, July and October or, if otherwise indicated in the Applicable Final Terms, of the months indicated in the Applicable Final Terms or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day, in each year (each such day being a '**Note Payment Date**').

(c) Interest up to the Step-up Date

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant Step-up Date, interest on the Floating Rate Notes denominated in euro (€) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards) plus a margin as specified in the Final Terms.

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant Step-up Date, interest on the Floating Rate Notes denominated in Dollar (\$) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the London Interbank Offered Rate for three months deposits in US Dollars ('**Dollar Libor**') (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Dollar Libor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards) plus a margin as specified in the Final Terms.

If specified otherwise in the Final Terms, the rate of interest payable from time to time in respect of the Notes will be determined in the manner set out in the Applicable Final Terms.

(d) Interest following the Step-up Date

Unless otherwise specified in the Applicable Final Terms, if on the Step-up Date of any Series and Class, or Sub-class, as the case may be, of Floating Rate Notes denominated in euro (€), such Notes have not been redeemed in full, a floating rate of interest will be applicable to each such Notes denominated in euro (€) equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Note Payment Date, plus a margin as specified in the Applicable Final Terms.

Unless otherwise specified in the Applicable Final Terms, if on the relevant Step-up Date of any Series and Class, or Sub-class, as the case may be, of Floating Rate Notes denominated in Dollar (\$), such Notes have not been redeemed in full, a floating rate of interest will be applicable to such Notes denominated in Dollar (\$) equal to the sum of Dollar Libor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Note Payment Date, plus a margin as specified in the Applicable Final Terms.

If specified otherwise in the Applicable Final Terms, the rate of interest payable from time to time in respect of the Notes will be determined in the manner set out in the Applicable Final Terms, plus a margin as specified in the Applicable Final Terms.

If the Floating Rate Notes of a Series and Class or Sub-class are not redeemed on the relevant Step-up Date, and the Issuer notifies all Noteholders of such Series and Class or Sub-class:

- (i) within one month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the margin applicable in respect of such Notes will be equal to the sum of two times the margin prior to the Step-up Date and the margin after the Step-up Date, divided by three; and
- (ii) after one month but within the second month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the margin applicable in respect of such Notes will be equal to the sum of the margin prior to the Step-up Date and two times the margin after the Step-up Date, divided by three;

unless the Notes are not repaid on such Note Payment Date, in which case the margin after the Step-up Date applies.

(e) Euribor

For the purpose of Conditions 4(II)(c) and (d) Euribor will be determined as follows:

- (i) the Reference Agent will obtain for each Floating Rate Interest Period the rate equal to the amount of Euribor for three months deposits in Euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR 01 Page (or its successor sources)(or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11:00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period (each an '**Euribor Interest Determination Date**').
- (ii) If, on the relevant Euribor Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
 - (A) request the principal euro-zone office of each of four major banks in the euro-zone interbank market (Reference Banks) to provide a quotation for the rate at which three months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Euribor Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and
 - (B) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Euribor Interest Determination Date for three months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time, and Euribor for such Floating Rate Interest Period shall be the rate per annum equal to the euro interbank offered rate for euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Floating Rate Interest Period, Euribor applicable to the relevant Class of Notes during such Floating Rate Interest Period will be Euribor last determined in relation thereto.

(f) Dollar Libor

For the purpose of Condition 4(II)(c) and (d) Dollar Libor will be determined as follows:

- (i) The Reference Agent will determine the rate sponsored by the British Bankers' Association for deposits in US Dollars ('**Dollar Libor**') for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters Screen LIBOR01 (or its successor sources)(or such other service as may be nominated as the information vendor, for the purpose of displaying British Bankers' Association settlement rates for US Dollars) as of 11.00 a.m. (London time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period (each a '**Dollar Libor Interest Determination Date**', and together with the Euribor Interest Determination Date, the '**Interest Determination Date**').
- (ii) If such rate does not appear on that page, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

- (A) request the principal London office of each of four major banks in the London interbank market (Reference Banks) to provide a quotation for the rate at which it offers deposits in US Dollars at approximately 11.00 a.m. (London time) on the relevant Dollar Libor Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
 - (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations; and
- (iii) if fewer than two such quotations are provided, the Reference Agent will determine the arithmetic mean (rounded if necessary as aforesaid) of the rates quoted by major banks in New York City, selected by the Reference Agent, at approximately 11.00 a.m. (New York City time) on the first day of the relevant Floating Rate Interest Period for deposits in US Dollars to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Dollar Libor for such Floating Rate Interest Period shall be the rate per annum equal to the London Interbank Offered Rate for deposits in US Dollars as determined in accordance with this paragraph (f), provided, however, that if the Reference Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, Dollar Libor applicable to the Notes during such Floating Rate Interest Period will be the rate, or as the case may be, the arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

(g) Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time in respect of Euros (€) and London time or New York Time, as the case may be, in respect of dollars (\$)) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each Series and Class, or Sub-class, as the case may be, of Notes (the '**Floating Rate of Interest**') and calculate the amount of interest payable on such Notes for the following Floating Rate Interest Period (the '**Floating Interest Amount**') by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Series and Class, or Sub-class, as the case may be, of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(h) Notification of the Floating Rate of Interest and the Floating Interest Amount

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the relevant Note Payment Date applicable to each relevant Series and Class, or Sub-class, as the case may be, of Notes to be notified to the Issuer, the Security Agent, the Paying Agents, the Administrator, Euronext Brussels and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Daily Official List (*Officiële Prijscourant*) of Euronext Brussels in accordance with Condition 13(b). The Floating Interest Amount and relevant Note Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(i) Determination or Calculation by Security Agent

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (e) or (f) above, as the case may be, the Security Agent shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (g) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Agent shall calculate the Floating Interest Amount in accordance with paragraph (g) above, and each such determination or calculation shall be final and binding on all parties.

(j) Reference Banks and Reference Agent

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Agent, the right to terminate the appointment of the Reference Agent or of any Reference Bank by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Agent, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Agent has been appointed.

(III) Priority of Payments

All payments of interest and principal in respect of the Notes are subject to the applicable Priority of Payments and all other fiscal laws and regulations applicable in the place of payment.

5. Payment

- (a) All payments of principal or interest owing under the Notes shall be made through the Domiciliary Agent and the Clearing System in accordance with the rules of the Clearing System.
- (b) No commissions or expenses shall be charged by the Domiciliary Agent to the Noteholders in respect of such payments.
- (c) Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto, without prejudice to Condition 7.
- (d) If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day in the jurisdiction where payment is to be received, no further payments of additional amounts by way of interest, principal or otherwise shall be due.

6. Redemption and Cancellation

(a) Final redemption

Unless previously redeemed as provided in this Condition 6, the Issuer will, in respect of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, redeem a Series and Class, or Sub-class, as the case may be, of Notes at their Principal Amount Outstanding on the relevant Final Maturity Date specified in respect of such Notes in the Applicable Final Terms.

(b) Mandatory redemption

(I) Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred, if the Pro-rata Condition is satisfied, the Issuer will, in respect of the Class B Notes, Class C Notes and Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, be obliged to apply:

- (i) the Class A Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Note Payment Date the Class A Pass-through Notes;
- (ii) the Class B Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Note Payment Date the Class B Pass-through Notes;
- (iii) the Class C Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Note Payment Date the Class C Pass-through Notes; and

- (iv) the Class D Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Note Payment Date the Class D Pass-through Notes.

The principal amount so redeemable in respect of:

- (i) each Class A Pass-through Note (the '**Class A Pass-through Notes Principal Redemption Amount**') shall be the Class A Pass-through Notes Redemption Available Amount on the Note Calculation Date relating to that Note Payment Date divided by the Principal Amount Outstanding of Class A Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class A Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class A Pass-through Note;
- (ii) each Class B Pass-through Note (the '**Class B Pass-through Notes Principal Redemption Amount**') shall be the Class B Pass-through Notes Redemption Available Amount on the Note Calculation Date relating to that Note Payment Date divided by the Principal Amount Outstanding of Class B Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class B Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class B Pass-through Note;
- (iii) each Class C Pass-through Note (the '**Class C Pass-through Notes Principal Redemption Amount**') shall be the Class C Pass-through Notes Redemption Available Amount on the Note Calculation Date relating to that Note Payment Date divided by the Principal Amount Outstanding of Class C Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class C Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class C Pass-through Note; and
- (iv) each Class D Pass-through Note (the '**Class D Pass-through Notes Principal Redemption Amount**') shall be the Class D Pass-through Notes Redemption Available Amount on the Note Calculation Date relating to that Note Payment Date divided by the Principal Amount Outstanding of Class D Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class D Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class D Pass-through Note.

(II) Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred, if the Pro-rata Condition is not satisfied, the Issuer will, in respect of the Class B Notes, the Class C Notes and the Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, be obliged to apply the Pass-through Principal Available Amounts to redeem (or partially redeem) on a *pro rata* basis on each Note Payment Date (a) firstly, the Class A Pass-through Notes until fully redeemed, and thereafter, (b), the Class B Pass-through Notes until fully redeemed, and thereafter, (c), the Class C Pass-through Notes until fully redeemed, and thereafter, (d) the Class D Pass-through Notes until fully redeemed.

(III) Provided that no Enforcement Notice has been served in accordance with Condition 10, but after the occurrence of a Trigger Event, the Issuer will, in respect of the Class B Notes, the Class C Notes and the Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, be obliged to apply the Principal Available Amounts to redeem (or partially redeem) on a *pro rata* basis on each Note Payment Date (a) firstly, the Class A Notes until fully redeemed, and, thereafter, (b), the Class B Notes until fully redeemed, and, thereafter (c) the Class C Notes until fully redeemed, and, thereafter, (d) the Class D Notes until fully redeemed.

(IV) The principal amount so redeemable (each a '**Principal Redemption Amount**'), in respect of each Note, other than the Reserve Fund Notes, on the relevant Note Payment Date, shall be (a)(i) prior to a Trigger Event, if the Pro-rata Condition is satisfied the Class A Pass-through Notes Principal Redemption Amount, the Class B Pass-through Notes Principal Redemption Amount, the Class C Pass-through Notes Principal Redemption Amount and the Class D Pass-through Notes Principal Redemption Amount and (ii) prior to a Trigger Event, if the Pro-rata Condition is not satisfied, the Pass-through Principal Available Amounts, and (iii) on or after a Trigger Event the Principal Available Amounts, on the Note Calculation Date relating to

that Note Payment Date, divided in the case of (ii) and (iii) by (b) the Principal Amount Outstanding of Notes of the relevant Class subject to such redemption and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note will be reduced accordingly.

(V) Soft-bullet Notes will not be redeemable up to the relevant Step-up Date except in certain circumstances described in this Condition 6 and Applicable Final Terms. After the Step-up Date relating to the relevant Series and Class or Sub-class thereof, the Soft-bullet Notes of such Series and Class or Sub-class will become Pass-through Notes.

(c) Determination of Principal Redemption Amount and Principal Amount Outstanding

- (i) On each Note Calculation Date, the Issuer shall determine (or cause the Administrator to determine) (a) the Principal Redemption Amount, (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Note Payment Date (taking into account the amount in (a)) and (c) the fraction expressed as a decimal to the twelfth point (the '**Note Factor**'), of which the numerator is the Principal Amount Outstanding of a Note of each Series and Class or Sub-class of Notes (as referred to in (b) above) and the denominator is the Principal Amount Outstanding of a Note of such Series and Class or Sub-class of Notes on the Programme Closing Date). Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) The Issuer will cause each determination of a Principal Redemption Amount, the Note Factor and the Principal Amount Outstanding of Notes to be notified no later than in as in line with the rules of the Clearing System to the Security Agent, the Domiciliary Agent, the Reference Agent, if applicable, Euronext Brussels and to the holders of Notes in accordance with condition 13. If no Principal Redemption Amount is due to be paid on the Notes on the applicable Note Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 13.
- (iii) If the Issuer does not at any time for any reason determine (or cause the Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Agent in accordance with this paragraph (c) and paragraph (b) above (but based upon the information in its possession) as to the Principal Available Amounts. Each such determination or calculation shall be deemed to have been made by the Issuer.

(d) Optional Redemption

The Issuer may, at its option, redeem all of the Notes of a Series and Class, or all Notes of a Sub-class, if applicable, other than the Reserve Fund Notes of such Series (in respect of which Condition 6(g) applies), in whole but not in part, at their Principal Amount Outstanding together with any accrued interest, in respect of the Class B Notes, Class C Notes and Class D Notes, (i) subject to Condition 9(b) and (ii) fulfilment of the Repayment Test, on the date specified as the Step-up Date for such Notes in the Applicable Final Terms and on any Note Payment Date for such Notes thereafter, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than 30 days notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 13.

(e) Notes clean-up call option

The Issuer may, at its option, redeem at their Principal Amount Outstanding together with any accrued interest, in respect of the Class B Notes, Class C Notes, Class D Notes (i) subject to and in accordance with Condition 9(b) and (ii) fulfilment of the Repayment Test, all of the Notes of any Series and Class or Sub-class, other than the Reserve Fund Note, in whole but not in part on each Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes of such Series and Class or Sub-class is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series and Class or Sub-class of Notes as at the Issue Date of such Series and Class or Sub-class of Notes, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than 30 days notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 13.

(f) Programme Clean-up call option

The Issuer may, at its option, (in respect of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes subject to Condition 9(b)), redeem all of the Notes, but not some only, at their aggregate Principal Amount Outstandings plus any accrued interest, in case (i) the percentage of the Outstanding Principal Amount of all SME Receivables falls below 10 per cent. of the highest Outstanding Principal Amount of all SME Receivables reached since the Programme Closing Date or (ii) of the occurrence of an Assignment Notification Event, provided that in each case the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than 30 days notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 13.

(g) Redemption of Reserve Fund Notes

The Reserve Fund Notes of a Series and Class or Sub-class will not be redeemable up to the Maturity Date specified in the applicable Final Terms for the relevant Series and Class or Sub-class, except as otherwise described in these Conditions or the applicable Final Terms. On the Maturity Date of a Reserve Fund Note of a Series and Class or Sub-class, the Issuer will, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, redeem the Reserve Fund Notes of such Series and Class, or Sub-class, as the case may be, at their Principal Amount Outstanding plus any accrued interest. If the Issuer fails to redeem such Reserve Fund Note in full (except for any Reserve Fund Shortfall related to such Note) on its Maturity Date, then on such date and on each Note Payment Date thereafter, the Issuer shall, subject to the Repayment Test, apply items (q), (r) and (s) of the Interest Priority of Payments to redeem such Reserve Fund Note until redeemed in full. The Issuer shall use its best efforts to issue new Reserve Fund Notes, or, if the Issuer is unable to issue sufficient new Reserve Fund Notes, to sell SME Receivables to the extent necessary, in order to meet the Repayment Test and to be able to redeem the Reserve Fund Notes on their Maturity Date.

(h) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at their Principal Amount Outstanding plus any accrued interest (in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes subject to Condition 9(b)), on any Note Payment Date if, immediately prior to giving such notice, the Issuer has satisfied the Security Agent that:

- (i) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the application of the laws for regulations of the Kingdom of Belgium (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (ii) the Issuer will have sufficient funds available as determined on the Note Calculation Date immediately preceding such Note Payment Date to discharge all amounts of principal (subject to condition 9(b)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Security Agent Agreement.

The Issuer shall notify the exercise of such option by giving not less than 30 days notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

(i) Redemption for regulatory reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Note Payment Date at their Principal Amount Outstanding plus any accrued interest (in respect of the Class B Notes, the Class C Notes, the Class D Notes, the

Class E Notes, the Class F Notes and the Class G Notes subject to Condition 9(b)), if the Seller exercises its option to repurchase the SME Receivables from the Issuer upon the occurrence of:

- (i) a change published on or after Programme Closing Date in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the '**Basle Accord**') or in the international, European or Belgian regulations, rules and instructions (which includes the solvency regulations of the CBFA) (the '**Bank Regulations**') applicable to the relevant Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European Central Bank, the CBFA or other competent regulatory or supervisory authority) which, in the opinion of the relevant Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes (a '**Regulatory Change**'); and
- (ii) the Issuer will have sufficient funds available on the Note Calculation Date immediately preceding such Note Payment Date to discharge all amounts of principal (subject to condition 9(b)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Series and Class or Sub-class of Notes in accordance with the Security Agent Agreement.

The Issuer shall notify the exercise of such option by giving not less than 30 days notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

(j) Redemption for Change of Law

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Note Payment Date at their Principal Amount Outstanding plus any accrued interest (in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes subject to Condition 9(b)), if:

- (i) there is a change in, or any amendment to the laws, regulations, decrees or guidelines of the Kingdom of Belgium or of any authority therein or thereof having legislative or regulatory powers or in the interpretation by a relevant authority or a court of, or in the administration of, such laws, regulations, decrees or guidelines after the Programme Closing Date which would or could affect the Issuer or the Noteholders in a materially adverse way, as certified by the Security Agent (an '**Optional Redemption in case of Change of Law**').
- (ii) the Issuer will have sufficient funds available on the Note Calculation Date immediately preceding such Note Payment Date to discharge all amounts of principal (subject to condition 9(b)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Series and Class or Sub-class of Notes in accordance with the Security Agent Agreement.

The Issuer shall notify the exercise of such option by giving not less than 30 days notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

(k) Early redemption of Series-0 Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred and, subject to a 30 days notice period (unless the Issuer agrees to a shorter notice period):

- (i) any holder of a Note of Series-0 (other than Reserve Fund Notes) may request the Issuer to redeem such Note and the Issuer shall following such request apply part of the Principal Available Amounts, towards the redemption of those Series-0 Notes (other than the Reserve Fund Notes), subject to the Principal Priority of Payments, the Conditions, the Repayment Test and the Security Agent Agreement;
- (ii) any holder of a Reserve Fund Note of Series-0 may request the Issuer to redeem such Note and the Issuer shall following such request apply amounts credited on the Reserve Account towards the redemption purchase of Reserve Fund Notes of Series-0, subject to the Repayment Test.

The amount to be paid in redemption of such Notes will be equal to the aggregate Principal Amount Outstanding of such Notes less any Principal Shortfall attributed to such Note.

(l) Cancellation

All Notes redeemed in full pursuant to the foregoing provisions, or in part (in the event that any claim on the Notes remains unsatisfied after the enforcement of the Security and the application of the proceeds in accordance with the Post-Enforcement Priority of Payments) or otherwise surrendered, will be cancelled upon such redemption or surrender of rights or title to the Notes and may not be resold or re-issued.

(m) Priority of Payments

All payments of interest and principal in respect of the Notes are subject to the applicable Priority of Payments and all other fiscal laws and regulations applicable in the place of payment.

7. Taxation

- (a) All payments of, or in respect of, principal of and interest on, the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium, any authority therein or thereof having power to tax, unless the withholding or deduction for or on account of such taxes, duties, assessments or charges are required by law. In that event, the Issuer or the Domiciliary Agent (as the case may be) will make the required withholding or deduction for or on account of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders in respect of any such withholding or deduction. Neither the Issuer nor any Domiciliary Agent nor any other person will be obliged to gross up the payments in respect of the Notes of any Series, Class or Sub-class or to make any additional payments to any Noteholders.
- (b) In particular, but without limitation, no additional amounts shall be payable in respect of any Note presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 (European Council Directive 2003/48/EC) or any law implementing or complying with, or introduced in order to conform to, such Directive.
- (c) The Issuer, the Clearing System Operator, the Domiciliary Agent or any other person being required to make a tax reduction shall not constitute an Event of Default.

8. Prescription

Claims for principal or interest under the Notes shall become time barred ten or five years, respectively, after their relevant due date.

9. Subordination and limited recourse

(a) Interest

Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes shall be payable in accordance with the provisions of Conditions 4 and 6, subject to the terms of this Condition.

In the event that on any relevant Note Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class B Notes on the next Note Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Note Payment Date to the holders of the Class B Notes. In the event of a shortfall, the Issuer shall credit the Class B Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class B Notes, on any relevant Note Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class B Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class B Notes for such period, and a *pro rata* share of such shortfall and

accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class B Note on the next succeeding Note Payment Date.

In the event that on any relevant Note Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class C Notes on the next Note Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Note Payment Date to the holders of the Class C Notes. In the event of a shortfall, the Issuer shall credit the Class C Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class C Notes, on any relevant Note Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class C Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class C Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class C Note on the next succeeding Note Payment Date.

In the event that on any relevant Note Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class D Notes on the next Note Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Note Payment Date to the holders of the Class D Notes. In the event of a shortfall, the Issuer shall credit the Class D Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class D Notes, on any relevant Note Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class D Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class D Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class D Note on the next succeeding Note Payment Date.

In the event that on any relevant Note Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class E Notes on the next Note Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Note Payment Date to the holders of the Class E Notes. In the event of a shortfall, the Issuer shall credit the Class E Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class E Notes, on any relevant Note Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class E Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class E Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class E Note on the next succeeding Note Payment Date.

In the event that on any relevant Note Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class F Notes on the next Note Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Note Payment Date to the holders of the Class F Notes. In the event of a shortfall, the Issuer shall credit the Class F Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class F Notes, on any relevant Note Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class F Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class F Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class F Note on the next succeeding Note Payment Date.

In the event that on any relevant Note Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class G Notes on the next Note Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Note Payment Date to the holders of the Class G Notes. In the event of a shortfall, the Issuer shall credit the Class G Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class G Notes, on any relevant Note Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class G Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class G Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class G Note on the next succeeding Note Payment Date.

(b) *Principal*

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, the Class B Noteholders will not be entitled to any repayment of principal in respect of the Class B Notes. If, on any date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class B Note on such date shall not exceed its Principal Amount Outstanding less the Class B Principal Shortfall on such date. The '**Class B Principal Shortfall**' shall mean on any date an amount equal to (i) the quotient of (x) the balance on the Class B Principal Deficiency Ledger on the preceding Note Payment Date or, if such date is a Note Payment Date, this date and (y) the Principal Amount Outstanding of Class B Notes on such date, multiplied by (ii) the Principal Amount Outstanding of such Class B Note. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after such redemption.

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes and the Class B Notes is reduced to zero, the Class C Noteholders will not be entitled to any repayment of principal in respect of the Class C Notes. If, on any date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class C Note on such date shall not exceed its Principal Amount Outstanding less the Class C Principal Shortfall. The '**Class C Principal Shortfall**' shall mean on any date an amount equal to (i) the quotient of (x) the balance on the Class C Principal Deficiency Ledger on the preceding Note Payment Date or, if such date is a Note Payment Date, this date and (y) the Principal Amount Outstanding of Class C Notes on such date, multiplied by (ii) the Principal Amount Outstanding of such Class C Note. The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after such redemption.

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes, the Class B Notes and the Class C Notes is reduced to zero, the Class D Noteholders will not be entitled to any repayment of principal in respect of the Class D Notes. If, on any date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class D Note on such date shall not exceed its Principal Amount Outstanding less the Class D Principal Shortfall. The '**Class D Principal Shortfall**' shall mean an amount equal to (i) the quotient of (x) the balance on the Class D Principal Deficiency Ledger on the preceding Note Payment Date or, if such date is a Note Payment Date, this date and (y) the Principal Amount Outstanding of Class D Notes outstanding on such date, multiplied by (ii) the Principal Amount Outstanding of such Class D Note. The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after such redemption.

If, on any date, there is a balance on the Class E Reserve Fund Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class E Note on such date shall not exceed its Principal Amount Outstanding less the Class E Reserve Fund Shortfall. The '**Class E Reserve Fund Shortfall**' shall mean, on any date, an amount equal to (i) the quotient of (x) the balance of the Class E Reserve Fund Deficiency Ledger on this date and (y) the Principal Amount Outstanding of the Class E Notes outstanding on such date, multiplied by (ii) the Principal Amount Outstanding of such Class E Note. The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after such redemption.

If, on any date, there is a balance on the Class F Reserve Fund Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class F Note on such date shall not exceed its Principal Amount Outstanding less the Class F Reserve Fund Shortfall. The '**Class F Reserve Fund Shortfall**' shall mean, on any date, an amount equal to (i) the quotient of (x) the balance of the Class F Reserve Fund Deficiency Ledger on this date and (y) the Principal Amount Outstanding of the Class F Notes outstanding on such date, multiplied by (ii) the Principal Amount Outstanding of such Class F Note. The Class F Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class F Notes after such redemption.

If, on any date, there is a balance on the Class G Reserve Fund Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class G Note on such date shall not exceed its Principal Amount Outstanding less the Class G Reserve Fund Shortfall. The '**Class G Reserve Fund Shortfall**' shall mean, on any date, an amount equal to (i) the quotient of (x) the balance of the Class G Reserve Fund Deficiency Ledger on this date and (y) the Principal Amount Outstanding of the Class G Notes outstanding on such date, multiplied by (ii) the Principal Amount

Outstanding of such Class G Note. The Class G Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class G Notes after such redemption.

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Security Agent Agreement in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Agent in respect of any such unpaid amounts.

10. Events of Default

The Security Agent at its discretion may, and if so directed by an Extraordinary Resolution (in respect of all Series) of the Noteholders of the highest ranking Class of Notes outstanding (subject, in each case, to being indemnified to its satisfaction) (in each case, the '**Relevant Class**') shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Agent shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an '**Enforcement Notice**') to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes; provided that, for the avoidance of doubt, the occurrence of any amounts of Interest Deficiency in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes (but not the Class A Notes) or amounts of Principal Shortfall or Reserve Fund Shortfall shall not constitute an Event of Default; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes, the Security Agent Agreement, the Domiciliary Agency Agreement or the Pledge Agreement and, except where such failure, in the reasonable opinion of the Security Agent, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Agent to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment (*conservatoir beslag/saisie conservatoire*) or an executory attachment (*executoriaal beslag/saisie exécutoire*) on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) an order being made or an effective resolution being passed for the winding-up (*ontbinding/dissolution*) of the Issuer except a winding up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Security Agent in writing or by an Extraordinary Resolution of the Noteholders; or
- (e) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (d) above, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or the Issuer being unable to pay its debts as and when they fall due or the value of its assets falling to less than the amount of its liabilities or otherwise becomes insolvent; or
- (f) proceedings shall be initiated against or by the Issuer under any applicable liquidation, composition, insolvency or other similar law including the *Faillissementswet / Loi sur les faillites* (Law on Bankruptcies of 8 August 1997) and the *Wet betreffende de continuïteit van de ondernemingen / Loi relative à la continuité des entreprises* (Law on the Continuity of Enterprises of 31 January 2009) or an administrative receiver or other receiver, administrator or other similar official (including a *voorlopig bewindvoerder/administrateur provisoire* (ad hoc administrator)) has been appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or a *bevel tot betalen/commandement* (notice of demand) is notified to the Issuer under Articles 1499 or 1564 of the *Gerechtigd Wetboek/Code Judiciaire* (Judicial Code), or *uitvoerend beslag/saisie exécutoire* (distrainment) is carried out in respect of the whole or any substantial part of the undertaking or assets of the Issuer and in any of the foregoing cases it shall not be discharged within thirty (30) Business Days; or

- (g) any action is taken by any authority, court or tribunal, which results in the loss of the Issuer of its status as an “institutional V.B.S” or which in the reasonable opinion of the Security Agent, after consultation with the Issuer and the Administrator, is very likely to result in the loss of such status and would adversely affect the Transaction;

provided that, if Notes of a higher ranking Class are outstanding, no Enforcement Notice may or shall be given by the Security Agent to the Issuer in respect of a lower ranking Class of Notes, irrespective of whether an Extraordinary Resolution is passed by the Noteholders of the lower Class(es) of Notes, unless an Enforcement Notice in respect of the highest ranking Class of Notes outstanding has been given by the Security Agent. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the highest ranking Class of Notes outstanding, the Security Agent shall not be required to have regard to the interests of the Noteholders of a lower ranking Class of Notes.

11. Enforcement

- (a) At any time after the Notes of any Class become due and payable, the Security Agent may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Security Agent Agreement, the Pledge Agreement and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder may proceed directly against the Issuer unless the Security Agent, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Agent may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy of the Security Agent against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Agent

The Security Agent Agreement contains provisions for the indemnification of the Security Agent and for its relief from responsibility (see Condition 15).

13. Notices

- (a) All notices, other than notices given in accordance with the next paragraph, to Noteholders of any Series and Class or Sub-class shall be deemed to have been duly given if a notice in English, Dutch and French is published in a leading daily newspaper with general circulation in Belgium. If any such publication is not practicable, publication may be in another leading newspaper printed in the relevant language having general circulation in Europe or Belgium, as the case may be, previously approved in writing by the Security Agent. Notices of meetings of Noteholders shall in addition be published in the Belgian State Gazette (*Belgisch Staatsblad / Moniteur Belge*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in one of the newspapers referred to above. Notices of meetings of Noteholders shall be published twice, with an interval of eight (8) calendar days between each publication, the second publication being at least three (3) calendar days before the date of the meeting, but the Security Agent shall not be responsible for any failure to comply with such publication requirements if nevertheless any meeting of Noteholders is duly convened and held in accordance with the Company Code, Condition 13 hereof and the relevant provisions contained in Schedule 1 of the Security Agent Agreement. Notices to the Noteholders of the availability of the reports and of meetings of Noteholders will also be given by delivery of the relevant notice to that Clearing System Operator for communication by it to the relevant account holders. No notifications in any such form will be required for convening meetings of Noteholders if all Noteholders have been identified and have been given an appropriate notice by registered mail.
- (b) Notices specifying a Note Payment Date, an interest rate, an interest amount, a payment of principal (or absence thereof), a Principal Amount Outstanding or a Note Factor or relating generally to payment dates, payments of interest,

repayments of principal and other relevant information with respect to the Notes shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of Bloomberg or such other medium for the electronic display of data as may be approved by the Security Agent and notified to the Noteholders (the '**Relevant Screen**') at least two Business Days before a payment date. Any such notice shall be deemed to have been given on the first date on which such information appeared on the Relevant Screen or if it is impossible or impracticable to give notice in accordance with this paragraph then notice of the matters referred to in this Condition shall be given in accordance with the preceding paragraph. Such notices may also be distributed by the Dealer or the Security Agent to the extent the Noteholders have been identified.

14. Meetings of Noteholders

The Articles 568 to 580 of the Company Code shall only apply to the extent that the Conditions, the articles of association of the Issuer or the Relevant Documents do not contain provisions which differ from the provisions contained in such articles.

The Security Agent Agreement contains provisions for convening meetings of the Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution of a change of any of these Conditions or any provisions of the Relevant Documents.

All resolutions passed at any meeting of Noteholders shall be notified to the Rating Agencies.

(a) Meetings of Noteholders

A meeting of Noteholders may be convened by the Issuer, the Security Agent or by Noteholders of any Series and Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Series and Class.

In respect of each Class of Notes the Security Agent Agreement provides that :

- (i) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of one Series only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Class of that Series;
- (ii) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of any two or more Series but does not give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Class of such two or more Series;
- (iii) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of any two or more Series and gives or may give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Class of such two or more Series;

In respect of each Sub-class of Notes the Security Agent Agreement provides that :

- (i) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of one Sub-class of a Class of Notes only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Sub-class of that Class;
- (ii) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of more than one Sub-class of Notes of the same Class but does not give rise to a conflict of interest between the Noteholders of such Sub-classes of Notes, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Sub-classes of Notes;
- (iii) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of more than one Sub-class of the same Class of Notes and gives or may give rise to a conflict of interest between the Noteholders of such Sub-classes, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Sub-classes of Notes;

(b) *Basic Terms Change*

No change of certain terms by the Noteholders of any Class or Sub-class of any Series including the date of maturity of the Notes of the relevant Class or Sub-class of the relevant Series, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes or any change of the currency in which such Notes are denominated (any such change in respect of any such class or Sub-class of Notes referred to below as a '**Basic Terms Change**') shall be effective unless such Basic Term Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Series and Class or Sub-class, except that, if the Security Agent is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, no such Extraordinary Resolution is required.

(c) *Extraordinary Resolution*

Quorum and majority

The quorum for any meeting convened to consider an Extraordinary Resolution for the Notes of any Series and Class or of any one or more Series of the same Class or of one or more Sub-classes, will be two-thirds of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes then represented.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class and relevant one or more Series, or of such one or more Sub-classes (whether or not they were present at the meeting at which such resolution was passed).

A resolution signed by or on behalf of all the Noteholders of the relevant one or more Series and Class or relevant one or more Sub-classes, who for the time being are entitled to receive notice of a meeting under the Security Agent Agreement shall for all purposes be as valid and effective as an Extraordinary Resolution passed by a meeting of such one or more Series and Class of Noteholders or such one or more Sub-classes of Noteholders.

Limitations

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes of any one or more Series, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes of any one or more Series, as the case may be, shall take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Noteholders of the other Classes of each Series of the Notes then outstanding or such change is in the opinion of the Security Agent not materially prejudicial to the interests of other Noteholders of each Series.

An Extraordinary Resolution of the Class B Noteholders of any Series or any Sub-class thereof and/or the Class C Noteholders of any Series or any Sub-class thereof and/or the Class D Noteholders of any Series or any Sub-class thereof and/or the Class E Noteholders of any Series or any Sub-class thereof and/or the Class F Noteholders of any Series or any Sub-class thereof and/or the Class G Noteholders of any Series or any Sub-class thereof shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders of each Series and/or, as the case may be, the Class B Noteholders of each Series and/or, as the case may be, the Class C Noteholders of each Series and/or, as

the case may be, the Class D Noteholders of each Series and/or, as the case may be, the Class E Noteholders of each Series and/or, as the case may be, the Class F Noteholders of each Series or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series, or the Class B Noteholders of each Series, or the Class C Noteholders of each Series, or the Class D Noteholders of each Series, or the Class E Noteholders of each Series, or the Class F Noteholders of each Series, as the case may be. The Security Agent Agreement imposes no such limitations on the powers of the Class A Noteholders of any Series, or Sub-class thereof (subject to this Condition 14), the exercise of which will be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders (in any case of that Series or of any other Series), irrespective of the effect on their interests.

(d) *Programme Resolution*

Notwithstanding the preceding paragraphs of this Condition 14 (Meetings of Noteholders; Modification; Consents; Waiver), any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Security Agent (i) to take any enforcement action pursuant to Condition 10 and Condition 11 or (ii) to remove or replace the Security Agent (each a '**Programme Resolution**'), shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate principal Amount Outstanding of such Class of Notes so held or represented by them, provided that if such Programme Resolution relates to the removal and replacement of any or all of the managing directors of the Security Agent, at least thirty (30) per cent. of the Notes of the relevant Class of all Series should be represented on any second meeting. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Security Agent or by Noteholders of such Class of Notes. A Programme Resolution passed at any meeting of the Noteholders of all Series of such Class of Notes shall be binding on all Noteholders of all Series of such Class of Notes, whether or not they are present at the meeting.

The Issuer may with the consent of the Security Agent and without the consent of the Noteholders prescribe such other or further regulations regarding the holding of meetings of Noteholders and attendance and voting thereat as are necessary to comply with Belgian law.

15. The Security Agent

(a) *Appointment*

The Security Agent has been appointed by the Issuer as representative of the Noteholders in accordance with article 27, §1, first to seventh indent and article 106 of the UCITS Act and as irrevocable agent and attorney (*mandataris/mandataire*) of the other Secured Parties upon the terms and conditions set out in the Security Agent Agreement and herein.

(b) *Powers*

The Security Agent, acting on behalf of the Noteholders and the other Secured Parties, shall have the power:

- (i) to accept the Security on behalf of the Noteholders and the other Secured Parties;
- (ii) upon service of an Enforcement Notice, to proceed against the Issuer to enforce the performance of the Relevant Documents and to enforce the Security on their behalf;
- (iii) to collect all proceeds in the course of enforcing the Security;
- (iv) to apply or to direct the application of the proceeds of enforcement in accordance with the Conditions and the provisions of the Security Agent Agreement;
- (v) to open an account in the name of the Secured Parties or in the name of the Domiciliary Agent (or any substitute domiciliary agent appointed in accordance with the provisions of the Domiciliary Agency Agreement) with an Eligible Institution for the purposes of depositing the proceeds of enforcement of the Security and to give all directions to the Eligible Institution and/or the Domiciliary Agent (or its substitute) to administer such account;
- (vi) to borrow or raise monies and to grant security interests if required in accordance with any of the Relevant Documents for the purpose of administering the security granted to it pursuant to the Pledge Agreement to which it

is a party, entering into agreements which are conducive to the holding of the security and granted to it pursuant to the Pledge Agreement to which it is a party, and upon such terms and conditions as the Security Agent shall deem advisable;

- (vii) to retain such cash balances as the Security Agent from time to time may deem to be in the best interest of the Secured Parties and to credit any monies received, recovered or realised by it under the Pledge Agreement, at its discretion, to the Security Account or to any other suspense account and to hold such monies in such account for so long as the Security Agent may think fit acting in the best interests of the Secured Parties (with interest accruing thereon at such rate, if any, as the Security Agent may deem fit) pending their application from time to time in accordance with the provisions of the Security Agent Agreement;
- (viii) to make, execute, acknowledge and deliver any and all documents and instruments that may be necessary or appropriate to carry out the powers granted to it under the Security Agent Agreement and the Relevant Documents;
- (ix) to settle, compromise or litigate any claims, debts or damages due or owing to the Security Agent and to commence or defend suits or legal or administrative proceedings;
- (x) to determine all questions and doubts arising in relation to any of the provisions of this Agreement and every such determination bona fide made (whether or not the same shall relate in whole or in part to the acts or proceedings of the Security Agent under the Security Agent Agreement) shall be conclusive and binding on the Secured Parties;
- (xi) to exercise all other powers and rights and perform all duties given to the Security Agent under the Relevant Documents; and
- (xii) generally, to do all things necessary in connection with or incidental to the performance of such powers and duties and to do all such acts, initiate all such proceedings and exercise all such rights and privileges although not specifically mentioned herein as the Security Agent may deem necessary for the purposes of carrying out its duties under the Security Agent Agreement.

All of the Secured Parties acknowledge that the Security Agent will enter into the Parallel Debt Agreement and that the Security Agent will equally secure the Parallel Debt owing to the Security Agent in addition to the obligations of the Issuer owing to the other Secured Parties.

(c) Modifications by the Security Agent

The Security Agent may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of an Event of Default and/or any breach or proposed breach, of any of the provisions of the Conditions of any Series and Class or any Sub-class of Notes and/or Relevant Documents which is in the opinion of the Security Agent not materially prejudicial to the interests of the Noteholders of such Series and Class or such Sub-class of Notes or of any Series and Class of Notes, provided that (a) the Security Agent has notified the Rating Agencies and (b) it has received sufficient comfort that the ratings assigned to the Notes of such Series and Class or such Sub-class or of any Series and Class will not be changed below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will not be adversely affected (or withdrawn) by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Agent so requires, such modification shall be notified to the Noteholders of such Series and Class or such Sub-class of Notes or of any Series and Class of Notes in accordance with Condition 13 as soon as practicable thereafter.

(d) Liability

The Security Agent 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 Security Agent Agreement or any other Relevant Document to which it is a party, except in the event of its willful misconduct (*opzet/intention*) or gross negligence (*grove fout/faute grave*), and it shall not be responsible for any act or negligence of persons or institutions retained by it in good faith.

The Security Agent shall not be liable for acting upon any resolution purporting to have been passed at any meeting of any Series and Class of Noteholders in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or passing of the resolution or that for any reason the resolution was not valid or binding upon such Noteholders. If the Security Agent has acted upon such resolution, each

Noteholder of such Series and Class of Notes shall forthwith on demand indemnify (*schadeloos stellen/indemniser*) the Security Agent for its pro rata share in any liability, loss or expense incurred or expected to be incurred by the Security Agent in any way relating to or arising out of its acting as Security Agent in respect of that of a particular Series and Class of Notes, except to the extent that the liability or loss arises directly from the Security Agent's gross negligence (*grove schuld/faute grave*) or wilful misconduct (*opzet/intention*). The liability shall be divided between the Noteholders of the relevant Series and Class or Sub-class of Notes pro rata according to the respective Principal Amounts Outstanding of the Notes held by each of them respectively.

(e) *Retirement and removal*

Until all amounts payable by the Issuer to the Secured Parties have been paid in full, the Security Agent shall not retire and may be removed from its duties under the Security Agent Agreement only as set out below.

If any of the following events (each a '**Security Agent Termination Event**') shall occur, namely:

- (i) an order is made or an effective resolution is passed for the dissolution (*ontbinding/dissolution*) of the Security Agent except a dissolution (*ontbinding/dissolution*) for the purpose of a merger where the Security Agent remains solvent; or
- (ii) the Security Agent ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (iii) the Security Agent defaults in the performance or observance of any of its material covenants and obligations under the Security Agent Agreement or any other Relevant Document and (except where such default is incapable of remedy, when no such continuation and/or notice shall be required) such default continues unremedied for a period of thirty (30) Business Days after the earlier of the Security Agent becoming aware of such default and receipt by the Security Agent of written notice from the Issuer requiring the same to be remedied; or
- (iv) the Security Agent becomes subject to any bankruptcy (*faillissement/faillite*), judicial reorganisation (*gerechtelijke reorganisatie/réorganisation judiciaire*) or other insolvency proceeding under applicable laws; or
- (v) the Security Agent is rendered unable to perform its material obligations under the Security Agent Agreement for a period of twenty (20) Business Days by circumstances beyond its reasonable control or *force majeure*;

then the Issuer may by notice in writing terminate the powers delegated to the Security Agent under the Security Agent Agreement and the Relevant Documents with effect from a date (not earlier than the date of the notice) specified in the notice and appoint a substitute security agent selected by the Issuer which shall act as security agent until a new security agent is appointed by the general meeting of Noteholders which shall promptly be convened by the Issuer. Upon such selection being made and notified by the Issuer to the Secured Parties in a way deemed appropriate by the Issuer all rights and powers granted to the company then acting as Security Agent shall terminate and shall automatically be vested in the substitute security agent so selected. All references to the Security Agent in the Relevant Documents shall where and when appropriate be read as references to the substitute security agent as selected and upon vesting of rights and powers pursuant this clause.

The Noteholders shall be entitled to terminate the appointment of the Security Agent by a Programme Resolution notified to the Issuer and the Security Agent, provided:

- (i) in the same resolution a substitute security agent is appointed; and
- (ii) such substitute security agent meets all legal requirements, if any, to act as security agent in respect of an Institutional V.B.S. and accepts to be bound by the terms of the Security Agent Agreement and all other Relevant Documents in the same way as its predecessor.

The Security Agent shall not be discharged from its responsibilities under the Security Agent Agreement until a suitable substitute security agent which has been accepted by the Issuer and the Noteholders (such approval not being unreasonably withheld) has been appointed.

Such termination shall also terminate the appointment and power-of-attorney by the other Secured Parties. The other Secured Parties hereby irrevocably agree that the substitute security agent shall from the date of its appointment act as agent (*lasthebber/mandataire*) of the other Secured Parties on the terms of the Security Agent Agreement.

(f) *Exercise of Security Agent's functions*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Agent shall have regard to the interests of the Noteholders of a Class, Series or Series and Class or Sub-class thereof, and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Agent shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

16. Governing Law

The Notes are governed by, and will be construed in accordance with, the laws of Belgium. In relation to any legal action or proceedings arising out of or in connection with the Notes the Issuer irrevocably submits to the jurisdiction of the Courts of Brussels, Belgium. This submission is made for the exclusive benefit of the holders of the Notes and the Security Agent and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

17. Definitions

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings. Any other capitalized terms used in these Conditions shall have the meanings ascribed to them in the Master Definitions Schedule to the Programme Agreement

"Administrator" means Intertrust (Netherlands) B.V. with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, in its capacity as administrator of the Issuer under the Servicing Agreement, or its successor or successors;

"Business Day" means a day on which banks are open for business in Brussels and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ("TARGET System") or any successor thereto is operating credit or transfer instructions in respect of payments in euro;

"CBFA" means the Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financie- en Assuratiewezen/Commission Bancaire, Financière et des Assurances*) which is the Belgian competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Belgium;

"Class A Noteholders" means the several persons who are for the time being holders of any Class A Notes;

"Class A Notes" means the Class A Notes of all Series, or, if the context so requires, the Class A Notes of the relevant Series;

"Class A Pass-through Notes" means, on any date, the Class A Notes which are subject to mandatory repayment on the next Note Payment Date;

"Class A Pass-through Notes Redemption Available Amount" means, on any Note Payment Date, an amount calculated in accordance with the following formula, if the Pro-rata Condition is satisfied:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class A Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date.

"Class B Interest Deficiency Ledger" means a ledger established for the purpose of recording any shortfall in funds available to the Issuer to satisfy its obligations in respect of amounts of interest due on the Class B Notes;

"Class B Noteholders" means the several persons who are for the time being holders of any Class B Notes;

"Class B Notes" means the Class B Notes of all Series, or, if the context so requires, the Class B Notes of the relevant Series;

"Class B Pass-through Notes" means, on any date, the Class B Notes which are subject to mandatory repayment on the next Note Payment Date;

"Class B Pass-through Notes Redemption Available Amount" means, on any Note Payment Date, an amount calculated in accordance with the following formula, if the Pro-rata Condition is satisfied:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class B Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date.

"Class C Interest Deficiency Ledger" means a ledger established for the purpose of recording any shortfall in funds available to the Issuer to satisfy its obligations in respect of amounts of interest due on the Class C Notes;

"Class C Noteholders" means the several persons who are for the time being holders of any Class C Notes;

"Class C Notes" means the Class C Notes of all Series, or, if the context so requires, the Class C Notes of the relevant Series;

"Class C Pass-through Notes" means, on any date, the Class C Notes which are subject to mandatory repayment on the next Note Payment Date;

"Class C Pass-through Notes Redemption Available Amount" means, on any Note Payment Date, an amount calculated in accordance with the following formula, if the Pro-rata Condition is satisfied:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class C Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date;

"Class D Interest Deficiency Ledger" means a ledger established for the purpose of recording any shortfall in funds available to the Issuer to satisfy its obligations in respect of amounts of interest due on the Class D Notes;

"Class D Noteholders" means the several persons who are for the time being holders of any Class D Notes;

"Class D Notes" means the Class D Notes of all Series, or, if the context so requires, the Class D Notes of the relevant Series;

"Class D Pass-through Notes" means, on any date, the Class D Notes which are subject to mandatory repayment on the next Note Payment Date;

"Class D Pass-through Notes Redemption Available Amount" means, on any Note Payment Date, an amount calculated in accordance with the following formula, if the Pro-rata Condition is satisfied:

A x B/C, where:

A = the Pass-through Principal Available Amounts;

B = the Principal Amount Outstanding of all Class D Pass-through Notes outstanding at such Note Payment Date;

C = the Principal Amount Outstanding of all Pass-through Notes outstanding at such Note Payment Date;

"Class E Interest Deficiency Ledger" means a ledger established for the purpose of recording any shortfall in funds available to the Issuer to satisfy its obligations in respect of amounts of interest due on the Class E Notes;

"Class E Noteholders" means the several persons who are for the time being holders of any Class E Notes;

"Class E Notes" means the Class E Notes of all Series, or, if the context so requires, the Class E Notes of the relevant Series;

"Class F Interest Deficiency Ledger" means a ledger established for the purpose of recording any shortfall in funds available to the Issuer to satisfy its obligations in respect of amounts of interest due on the Class F Notes;

"Class F Noteholders" means the several persons who are for the time being holders of any Class F Notes;

"Class F Notes" means the Class F Notes of all Series, or, if the context so requires, the Class F Notes of the relevant Series;

"Class G Interest Deficiency Ledger" means a ledger established for the purpose of recording any shortfall in funds available to the Issuer to satisfy its obligations in respect of amounts of interest due on the Class G Notes;

"Class G Noteholders" means the several persons who are for the time being holders of any Class G Notes;

"Class G Notes" means the Class G Notes of all Series, or, if the context so requires, the Class G Notes of the relevant Series;

"Currency Swap Agreement" means the relevant currency swap agreement consisting of an 1992 ISDA Master Agreement including its Annexes, a Schedule, a Confirmation (and, if applicable, a credit support annex) respectively to be entered into by the relevant Currency Swap Counterparty and the Issuer at or prior to the relevant Issue Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Domiciliary Agency Agreement" means the domiciliary agency agreement to be entered into by the Issuer, the Domiciliary Agent, the Reference Agent and the Security Agent on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Eligible Institution" means any credit institution with a rating by the Rating Agencies equal or equivalent to the Minimum Required Rating;

"Eligible Investments" means investments (other than SME Receivables and Related Security) by the Issuer in accordance with the Relevant Documents;

"Extraordinary Resolution" has the meaning ascribed to it in the Security Agent Agreement;

"Final Maturity Date" means in respect of the Notes of a Series and Class the final maturity date set out in the Applicable Final Terms;

"Final Terms" means the duly completed final terms of which a form is set out in section Form of the Notes of the Base Prospectus;

"Fitch" means Fitch France S.A.;

"Fixed Rate Notes" means any and all Notes with a fixed rate of interest;

"Floating Rate Notes" means any and all Notes with a floating rate of interest;

"GIC Agreement" means the guaranteed investment contract to be entered into by the Issuer, the GIC Provider and the Security Agent on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

"GIC Provider" means Fortis Bank NV / SA in its capacity as GIC provider under the GIC Agreement and/or its successor or successors;

"Holding" means Stichting Holding Esmée, organised as a foundation (*stichting/fondation*) under Belgian law, with its registered office at Rue Royale 97 (4th floor), 1000 Brussels, Belgium;

"Initial Cut-off Date" means 29 November 2009;

"Interest Deficiency" means at any day, the amount standing to the credit of the Class B Interest Deficiency Ledger, the Class C Interest Deficiency Ledger, the Class D Interest Deficiency Ledger, the Class E Interest Deficiency Ledger, the Class F Interest Deficiency Ledger and the Class G Interest Deficiency Ledger on such day;

"Interest Swap Counterparty" means any party who accedes to the Programme as Interest Swap Counterparty or their successor or successors;

"Issue Date" means the date in respect of the Notes of a Series issued on the same date, on which these Notes are issued;

"Issuer" Esmée Master Issuer N.V.-S.A., an *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* (an institutional company for investment in receivables), incorporated under Belgian law, with its registered office at Rue Royale 97 (4th floor), 1000 Brussels, Belgium;

"Listing Agent" means Fortis Bank NV / SA, or its successor or successors;

"Master Definitions Schedule" means the master definitions schedule attached to the Programme Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time;

"Monthly Collection Period" means each successive period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of the same calendar month, except for the first Monthly Collection Period which will commence on (and include) the Initial Cut-off Date and end on (and include) 31 January 2010;

"Moody's" means Moody's Investors Service Limited;

"Net Proceeds" means, in relation to an SME Receivable, the proceeds of foreclosure on any collateral securing such SME Receivable or any other assets of the relevant Borrower, including but not limited to (a) the proceeds of a foreclosure on a related mortgage right, (b) the proceeds, if any, of collection of any insurance policies in connection with the SME Receivable, (c) the proceeds of foreclosure on any other Related Security, (c) the proceeds of any other guarantees or sureties, in all cases after deduction of foreclosure costs and to the exclusion of Post Foreclosure Proceeds;

"Note Calculation Date" means in relation to a Note Payment Date the third business day prior to the relevant Note Payment Date;

"Note Collection Period" means, in relation to a Note Payment Date, the three successive Monthly Collection Periods immediately preceding such Note Payment Date;

"Noteholders" means the several persons who are for the time being holders of any Notes;

"Notes Purchase Agreement" means the relevant purchase agreement relating to the purchase of one or more Series and Class of Notes, on the relevant issue date between the Issuer, the Seller (or Sellers, as the case may be) and the Dealer as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Parallel Debt" has the meaning ascribed to it in Clause 2.1 of the Parallel Debt Agreement;

"Parallel Debt Agreement" means the parallel debt agreement to be entered into by the Issuer, the Security Agent and the Secured Parties (other than the Noteholders) on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Pass-through Payable Amount" means, on any date, the product between (i) the Pass-through Percentage on that date and (ii) an amount equal to the Principal Available Amounts of the Principal Period related to such date, excluding items (vi) and (vii).

"Pass-through Percentage" means, on any date, (x) the Principal Amount Outstanding of all Pass-through Notes on such date (prior to giving effect to any issuance or repayment on such date), less (i) any amount remaining on the Principal Deficiency Ledger on the previous Note Payment Date or, if such date is a Note Payment Date, on this date, to the extent attributable to the Pass-through Notes and less (ii) the sum of the Pass-through Payable Amounts since the last Note Payment Date (excluding the Pass-through Payable Amount calculated on such date), divided by (y) the Principal Amount Outstanding of all Notes (excluding the Reserve Fund Notes) on such date, less any amount remaining on the Principal Deficiency Ledger on the previous Note Payment Date or, if such date is a Note Payment Date, on this date (for the avoidance of doubt, prior to giving effect to any issuance or repayment on such date, but after the application of the Interest Priority of Payments) and less (ii) the amount standing to the credit of the Principal Ledger at the end of the immediately preceding Principal Period.

"Pass-through Principal Available Amounts" on a Note Payment Date is the sum of the Pass-through Payable Amounts since the preceding Note Payment Date

"Pledge Agreement" means the pledge agreement governed by Belgian law to be entered into on or about the Programme Closing Date between the Issuer, and the other Secured Parties pursuant to which the Issuer will pledge the Pledged Assets;

"Pool Servicer" means Fortis Bank NV / SA with respect to SME Receivables, in its capacity of pool servicer under the Servicing Agreement, or, as the case may be, any party who accedes to the Programme as Pool Servicer or their successor or successors;

"Post Foreclosure Proceeds" means any amounts received, recovered or collected from a Borrower in respect of an SME Receivable in addition to Net Proceeds, whether in relation to interest, principal or otherwise, following a Realised Loss in respect of the SME Receivable.

"Principal Amount Outstanding" means, in respect of any Note and on any date, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of such Note that have become due and payable since the Programme Closing Date and on or prior to such date;

"Principal Available Amounts" means, in relation to a Principal Period, the sum of the following amounts received or held by the Issuer in relation to the such period (items (i) up to and including (viii)):

- (i) as repayment and prepayment of principal under the SME Receivables;
- (ii) if the Principal Period includes a Note Payment Date, any amounts to be credited to the Principal Deficiency Ledger on such Note Payment Date;
- (iii) as Net Proceeds on any SME Receivable, to the extent such proceeds relate to principal;
- (iv) as amounts received in connection with a repurchase of SME Receivables by the Seller and any other amounts received pursuant to the SME Receivables Purchase Agreement to the extent such amounts relate to principal;
- (v) as amounts received in connection with a sale of SME Receivables to the extent such amounts relate to principal;

- (vi) any part of the Principal Available Amounts in relation to a previous Principal Period which has not been applied towards payment of the relevant Notes (other than Reserve Fund Notes) or purchase of New SME Receivables;
- (vii) the net proceeds from an issuance of Notes (other than Reserve Fund Notes) other than amounts referred to under item (x) of the Interest Available Amounts;
- (viii) amounts to be received from the Currency Swap Counterparty under the Currency Swap Agreement, to the extent relating to principal;

"Principal Deficiency" means, at any day, the amount standing to the credit of the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger on such day;

"Principal Period" means, in respect of any date, the period between the last date (excluding) on which any amount was applied in accordance with the Principal Priority of Payments and such date (including).

"Principal Redemption Amount" means the amount redeemable in respect of each Note on the relevant Note Payment Date;

"Principal Shortfall" means, in respect of a Note of Class A, Class B, Class C or Class D, the Class A Principal Shortfall, the Class B Principal Shortfall, the Class C Principal Shortfall or the Class D Principal Shortfall, as the case may be;

"Priority of Payments" means the Post-enforcement Priority of Payments together with the Interest Priority of Payments and the Principal Priority of Payments, as applicable;

"Programme" means this € 25,000,000,000 SME Asset-Backed Note Programme of the Issuer;

"Programme Agreement" means the programme agreement to be entered into by the Issuer, the Security Agent, the Administrator, any Currency Swap Counterparty, the GIC Provider, the Seller and the Dealers on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Pro-rata Condition" shall mean, in respect of a Note Payment Date, that (i) the amount standing to the credit of the Reserve Account is at least equal to the Reserve Account Target Level after the application of the Interest Priority of Payments and (ii) if in respect of a Series and Class or, if applicable, Sub-class of Notes, other than the Reserve Fund Notes, a Step-up Date has occurred, all Notes to which such Step-up Date relates are redeemed in full subject to Condition 9(b), and (iii) if, in respect of a Series and Class or, if applicable, Sub-class of Reserve Fund Notes, a Maturity Date has occurred, all Notes to which such Maturity Date relates are redeemed in full subject to Condition 9(b);

"Rating Agencies" means Fitch and Moody's;

"Reference Agent" means Fortis Bank NV / SA or its successor or successors;

"Reference Banks" means in respect of Euribor the principal euro-zone office of each of four major banks in the euro-zone interbank market and in respect of Dollar Libor, the principal London office of each of four major banks in the London interbank market;

"Relevant Documents" means the Programme Agreement, the Pledge Agreement, the Currency Swap Agreements, the Security Agent Agreement, the Parallel Debt Agreement, the Clearing Agreement, the Notes Purchase Agreements, the Domiciliary Agency Agreement, the Holding Management Agreement, the Security Agent Management Agreement, the Issuer Management Agreement, the GIC Agreement, the SME Receivables Purchase Agreement, the Servicing Agreement, the Interest Swap Agreements and the Deposit Agreement;

"Repayment Test" means the conditions and tests (including the required levels of subordination) necessary to repay a Series and Class or Subclass of Subordinated Notes on a Note Payment Date. The conditions and tests are the following:

- (i) for any Class B Note, the amount of principal due (or any part thereof) in respect of the Class B Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount on such Note Payment Date or, if the Class A Available Subordinated Amount is lower than the

Class A Required Subordinated Amount, the Class A Available Subordinated Amount is at least equal to the Class A Available Subordinated Amount before giving effect to such payments and issuances;

- (ii) for any Class C Note, the amount of principal due (or any part thereof) in respect of the Class C Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount and the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount on such Note Payment Date or, if the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount are, or as the case may be, is lower than the Class A Required Subordinated Amount and/or the Class B Required Subordinated Amount respectively, the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount respectively before giving effect to such payments and issuances;
- (iii) for any Class D Note, the amount of principal due (or any part thereof) in respect of the Class D Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount and the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount on such Note Payment Date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount and/or the Class C Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount respectively, before giving effect to such payments and issuances;
- (iv) for any Class E Note, the amount of principal due (or any part thereof) in respect of the Class E Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount and the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount on such Note Payment Date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount and/or the Class D Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount respectively, before giving effect to such payments and issuances;
- (v) for any Class F Note, the amount of principal due (or any part thereof) in respect of the Class F Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount, the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount and the Class E Available Subordinated Amount is at least equal to the Class E Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount and/or the Class E Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount, the Class D Required Subordinated Amount and/or the Class E Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount and/or the Class E Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated

Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount and/or the Class E Available Subordinated Amount respectively, before giving effect to such payments and issuances; and

- (vi) for any Class G Note, the amount of principal due (or any part thereof) in respect of the Class G Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount, the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount, the Class E Available Subordinated Amount is at least equal to the Class E Required Subordinated Amount and the Class F Available Subordinated Amount is at least equal to the Class F Required Subordinated Amount on such date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount, the Class E Available Subordinated Amount and/or the Class F Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount, the Class D Required Subordinated Amount, the Class E Required Subordinated Amount and/or the Class F Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount, the Class E Available Subordinated Amount and/or the Class F Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount, the Class D Available Subordinated Amount, the Class E Available Subordinated Amount and/or the Class F Available Subordinated Amount respectively, before giving effect to such payments and issuances.

"Reserve Fund Notes" means the Class E Notes, the Class F Notes and the Class G Notes.

"Reserve Fund Deficiency" means, at any day, the amount standing to the credit of the Class E Reserve Fund Deficiency Ledger, the Class F Reserve Fund Deficiency Ledger and the Class G Reserve Fund Deficiency Ledger on such day;

"Reserve Fund Shortfall" means, in respect of Reserve Fund Note of a certain Class, the Class E Reserve Fund Shortfall, the Class F Reserve Fund Shortfall or the Class G Reserve Fund Shortfall, as the case may be;

"Secured Parties" means (a) the Noteholders, (b) the Issuer Directors, (c) the Administrator, (d) the Domiciliary Agent, (e) the Seller, (f) the Reference Agent, (g) any Currency Swap Counterparties, (h) the Holding Directors, (i) the Security Agent Directors, (j) the Pool Servicer, (k) Interest Swap Counterparty and (l) the GIC Provider;

"Security Agent" means Stichting Security Agent Esmée, organised as a foundation (*stichting*) under the laws of the Netherlands, with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands;

"Security Agent Agreement" means the security agent agreement to be entered into by *inter alios* the Security Agent and the Issuer on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Seller" means Fortis Bank NV / SA (and its successor or successors) and any other seller who has acceded to the Programme as Seller (and its successor or successors);

"Servicing Agreement" means the servicing agreement to be entered into by the Administrator, the Pool Servicer, the Issuer and the Security Agent on or about the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

"SME Loan" means any loan (including any advance granted under a Credit Facility) entered into by the Seller or their predecessors and the relevant Borrowers (including individuals and moral persons) within the framework of a small or medium sized professional enterprise and that is identified for the purpose of the purchase of the relevant SME Receivables in a Deed of Sale and Assignment executed in accordance with SME Receivables Purchase Agreement;

"SME Receivable" means any and all rights of the Seller against any Borrower under or in connection with any SME Loans, as such rights have been purchased or are to be purchased, as applicable, in accordance with the SME Receivables Purchase Agreement;

"SME Receivables Purchase Agreement" means the SME Receivables purchase agreement entered into by the Seller, the Issuer and the Security Agent on or about the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Step-up Date" means in respect of the Notes of a Series and Class the step-up date set out in the Applicable Final Terms;

"Trigger Event" means any of the following events:

- (i) an amount is debited to the Class A Principal Deficiency Ledger; or
- (ii) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution and liquidation or any of its assets are placed under administration; or
- (iii) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the entering into suspension of payments, or if applicable, emergency regulations or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (iv) the appointment of the Pool Servicer is terminated in accordance with the Servicing Agreement and no substitute pool servicer is appointed and enters into an agreement with the Issuer and the Security Agent substantially on the terms of the Servicing Agreement within 60 days following such termination.

MAIN TRANSACTION EXPENSES

1. The Administrator

An annual fee of Euro 20,000,- exclusive of VAT (if any), which starting on the first Note Payment Date falling in 2011, shall be increased with a percentage equal to the Dutch Consumer Price Index (“*Geharmoniseerd indexcijfer der consumptieprijzen*”) (see *Related Party Transactions - The Administrator*).

2. Security Agent

An annual fee of Euro 5.000,- exclusive of VAT (if any) (see *Related Party Transactions - The Security Agent*).

3. The Pool Servicer

A servicing fee of 0.03 per cent per annum calculated over the aggregate Outstanding Principal Amount of all SME Receivables (see *Related Party Transactions - The Pool Servicer*).

4. Other senior expenses payable by the Issuer

The Issuer shall in addition pay the following ongoing expenses:

- (a) to the Auditors;
- (b) to the NBB, fees as provided under the Clearing Agreement, which will be payable as long as any of the Notes are outstanding;
- (c) to the CBFA, annual fees calculated in accordance with Belgian law and regulations;
- (d) to the Escrow Agent;
- (e) to the Directors;
- (f) and others, provided that they are justified and duly documented.

USE OF PROCEEDS

The net proceeds from the issue of the Notes, other than the Reserve Fund Notes, will be applied to purchase SME Receivables pursuant to the SME Receivables Purchase Agreement from time to time.

The Issuer will credit the net proceeds from the Reserve Fund Notes to the Reserve Account.

DESCRIPTION OF SECURITY

As security for the performance by the Issuer of its obligations under the Relevant Documents, the Issuer grants a pledge on its assets in favour of the Security Agent and the other Secured Parties. As part of creation of this pledge, the Issuer will undertake as a separate and independent obligation, by way of parallel debt, to pay to the Security Agent amounts due to the Secured Parties.

The Issuer will enter into an Parallel Debt Agreement. In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Agent (the "**Parallel Debt**") amounts which will be equal to the aggregate amount due (*verschuldigd/dû*) by the Issuer:

- (i) as fees or other remuneration to the Issuer Director, the Security Agent Director and the Holding Director under the Issuer Management Agreement, the Security Agent Management Agreement and the Holding Management Agreement;
- (ii) as fees and expenses to the Pool Servicer and the Administrator under the Servicing Agreement;
- (iii) as fees and expenses to the Domiciliary Agent and the Reference Agent under the Domiciliary Agency Agreement;
- (iv) after accession of a Currency Swap Counterparty, to each such Currency Swap Counterparty under the relevant Currency Swap Agreement;
- (v) to the Seller under the SME Receivables Purchase Agreement;
- (vi) to the Interest Swap Counterparty under the Interest Swap Agreement;
- (vii) to the GIC Provider under the GIC Agreement; and
- (viii) to the Noteholders under the Notes

(the parties referred to in item (i) through (viii), together the "**Secured Parties**").

The Parallel Debt constitutes the separate and independent obligations of the Issuer and constitutes the Security Agent's own separate and independent claim (*eigen en zelfstandige vordering/créance propre et indépendante*) to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Agent of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

To the extent that the Security Agent irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Agent shall distribute such amount among the Secured Parties in accordance with the then applicable Priority of Payments.

In addition, the Security Agent has been designated as representative of the Noteholders, in accordance with articles 27 and 106 of the UCITS Act which states that the representative (the Security Agent) may bind all Noteholders and represent them vis-à-vis third parties or in court, in accordance with the terms of its mission. The Security Agent has also been appointed as irrevocable agent (*lasthebber/mandataire*) of the other Secured Parties in respect of the performance of certain duties and responsibilities in relation to the pledged assets.

In order to secure its obligations under the Relevant Documents, including the Parallel Debt, to the Security Agent and the other Secured Parties, on terms set out in a pledge agreement (the "**Pledge Agreement**") the Issuer shall grant on the Programme Closing Date a first ranking pledge over:

- (a) the SME Receivables, including the New SME Receivables and all rights and Related Security relating thereto, as acquired by the Issuer pursuant to the SME Receivables Purchase Agreement;

- (b) all rights title and interest and benefit, present and future, actual and contingent in respect of the Issuer Accounts, including without limitation, all amounts of money and financial instruments that may from time to time be credited to any of such accounts;
- (c) all rights, title, interest and benefit of the Issuer under or pursuant to the Relevant Documents to which the Issuer is a party; and
- (d) all right and title of the Issuer in respect of the Eligible Investments, as and when these will be acquired by the Issuer.

The Pledge Agreement provides that the pledge over the SME Receivables and Related Security will not be notified to the Borrowers or other relevant parties, except in case certain notification events occur, which include the Assignment Notification Events and the giving of an Enforcement Notice and certain other events, (the "**Pledge Notification Events**"). Prior to notification of the pledge to the Borrowers, the pledge on the SME Receivables will be an undisclosed pledge.

The pledge created pursuant to the Pledge Agreement over the rights referred to in paragraphs (b) and (c) above will be acknowledged by the relevant obligors and will therefore be a disclosed pledge. The pledge created pursuant to the Pledge Agreement over the Eligible Investments referred to in paragraph (d) must be considered as an undertaking to pledge; the pledge will only be created upon compliance with the perfection requirements for the applicable type of investments in accordance with the Pledge Agreement.

The Pledge Agreement is governed by Belgian law. Under Belgian law, upon enforcement of the security for the Notes, the Security Agent acting on its own behalf and on behalf of the other Secured Parties, will be permitted to collect any moneys payable in respect of the SME Receivables, any moneys payable under the Relevant Documents pledged to it and any moneys standing to the credit of the Issuer Accounts and to apply such moneys in satisfaction of obligations of the Issuer which are secured by the Pledge Agreement. The Security Agent will also be permitted to apply to the president of the commercial court (*rechtbank van koophandel/tribunal de commerce*) for authorisation to sell the pledged assets (with the exception of the Issuer Rights relating to the Issuer Accounts).

In addition to other methods of enforcement permitted by law, article 27 §2 of the UCITS Act also permits the Noteholders (acting together) to request the president of the commercial court to attribute to them the Pledged Assets in payment of an amount estimated by an expert. In accordance with the terms of the Security Agent Agreement only the Security Agent shall be permitted to exercise such rights.

The security rights described above shall serve as security for the benefit of the Secured Parties, including each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders but, inter alia, amounts owing to Noteholders of a lower ranking Class of Notes will rank in priority of payment after amounts owing to the Noteholders of a higher ranking Class of Notes (see *Credit Structure* above).

THE SECURITY AGENT

Stichting Security Agent Esmée is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 13 November 2009. It has its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

The objects of the Security Agent are (a) to act as agent and/or Security Agent; (b) to acquire, keep and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of creditors of legal entities amongst which the Issuer (including the holders of notes to be issued by the Issuer) and to perform acts and legal acts, including the acceptance of a parallel debt obligation and guarantees from, the aforementioned entities, which are conducive to the holding of the abovementioned security rights (c) to borrow money and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Agent is Intertrust (Netherlands) B.V., having its statutory seat and registered office in Amsterdam at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The managing directors of Intertrust (Netherlands) B.V are Mr. O.J.A. van der nap, Mr. P de Langen, Mr. R.W. Bakker and Mr. C.P.M. Roelofs. Intertrust (Netherlands) B.V. belongs to the same group of companies as Intertrust (Belgium) NV/SA., which provides director services to the Issuer and the Holding.

Form more information on the role and liabilities of the Security Agent, see *Related Party Transactions - 4.The Security Agent* above.

TAXATION IN BELGIUM

This section provides a general description of the main Belgian tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Notes. This summary provides general information only and is restricted to the matters of Belgian taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Belgian tax issues and consequences associated with or resulting from any of the above-mentioned transactions. Prospective acquirers are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Notes.

The summary provided below is based on the information provided in this Base Prospectus and on the Belgian tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Base Prospectus and with the exception of subsequent amendments with retroactive effect.

General rule

Any taxes which may be due relating to payments of interest and/or principal in respect of the Notes will be borne by the beneficiary of those payments.

If the Issuer, the National Bank of Belgium, its legal successor or any operator of any Alternative Clearing System (the “**Clearing System Operator**”), the Domiciliary Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature in respect of any payment in respect of the Notes, the Issuer, the Clearing System Operator or such Domiciliary Agent or any other person (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer, the Clearing System Operator, any Domiciliary Agent nor any other person will be obliged to gross up the payment in respect of the Notes or make any additional payments to holders of Notes in respect of such withholding or deduction. If any such withholding or deduction is required by law, the Issuer may, at its option, redeem the relevant Notes.

Belgian Tax

Belgian withholding tax

The interest component of the payments on the Notes will, as a rule, be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 15 per cent. Tax treaties may provide for a lower rate subject to certain conditions.

Payments of interest by or on behalf of the Issuer on the Notes may be made without deduction of withholding tax for Notes held by Eligible Investors in an X-Account with the Clearing System or with a Clearing System Participant in the Clearing System.

“**Eligible Investors**” are those persons referred to in Article 4 of the *Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/Arrêté Royal du 26 mai 1994 relatif à la perception et à la retenue et bonification du précompte mobilier* (Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax) which include, *inter alios*:

- (a) Belgian resident corporations subject to Belgian corporate income tax within the meaning of Article 2, §1, 5°b) of the Income Tax Code 1992 (“**BITC 1992**”);
- (b) without prejudice to Article 262, 1° and 5° of BITC 1992, institutions, associations and companies provided for in Article 2, paragraph 3 of the Belgian law of 9 July 1975 on the control of insurance companies (other than those referred to in (a) and (c) of that Article);
- (c) state regulated institutions for social security, or institutions assimilated therewith, provided for in Article 105, 2° of the Royal Decree of 27 August 1993 implementing BITC 1992;

- (e) non-resident investors provided for in Article 105, 5° of the same decree;
- (f) investment funds provided for in Article 115 of the same decree;
- (g) companies, associations and other tax payers provided for in article 227, 2° of BITC 1992, whose Notes are held for the exercise of their professional activities in Belgium and which are subject to non-resident income tax in Belgium pursuant to Article 233 BITC 1992;
- (h) the Belgian State with respect to its investments which are exempt from withholding tax in accordance with Article 265 of BITC 1992;
- (i) investment funds organized under foreign law which are an undivided estate managed by a management company on behalf of the participants, when their participation rights are not publicly issued in Belgium and are not traded in Belgium; and
- (j) Belgian resident companies, not provided for under (a), whose sole or principal activity consists in the granting of credits and loans.

Eligible Investors do not include, *inter alios*, Belgian resident investors who are individuals or non-profit organisations, other than those referred to under (b) and (c) above. Participants to the Clearing System must keep the Notes they hold for non-Eligible Investors in a non-exempt securities account. All payments of interest on such Notes will be made subject to deduction of withholding at the rate of 15 per cent. In addition, the transfer of Notes by holders of such a non-exempt securities account is subject to withholding tax at the rate of 15% on the *pro rata* interest accrued since the last preceding Note Payment Date.

Upon opening an X-Account with the Clearing System or a Clearing System Participant, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing certification requirements for Eligible Investors save that they need to inform the Clearing System Participants of any change of the information contained in the statement of its eligible status. However, Clearing System Participants are required to annually report to the Clearing System as to the eligible status of each investor for whom they hold Notes in an X-Account.

An X-Account may be opened with a Clearing System Participant by an intermediary in respect of the Notes that such intermediary holds for the account of its clients, provided that such clients are Eligible Investors. In such case, the intermediary must certify to the Clearing System Participant on a form approved by the Minister of Finance that (a) the intermediary itself is an Eligible Investor and (b) the relevant client holding its Notes through the intermediary is also an Eligible Investor.

These reporting and certification requirements do not apply to Notes held by Eligible Investors through Euroclear or Clearstream, Luxembourg in their capacity as Participants to the Clearing System, or their sub-participants outside of Belgium, provided that Euroclear or Clearstream, Luxembourg or their sub-participants only hold X-Accounts and are able to identify the identity of the accountholder. The Eligible Investors will need to confirm their status as Eligible Investor (as defined in Article 4 of the *Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier* (Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax)) in the account agreement to be concluded with Euroclear or Clearstream.

In the event of any changes made in the laws or regulations governing the exemption for Eligible Investors, neither the Issuer nor any other person will be obliged to make any additional payment in the event that the Issuer, the Clearing System or its Clearing System Participants, the Domiciliary Agent or any other person are required to make any withholding or deduction in respect of the payments on the Notes. If any such withholding or deduction is required by law, the Issuer may, at its option, redeem the relevant Notes.

In accordance with the rules and procedures of the Clearing System, a Noteholder who is withdrawing Notes from an X-Account will, following payment of interest accrued on those Notes from the last preceding Payment Date, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding tax, if any, on the interest payable on the Notes from the last preceding Payment Date until the date of withdrawal of the Notes from the Clearing System.

Belgian income tax

(a) Belgian resident corporations

Interest on the Notes received by a Noteholder subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*) (i.e., a company having its registered seat, principal establishment or effective place of management in Belgium) is subject to corporation tax at the current rate of 33.99 per cent. (i.e., the standard rate of 33% increased by the crisis contribution of 3 per cent. of the corporation tax due). Any capital gains (over and above the *pro rata* interest included in a capital gain on the Notes) realised on the Notes will be subject to the same corporation tax rate. Any capital loss on the Notes should be tax deductible.

(b) Belgian resident legal entities

Belgian resident entities subject to the legal entities tax (*rechtspersonenbelasting/impôt des personnes morales*) (i.e., an entity other than a company subject to corporate income tax having its registered seat, principal establishment or effective place of management in Belgium) receiving interest on the Notes will, subject to the exemptions mentioned above, be subject to the interest withholding tax at the rate of 15 per cent. In case of an exemption under the rules of the Clearing System, the resident legal entities will have to pay themselves the withholding tax to the Belgian tax authorities. The withholding tax will be the final tax. Any capital gains (over and above the *pro rata* interest included in a capital gain on the Notes) realised on the Notes will be exempt from the legal entities tax. Capital losses incurred will not be tax deductible.

(c) Non-residents of Belgium

Noteholders who are not residents of Belgium for Belgian tax purposes and are not holding the Notes as part of a taxable business activity in Belgium will not incur or become liable for any Belgian tax on income or capital gains or other like taxes by reason only of the acquisition, ownership or disposal of the Notes provided that they hold their Notes in an X-account.

Miscellaneous Taxes

(a) The sale of the Notes on the secondary market executed in Belgium through a financial intermediary will trigger a tax on stock exchange transactions of 0.07% (due on each sale and acquisition separately) with a maximum of EUR 500 per party and per transaction. An exemption is available for non-residents and certain Belgian institutional investors acting for their own account provided that certain formalities are respected.

(b) The *reportverrichtingen / opérations de reports* through the intervention of a financial intermediary are subject to a tax of 0.085% (due per party and per transaction) with a maximum of EUR 500 per party and per transaction. An exemption is available for non-residents and certain Belgian institutional investors provided that certain formalities are respected.

European Withholding Tax

Under European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), Member States of the European Union are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have agreed to adopt similar measures. Belgium has elected to terminate the withholding system on 31 December 2009. Up to and including 31 December 2009, a paying agent established in Belgium that is required to withhold tax on interest (and similar income) under the Savings Directive and the Law of 17 May 2004 implementing the Savings Directive, must withhold tax at a rate of 20%. With respect to payments of interest (or similar income) as of 1 January 2010, Belgium will no longer apply the withholding system but will apply the Savings Directive and the Law of 17 May 2004 implementing the Savings Directive by communicating details of such payments to the tax authorities of the Member State of residence of the beneficial owner.

SUBSCRIPTION AND SALE

Introduction

Subject to the terms and conditions set out in the Programme Agreement the Issuer may appoint one or more dealers (each a 'Dealer') in connection with the issuance of a Series of Notes. In the Programme Agreement Fortis Bank NV / SA has been appointed as initial Dealer for the Programme (the 'Initial Dealer'). The Issuer, the Security Agent, the Dealers thus appointed will enter into a notes purchase agreement per issue of Notes substantially in the form set out in a schedule to the Programme Agreement. Any such agreement will extend to those matters stated under Final Terms and Terms and Conditions of the Notes above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the redocumentation of the Programme and the issue of Notes under the Programme.

The names of Dealers thus appointed will be specified in the applicable Final Terms.

Series-0 Notes

It is anticipated that initially a substantial part of the Notes to be issued under the Programme will be Series-0 Notes.

Seller undertaking

Under the Programme Agreement, the Seller has undertaken to subscribe to and retain at least 5% of the aggregate Principal Amount Outstanding of the Notes of each Class of Notes.

General

This Base Prospectus does not constitute an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Base Prospectus in accordance with applicable laws and regulations. Neither this Base Prospectus nor any other information supplied constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Notes.

Each Dealer will 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 Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes 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 Dealer shall have any responsibility therefore.

Neither the Issuer nor any Dealer shall represent, that Notes 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 there under, or assumes any responsibility for facilitating such sale.

General sale, holding and transfer restrictions applicable in any jurisdiction - Only permitted to Eligible Holders

The Notes offered by the Issuer may only be subscribed, purchased or held by investors ("Eligible Holders") that qualify both as:

- (a) institutional or professional investors within the meaning of Article 5 § 3 of the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (*Wet betreffende bepaalde vormen van collectief beheer van*

beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d'investissement, as amended from time to time (the "**UCITS Act**") ("**Institutional Investors**") that are acting for their own account; and

- (b) a holder of an exempt securities account ("**X-Account**") with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

A list of the types of persons that for the time being qualify as institutional or professional investors is attached as Annex 1 to this Base Prospectus.

In the event that the Issuer becomes aware that particular Notes are held by investors other than Eligible Holders in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and held by Eligible Holders. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer.

The Manager has represented and agreed and any Dealers will represented and agree that in respect of the initial distribution, it has not and will not sell any Notes to parties who are not Eligible Holders.

Additional regional sale and purchase restrictions

Subject to the general restriction to Eligible Holders, the following restrictions will in addition apply.

European Economic Area

In relation to each Relevant Member State, as defined as "Contracting Parties" and "New Contracting Parties" in the Agreement on the European Economic Area and the European Economic Area Enlargement Agreement respectively, each Dealer will represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

France

The Notes may only be offered or sold to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), provided such investors act for their own account, and/or to persons providing portfolio management financial services for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), in the Republic of France, within the meaning of Article L.411-2 and D.411-1 to D.411-3 of the French Code Monétaire et Financier (Monetary and Financial Code) and the Decree 98-880 dated 1st October 1998, but excluding individuals referred to in Article D.411 -1 II 2°; neither this Base Prospectus, which has not been submitted to the Autorité des Marchés Financiers, nor any information contained therein or any offering material relating to the Notes, may be distributed or caused to be distributed to the public in France other than to investors to whom offers and sales of Notes in France may be made as described above.

Italy

No action has or will be taken by the Dealer, nor any further Dealer appointed, which would allow an offering (or a '*sollecitazione all'investimento*') of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; and no application has been filed to obtain an authorisation from the Commissione Nazionale per le Società e la Borsa ("*Consob*") for the public offering of the Notes in the Republic of Italy ("*Italy*").

Accordingly, the Notes cannot be offered, sold or delivered in Italy nor may any copy of this Base Prospectus or any other document relating to the Notes be distributed in Italy other than:

- (1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**"), and defined in Article 34-ter of CONSOB's regulation No. 11971 of 14 May 1999, as amended (the "**Regulation No. 11971**"); or
- (2) in any circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or under Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB's regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

United Kingdom

Each Dealer will represent and agree that:

- (a) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")), received by it in connection with the issue or sale of any Notes 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 the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States or to, or for the account of, a U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

In addition, until 40 days after the later of the commencement of the offering of the Notes and the Programme Closing Date, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

Certain of the Notes are or may be registration-required obligations not issued in registered form (“bearer form”) and are therefore subject to certain U.S. tax law requirements. The Manager has agreed that it will not offer, sell or deliver a Note in bearer form within the United States or to U.S. Persons (including, for purposes of this paragraph and of the immediately succeeding paragraph, persons treated as United States persons under the U.S. tax laws).

The Issuer and the Manager agree that, pursuant to section 1.163-5(c)(2)(i)(C) of the U.S. Treasury Regulations (the “C Rules”), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. The Issuer and the Manager represent and agree severally but not jointly, and each Dealer appointed under the Programme will be required to represent and agree, that each of them has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of any Notes that are in bearer form, the Issuer and the Manager represent and agree severally but not jointly, and each Dealer appointed under the Programme will be required to represent and agree, that each of them (i) has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if (A) such prospective purchaser is a U.S. Person or (B) any of the Issuer, the Manager, such Dealer or the prospective purchaser is within the United States or its possessions, and (ii) has not involved and will not involve a U.S. office of the Issuer, the Manager or such Dealer in the offer and sale of any Notes in bearer form. Terms used in this paragraph and the immediately preceding paragraph have the respective meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations issued thereunder, including the C Rules.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Law**”) and the Dealer will agree and each further Dealer appointed will be required to agree, that it will not offer or sell Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the Laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

Hong Kong

Each Dealer will represent and agree that:

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

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the “**SFA**”). Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused any Notes to be made the subject of an

invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person, (as defined in Section 275(2) of the SFA), or any person, pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with, the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of any other applicable provision of the SFA.

Investors should note that any subsequent sale of the Notes acquired pursuant to an offer in this Base Prospectus and the Final Terms made under exemptions (i) or (ii) above, within a period of six months from the date of initial acquisition, is restricted to (a) institutional investors as defined in Section 4A of the SFA, (b) relevant persons as defined in Section 275(2) of the SFA, and (c) persons pursuant to an offer referred to in Section 275(1A) of the SFA.

Each Dealer has further represented, warranted and agreed to notify (whether through the distribution of this Base Prospectus, the Final Terms or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes or otherwise) and hereby notifies each of the following relevant persons specified in Section 276 of the SFA which subscribes or purchases Notes from or through that Dealer, namely a person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debenture of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and (further for corporations) in accordance with the conditions specified in Section 275(1A) of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

Switzerland

Only banks registered under the Swiss Banking Act of 8 November 1934 ("**Banking Act**") and securities dealers registered under the Swiss Exchange and Securities Trading Act of 24 March 1995 ("**SESTA**") are entitled to offer the Notes to the public in Switzerland.

The Notes are not shares or units in a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act of 23 June 2006 (the "**CISA**"). They have not been approved by the Swiss Federal Banking Commission and are not subject to its supervision.

Additional specific selling restrictions, if any, applicable in Switzerland will be included in the Final Terms of the relevant Notes.

Excluded holders

Notes may not be acquired by a Belgian or a foreign transferee who is not subject to income tax or who is, with regard to the interest income concerned, subject to a tax regime that is significantly more advantageous than the common Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, 11° of the BITC 1992).

The transferees meant by this provision include both traditional tax haven vehicles and entities which although established in a country not generally viewed as a tax haven, benefit from an advantageous tax regime on the interest income.

GENERAL INFORMATION

1. The establishment of the Programme and the issue of Notes under the Programme from time to time is to be duly authorised by a resolution of the Board of Directors of the Issuer (the "**Board**") to be adopted on or about 30 November 2009. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Belgium have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Relevant Documents.
2. Application may be made for Notes issued under the Programme to be admitted to listing on Eurolist by Euronext Brussels during the period of 12 months from the date of this Base Prospectus. Notice of any terms and conditions not contained herein which are applicable to the Notes will be set out in the Final Terms which, with respect to such Notes to be listed on Euronext Brussels, will be delivered to Euronext Brussels, filed with the CBFA on or before the date of issue and published on www.tbe.eu.com. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or be unlisted.
3. Copies of the following documents may be inspected at the specified offices of the Domiciliary Agent during normal business hours:
 - (i) the articles of association of the Issuer;
 - (ii) the Domiciliary Agency Agreement;
 - (iii) the Programme Agreement (including the Master Definitions Schedule);
 - (iv) the Servicing Agreement;
 - (v) the Pledge Agreement;
 - (vi) the Parallel Debt Agreement;
 - (vii) the Security Agent Agreement;
 - (viii) the GIC Agreement;
 - (ix) any Currency Swap Agreement;
 - (x) the SME Receivables Purchase Agreement;
 - (xi) the Servicing Agreement;
 - (xii) the Interest Swap Agreements;
 - (xiii) the articles of association of the Security Agent;
 - (xiv) any Notes Purchase Agreements;
 - (xv) any future Base Prospectuses, supplemental prospectuses hereto and the Final Terms in respect of listed Notes to this Base Prospectus.
4. The audited annual financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Domiciliary Agent.

5. A copy of the Issuer's deed of incorporation and articles of association is available, free of charge, at the office of the Issuer and at the offices of the Domiciliary Agent and can be obtained at: www.tbe.eu.com.
6. Application will be made for the Notes to be accepted for clearance through the Clearing System operated by the National Bank of Belgium and through Euroclear and Clearstream, Luxembourg or Euroclear Belgium, 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 Belgium, or any other agreed clearing system, as the case may be, will be specified in the applicable Final Terms.
7. A quarterly report on the performance, including the arrears and losses, of the transaction, together with current stratification tables and information on new issues of Notes, interest waterfall and Swap calculations under this Programme will be published on and can be obtained at: www.tbe.eu.com (the "**Quarterly Investor Report**"). In addition to the latter, a "**Monthly Investor Report**" will be published each month in which no Quarterly Investor Report is being published.
8. In addition the Issuer is required to make available certain other information in particular information in respect of important facts that are not known to the public and that, due to their impact on the assets, financial situation or general state of the Issuer, could influence the price of the relevant Notes (privileged information as defined in the Law of 2 August 2002 on the supervision of the financial sector and financial services) and mandatory information such as described in the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments which are admitted to trading on a Belgian regulated market (including information as to modifications to the conditions, rights or guarantees attached to the Notes).

DEFINED TERMS

In addition to the terms defined in this Base Prospectus, the following terms have the following meaning:

"Additional Security" means with regard to any SME Loan, all claims, whether contractual or in tort, against any insurance company, notary public, Mortgage Registrar, public administration, property expert, broker or any other person in connection with such SME Loans or the related Loan Security or in connection with the Seller's decision to grant such SME Loans and in general any other security or guarantee other than the Loan Security created or existing in favour of the Seller as security for a SME Loan;

"Agreed Form" means, in relation to any document, the form of the document which has been agreed between the parties thereto;

"Business Day" means a day on which banks are open for business in Brussels and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro;

"Business Pledge Act" means the Act of 25 October 1919 on the pledge over a business (*Wet van 25 oktober 1919 betreffende het in pand geven van een handelszaak, het endossement van de factuur, de aanvaarding en de keuring van de rechtstreeks voor het verbruik gedane leveringen/ Loi du 25 Octobre 1919 sur la mise en gage du fonds de commerce l'escompte et le gage de la facture ainsi que l'agr ation et l'expertise des fournitures faites directement   la consommation*);

"Clearing Agreement" means the agreement following which the Clearing System Operator will provide clearing system services to the Issuer;

"Collateral Law" means the Law of 15 December 2004 on financial collateral (*Wet van 15 december 2004 betreffende financi le zekerheden en houdende diverse fiscale bepalingen inzake zakelijkezekerheidsovereenkomsten en leningen met betrekking tot financi le instrumenten/Loi du 15 d cembre 2004 relative aux s ret s financi res et portant des dispositions fiscales diverses en mati re de conventions constitutives de s ret  r elle et de pr ts portent sur des instruments financiers*), as amended from time to time;

"Conditions" means the Terms and Conditions of the Notes (and in respect of each Note, as these may be amended by the Applicable Final Terms);

"Contract Records" means the file or files, books, magnetic tapes, disks, cassettes or such other method of recording or storing information from time to time relating to each SME Loan and Related Security, containing, *inter alia*, (i) all material records and correspondence relating to the SME Loans, the Loan Security and Additional Security and/or the Borrower, (ii) the completed Standard Loan Documentation applicable to the SME Loan and (iii) any payment, arrears and status reports maintained by the Servicer;

"Credit Policies" means the procedures, policies and practices applied by the Seller from time to time with regard to the origination, credit collection and administration and underwriting criteria of its SME Loans;

"Deferred Purchase Price Instalment" means, on any Note Payment Date, the amount equal to:

- (a) prior to delivery of an Enforcement Notice the positive difference, if any, between the Interest Available Amounts as calculated on each Note Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (t); or, as the case may be,
- (b) following delivery of an Enforcement Notice, the amount remaining after all the payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (q) on such date have been made;

"Disputed SME Receivables" means any SME Receivable in respect of which payment is disputed (in whole or in part, with or without justification) by the Borrower of such SME Loan, or in respect of which a set-off or counterclaim is being claimed by such Borrower; for the avoidance of doubt, a SME Receivable shall not be a Disputed SME Receivable by reason merely of the fact that any payment thereunder is not made, that the Borrower is in default, insolvent or subject to a *collectieve schuldenregeling/r glement collectif de dettes*, that the Borrower is seeking from the courts the benefit of a grace period;

"Extraordinary Resolution" means a resolution passed at a meeting of Noteholders convened and held in accordance with the Security Agent Agreement by a majority of not less than seventy five per cent (75 per cent) of the votes cast, whether on a show of hands or a poll;

"Final Maturity Date" means in respect of a Series and Class of Notes, the Final Maturity Date set out in the relevant Final Terms;

"FSMA" means the Financial Services and Markets Act 2000 of the United Kingdom, as amended from time to time;

"Foreclosure Procedures" means the procedures for the enforcement of, or the making of claims in respect of, SME Loans and Related Security set out in the foreclosure procedures of the Seller current from time to time and subject to the provisions of Clause 14 of the Servicing Agreement;

"Instalments" means in respect of any SME Loan, the aggregate amount of principal and interests which is scheduled to be payable on a particular date or after a particular period in accordance with the contractual terms of such SME Loan (as amended from time to time);

"Investor Reports" means the Monthly Investor Report and the Quarterly Investor Report;

"Loan Security" means in respect of a SME Loan, any Mortgage and/or Mortgage Mandate, any Floating Charge and/or Floating Charge Mandate, any Farmers' Lien and/or Farmers' Lien Mandate and all rights, title, interest and benefit relating to any insurance policy, any guarantee provided for such SME Loan, any assignment of salaries (*loonsoverdracht/cession de salaire*) that the Borrower may earn and any other type of any mortgage (*hypotheek/hypothèque*), privilege (*voorrecht/privilege*) including, without limitation any subrogation in the right of the unpaid seller, pledge, encumbrance, assignment, right of retention, subordination, right of set-off or any security interest whatsoever, however so created or arising whether relating to existing or future assets, each to the extent expressly referred to in the loan documentation governing the SME Loan;

"Member State" means a member state of the European Union;

"Monthly Investor Report" means a report on the performance, including the arrears and losses, calculation of the priorities of payments and information on new issues of Notes under the Programme, prepared by the Administrator under the Servicing Agreement and published on the 20th calendar day following the end of a Monthly Collection Period, except when a Quarterly Investor Report is published in such month;

"Mortgage" means, in relation to a SME Loan and to the extent part of the Loan Security, a mortgage (*hypotheek/hypothèque*) as such term is construed under Belgian law securing the SME Loan, together with the benefit of all rights relating thereto, including, for the avoidance of doubt, a mortgage created for the benefit of its Issuer pursuant to the exercise of a Mortgage Mandate or as a result of an exchange of Mortgage (*pandwissel/échange d'hypothèque*);

"Mortgage Mandate" means, in relation to a SME Loan and to the extent part of the Loan Security, an irrevocable power of attorney granted by a Borrower or a third party provider of Related Security to certain attorneys to create a mortgage as security for the SME Loan and, as the case may be, all other amounts which the Borrower owes or in the future may owe to the Seller;

"Mortgage Registrar" means the office (*hypotheekkantoor/bureau des hypothèques*) where mortgages are or are to be registered in accordance with the Mortgage Law;

"Principal Ledger" means the ledger on which payments received in respect of the Loans and identified as "principal" receipts, are recorded as credit amounts;

"Programme Closing Date" means the date on which a first Series of Notes is issued under the Programme, which will be on or about 2 December 2009;

"Quarterly Investor Report" means a report on the performance, including the arrears and losses, together with current stratification tables and calculation of the priorities of payments and information on new issues of Notes under the Programme, prepared by the Administrator under the Servicing Agreement and as sent by it to Investors at the latest on the Note Calculation Date;

"Related Security" means the Loan Security and the Additional Security;

"Relevant Documents" means the Programme Agreement, the Pledge Agreement, the Currency Swap Agreements, the Clearing Agreement, the Security Agent Agreement, the Parallel Debt Agreement, the Notes Purchase Agreements, the Domiciliary Agency Agreement, the Holding Management Agreement, the Security Agent Management Agreement, the Issuer Management Agreement, the GIC Agreement, the SME Receivables Purchase Agreement, the Servicing Agreement, the Interest Swap Agreement and the Deposit Agreement;

"Revenue Ledger" means the ledger on which payments received in respect of the Loans and identified as "revenue" receipts, are recorded as credit amounts;

"Securities and Exchange Law" means the Japanese Securities and Exchange Law (Law No. 25 of 1948), as amended from time to time;

"Standard Loan Documentation" means the standard documents and forms used for originating SME Loans through the network and according to the procedures of the Seller;

"Swap Agreement" means a Currency Swap Agreement or an Interest Swap Agreements;

"Tax Event" means (i) any action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of a Swap Agreement, following which the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax;

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ANNEX 1

Institutional or professional investors under the UCITS Act

Article 5, §3 of the UCITS Act lists for the time being the following institutional or professional investors:

1. National, regional and community governments;
2. the European Central Bank, the National Bank of Belgium, the other national central banks, the national and supra national institutions, the Interest Fund (*het Rentefonds/le Fonds des Rentes*), the Fund for the Protection of Deposits and Financial Instruments (*het Beschermingsfonds voor Deposito's en Financiële Instrumenten/le Fonds de Protection des Dépôts et des Instruments financiers*) and the Deposit and Consignment Fund (*Deposito- en Consignatiekas/Caisse de Dépôt et Consignation*);
3. the Belgian and foreign legal entities that have a license or are regulated in order to be active on the financial markets, including, in particular:
 - (a) Belgian and foreign credit institutions contemplated in Article 1, paragraph 2 of the Law of 22 March 1993;
 - (b) the Belgian and foreign investment firms of which the usual activity consists in the provision of investment services on a professional basis under Article 46, 1° of the Law of 6 April 1995;
 - (c)
 - (i) the insurance companies and institutions contemplated in Article 2, §1 and 3 of the Law of 9 July 1975 concerning the supervision of insurance companies;
 - (ii) the foreign insurance companies that are not active in Belgium; and
 - (iii) the Belgian and foreign re-insurance companies;
 - (d) the Belgian and foreign pension funds and their management companies contemplated in Article 2, §3, 4° and 6° of the Law of 9 July 1975 concerning the supervision of insurance companies, and any other foreign pension fund;
 - (e) the Belgian and foreign collective investments undertakings contemplated in Article 4 of the Securitisation Act and any other foreign collective investment undertaking;
 - (f) the Belgian and foreign management companies of collective investment undertakings contemplated in Article 138 of the Securitisation Act and any other foreign management company of collective investment undertakings;
 - (g) the Belgian and foreign traders in commodities futures (*grondstoffen termijnhandelaren/intermediaries en instruments de placement à terme portant sur des matières premières*) as contemplated in Article 4 of the Prospectus Implementation Law ;
 - (h) the other Belgian and foreign financial institutions that have a license or are regulated;
4. the Belgian and foreign entities other than those envisaged in paragraph 5 below that do not have a license or are not regulated in order to be active on the financial markets and of which the only purpose is to invest in investment securities as contemplated in Article 4 of the Prospectus Implementation Law;
5. the company, funds or other similar entities established under a foreign law who mainly invest in securities of collective investment undertakings or in securitization structures, or in collective investment undertakings or to finance collective investment undertaking or securitization structures, provided that these companies, funds or similar entities under

foreign law finance these activities in Belgium exclusively with institutional or professional investors, recognized by or pursuant to this paragraph, or finance themselves abroad;

6. Capitalisation undertakings (*kapitalisatieondernemingen/enterprises de capitalisation*) contemplated in Royal Decree n° 43 of 15 December 1994 on the supervision of capitalisation undertakings ;
7. Coordination Centres (*coördinatiecentra/centres de coordination*) contemplated in Royal Decree n° 187 of 30 December 1982 on the establishment of coordination centres ;
8. The other Belgian and foreign legal entities than those contemplated in paragraphs 1° through 7° who, according to their most recent annual accounts or consolidated annual accounts, satisfy at least two of the following three criteria:
 - (i) an average number of employees of at least 250 during the financial year;
 - (ii) total assets of more than EUR 43 million; and
 - (iii) a net annual turnover of more than EUR 50 million;
9. Other foreign legal entities, companies and institutions who, according to the law applicable to them, are considered as institutional or professional investors or as a qualified investor for the application of Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public admitted to trading and amending Directive 2001/34/EC or that are viewed as institutional or professional investors according to financial market practices; and
10. Legal entities with registered office in Belgium other than the ones set forth above, that do not satisfy at least two of the criteria set out in paragraph 8 above, but which are registered with the CBFA as institutional or professional investor in accordance with the Royal Decree of 26 September 2006 on the extension of the term “qualified investor” and of the term “institutional or professional investor”.

ANNEX 2

Articles of association of the Issuer (Dutch text version)

HOOFDSTUK I – NAAM – ZETEL – DOEL – DUUR

ARTIKEL 1 – VORM EN NAAM

De Vennootschap heeft de vorm van een naamloze vennootschap en draagt de naam "Esmée Master Issuer". Haar naam zal steeds onmiddellijk worden gevolgd door de woorden "institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht" of "institutionele VBS naar Belgisch recht". De Vennootschap is onderworpen aan het regime van de institutionele vennootschappen voor belegging in schuldvorderingen. Bovendien doet de Vennootschap een openbaar beroep op het spaarwezen in de zin van artikel 438 van het Wetboek van vennootschappen, zij het uitsluitend op grond van de toelating van schuldinstrumenten op een gereguleerde markt, terwijl deze schuldinstrumenten enkel kunnen gehouden worden door institutionele of professionele beleggers (in de zin van artikel 5 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) die voor eigen rekening handelen.

ARTIKEL 2 – ZETEL

De zetel van de Vennootschap wordt gevestigd te 1000 Brussel, Koningstraat 97 (4de verdieping).

De zetel van de Vennootschap dient steeds in het Brussels Hoofdstedelijk Gewest gevestigd te zijn, maar mag door de raad van bestuur verplaatst worden naar iedere andere plaats in het Brussels Hoofdstedelijk Gewest, zonder dat hiervoor een statutenwijziging vereist is en mits inachtneming van de taalwetgeving ter zake. De raad van bestuur draagt zorg voor de publicatie van elke verandering van de zetel van de Vennootschap in de Bijlagen tot het Belgisch Staatsblad.

ARTIKEL 3 – DOEL

De Vennootschap heeft als uitsluitend doel de collectieve belegging in schuldvorderingen in het bezit van derden en overgedragen aan de Vennootschap bij een overdrachtsovereenkomst.

De Vennootschap trekt haar financiële middelen in België of in het buitenland uitsluitend aan bij institutionele of professionele beleggers die voor eigen rekening handelen (in de zin van artikel 5§3 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten).

De Vennootschap kan alle verrichtingen doen en alle maatregelen nemen die kunnen bijdragen tot het vervullen van haar doel, zo onder meer, doch niet uitsluitend, al dan niet verhandelbare financiële instrumenten uitgeven, leningen of kredieten aangaan tot financiering van haar portefeuille schuldvorderingen of om de risico's van tekortkomingen in de betalingen van de schuldvorderingen te beheren, en de schuldvorderingen die ze in portefeuille houdt en haar andere activa in pand geven. De vennootschap mag bijkomend of tijdelijk investeringen, liquiditeiten of financiële instrumenten aanhouden. De Vennootschap mag alle soorten financiële instrumenten kopen, uitgeven of verkopen, mag aan- of verkoopopties op financiële instrumenten, interest instrumenten of valuta kopen, uitgeven of verkopen, alsmede swaps, interestswaps of termijnovereenkomsten op deviezen of op rente sluiten en opties op dergelijke overeenkomsten verhandelen, voor zover de verrichting dient als dekking van een risico, verbonden aan één of meerdere elementen van haar balans.

Buiten het kader van de hoger beschreven activiteiten en beleggingen, mag de Vennootschap geen activa bezitten, geen verbintenissen aangaan en geen andere werkzaamheden uitoefenen.

ARTIKEL 4 – DUUR

De Vennootschap wordt, vanaf heden, voor een onbepaalde duur opgericht.

HOOFDSTUK II – KAPITAAL

ARTIKEL 5 – MAATSCHAPPELIJK KAPITAAL

Het kapitaal bestaat uit een vast gedeelte en uit een variabel gedeelte.

Het vast gedeelte van het maatschappelijk kapitaal van de Vennootschap bedraagt tweeënzestigduizend Euro (62.000 Euro), en is volledig volgestort. Het wordt vertegenwoordigd door tweeënzestigduizend (62.000) aandelen.

Alle aandelen verlenen elk dezelfde rechten.

Het variabel gedeelte van het kapitaal bestaat uit het bedrag dat het vast gedeelte van het kapitaal te boven gaat.

De aandelen worden niet ingekocht op verzoek van de aandeelhouders ten laste van de activa van de Vennootschap.

ARTIKEL 6 – VERHOOGING VAN HET KAPITAAL

Tot verhoging van het vast gedeelte van het maatschappelijk kapitaal wordt beslist door de algemene vergadering op de wijze vereist voor statutenwijzigingen.

Bij elke kapitaalverhoging in geld worden de nieuwe aandelen bij voorkeur aangeboden aan de bestaande aandeelhouders naar evenredigheid van het kapitaal dat hun aandelen op het ogenblik van de uitgifte vertegenwoordigen.

In afwijking van wat in de vorige alinea is bepaald, kan de algemene vergadering, met unanimitéit van alle stemmen die aan de door de Vennootschap uitgegeven aandelen zijn verbonden, beslissen dat alle nieuwe aandelen, of een gedeelte ervan, niet bij voorkeur aan de bestaande aandeelhouders worden aangeboden. De algemene vergadering bepaalt zelf de voorwaarden en inzonderheid de prijs van de uitgifte buiten voorkeurrecht. Zij kan ook afwijken van de door de wet bepaalde minimumtermijn voor de uitoefening van het voorkeurrecht. Bij opheffing of beperking van het voorkeurrecht kan bij de toewijzing van de nieuwe aandelen een recht van voorrang toegekend worden aan de bestaande aandeelhouders.

Het voorkeurrecht is verhandelbaar tussen de bestaande aandeelhouders gedurende de gehele inschrijvingstijd. Na het verstrijken van deze termijn komt het aandeel van de bestaande aandeelhouders die geen gebruik hebben gemaakt van hun inschrijvingsrecht in evenredigheid toe aan de bestaande aandeelhouders die wel gebruik hebben gemaakt van hun inschrijvingsrecht.

Derden kunnen slechts tot de inschrijving worden toegelaten ten belope van het deel van de kapitaalverhoging dat na de eerste inschrijvingsronde niet onderschreven werd op voorwaarde dat de betrokken derden aanvaard worden door de bestaande aandeelhouders die ter zake te persoonlijke titel hun beslissing per aangetekend schrijven kenbaar maken aan de raad van bestuur. Deze derden kunnen enkel institutionele of professionele beleggers (in de zin van artikel 5§3 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) zijn die voor eigen rekening handelen.

Voor het geval een uitgiftepremie wordt betaald naar aanleiding van een kapitaalsverhoging beslist door de algemene vergadering, zal deze bestemd worden voor de onbeschikbare reserverekening "uitgiftepremie" die in dezelfde mate als het maatschappelijk kapitaal de waarborg voor derden zal uitmaken en waarover, behoudens de mogelijkheid tot omzetting van deze reserve in het kapitaal, slechts kan worden beschikt overeenkomstig de voorwaarden gesteld door het Wetboek van vennootschappen voor vermindering van het kapitaal.

Een inbreng in natura kan enkel betrekking hebben op een inbreng van schuldvorderingen.

ARTIKEL 7 – VERMINDERING VAN HET KAPITAAL

Het vast gedeelte van het kapitaal kan slechts worden verminderd met inachtneming van de artikelen 612, 613 en 614 van het Wetboek van vennootschappen.

Het variabel gedeelte van het kapitaal kan verminderd worden overeenkomstig artikel 25, §3, derde lid van de Wet van twintig juli tweeduizend en vier betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles, zonder dat dit een wijziging van de statuten met zich meebrengt en in overeenstemming met deze statuten. De artikelen 613 en 614 van het Wetboek van vennootschappen zijn niet van toepassing op een vermindering van het variabel gedeelte van het kapitaal.

ARTIKEL 8 – AARD VAN DE AANDELEN

De aandelen zijn op naam en hebben geen nominale waarde. Ze kunnen niet omgezet worden in een andere vorm.

ARTIKEL 9 – UITOEFENING VAN AAN EFFECTEN VERBONDEN RECHTEN

Ten aanzien van de Vennootschap zijn aandelen ondeelbaar. Indien een aandeel aan verschillende personen toebehoort of indien de aan een aandeel verbonden rechten zijn verdeeld over meerdere personen, mag de raad van bestuur de uitoefening van de eraan verbonden rechten opschorten totdat één enkele persoon tegenover de Vennootschap als houder van het aandeel is aangewezen.

Indien de eigendom van een aandeel gesplitst is tussen een blote eigenaar en een vruchtgebruiker, worden de maatschappelijke rechten uitgeoefend door de vruchtgebruiker.

ARTIKEL 10 – RECHTVERKRIJGENDEN

De rechten en verplichtingen blijven aan het aandeel verbonden, voorzover de Wet van twintig juli tweeduizend en vier betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles of deze statuten zich hier niet tegen verzetten.

ARTIKEL 11 – OVERDRACHTEN VAN AANDELEN

Gelet op het specifieke doel van de Vennootschap en artikel 103 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles, kunnen de aandelen enkel worden gehouden (hetzij door directe inschrijving of door overdracht) door institutionele of professionele beleggers (in de zin van artikel 5§3 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) die voor eigen rekening handelen.

Elke overdracht in strijd met de bepalingen van dit artikel is volstrekt nietig en niet tegenwerpelijk aan de vennootschap.

Elke effectenhouder die zijn effecten wenst over te dragen (ten titel van verkoop, bij vereffening, fusie of splitsing, een inbreng of een overdracht van een bedrijfstak of een algemeenheid of om het even welke reden of op grond van om het even welke titel) dient daartoe bij aangetekend schrijven kennis te geven aan de raad van bestuur van het aantal effecten waarvan de overdracht wordt voorgesteld, de reden voor de overdracht, de partij aan wie de effecten zouden overgedragen worden en de te goeder trouw voorgestelde prijs.

Elke effectenhouder die zijn effecten wenst over te dragen en elke partij aan wie de effecten zouden worden overgedragen dienen bij aangetekend schrijven aan de raad van bestuur een door de effectenhouder aan wie de effecten zouden worden overgedragen ondertekende verklaring te bezorgen waarin wordt bevestigd dat de partij aan wie de effecten zouden worden overgedragen een institutionele of professionele belegger is (in de zin van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) die voor eigen rekening handelt.

De raad van bestuur brengt de aldus ontvangen kennisgevingen binnen de vijf dagen ter kennis van de overige houders van effecten van dezelfde categorie, die, naar evenredigheid van hun deel in het kapitaal, een voorkooprecht genieten dat per aangetekend schrijven aan de raad van bestuur van de Vennootschap dient uitgeoefend te worden uiterlijk op de dertigste (30^{ste}) dag volgend op de kennisgeving van de raad van bestuur. De prijs waartegen het voorkooprecht uitgeoefend wordt, is de te goeder trouw voorgestelde prijs aangeboden door de andere partij zoals vermeld in het aangetekend schrijven van overdracht.

De effecten waarvoor het voornoemd voorkooprecht niet binnen deze termijn wordt uitgeoefend zijn vrij overdraagbaar mits de voorafgaande goedkeuring door de overige houders van effecten van dezelfde categorie.

Bij weigering van de overdracht door een of meerdere effectenhouders is (zijn) de effectenhouder(s) die de overdracht heeft (hebben) geweigerd ertoe gehouden binnen een termijn van negentig (90) dagen te rekenen vanaf de kennisgeving van de voorgestelde overdracht bij aangetekend schrijven aan de raad van bestuur één of meerdere kopers voor te stellen die voor hem (hen) wel aanvaardbaar is (zijn) en voor de effecten minstens de in de kennisgeving voorgestelde prijs moet(en) betalen.

De raad van bestuur geeft iedere belanghebbende zo snel mogelijk en in ieder geval binnen de vijf dagen kennis van de in toepassing van dit artikel ontvangen kennisgevingen.

De raad van bestuur heeft het recht een voorgenomen overdracht uit te sluiten indien die zou worden voorgenomen in strijd met het eerste lid of met artikel 15 van deze statuten.

Elke overdracht in strijd met de bepalingen van dit artikel is volstrekt nietig en niet tegenwerpelijk aan de Vennootschap en een overdracht in strijd met het eerste lid van dit artikel mag niet worden ingeschreven in het desbetreffende effectenregister.

Indien een effectenhouder door een wijziging van zijn activiteit of statuut of anderszins niet langer voldoet aan de voorwaarden gesteld in de eerste alinea, is hij verplicht dit te melden aan de Vennootschap en is de Vennootschap gerechtigd hem te verplichten zijn effecten aan een toegelaten effectenhouder van dezelfde categorie over te dragen tegen een marktconforme vergoeding en dit mits naleving van het in dit artikel voorzien voorkooprecht.

ARTIKEL 12 – TERUGBETALING VAN AANDELEN

Terugbetaling van het veranderlijk kapitaal kan slechts indien daartoe een uitkeerbaar bedrag beschikbaar is dat volstaat voor de terugbetaling van een evenredig en geheel aantal aandelen van de aandeelhouders. Geen aflossing mag ertoe leiden dat de verhouding tussen de door de aandeelhouders gehouden aandelen wordt gewijzigd. De aandelen mogen bovendien niet worden ingekocht op verzoek van de aandeelhouders ten laste van de activa van de Vennootschap. Elke

beslissing tot terugbetaling van aandelen die een deel van het veranderlijk kapitaal vertegenwoordigen, wordt bij aangetekend schrijven meegedeeld aan de betrokken aandeelhouders. De raad van bestuur is gemachtigd tot overeenkomstige aanpassing van het aandelenregister.

ARTIKEL 13 – OBLIGATIES EN ANDERE SCHULDFINANCIERING

A. De raad van bestuur is bevoegd om, volgens de voorwaarden die hij bepaalt, obligaties, thesauriebewijzen of andere schuldinstrumenten uit te geven en om activa van de Vennootschap als zekerheid aan te bieden om de obligaties, thesauriebewijzen of andere schuldinstrumenten te waarborgen.

De artikelen 568 tot en met 580 van het Wetboek van vennootschappen gelden voor alle schuldinstrumenten uitgegeven door de Vennootschap, maar vinden slechts toepassing in de mate dat daarvan niet wordt afgeweken in deze statuten of in de uitgiftevoorwaarden van de desbetreffende schuldinstrumenten.

De Vennootschap kan de obligaties, thesauriebewijzen en andere schuldinstrumenten (de **schuldinstrumenten**) uitgeven in de vorm van effecten op naam of in gedematerialiseerde vorm.

Uitgiftes van schuldinstrumenten kunnen ondermeer gestructureerd worden:

- (a) per emissie of in het kader van een doorlopend programma;
- (b) in verschillende klassen, sub-klassen, series of andere categorieën;
- (c) zodanig dat verschillende categorieën van schuldinstrumenten achtergesteld zijn ten opzichte van andere categorieën.

In voorkomend geval zullen die kenmerken, inclusief de aard en de juiste draagwijdte van een eventuele achterstelling bepaald worden in de uitgiftevoorwaarden van de betrokken schuldinstrumenten.

B. De Vennootschap kan beroep doen op andere vormen van schuldfinanciering, met inbegrip van leningen en kredieten.

ARTIKEL 14 – VERTEGENWOORDIGING VAN DE HOUDERS VAN SCHULDINSTRUMENTEN

De houders van schuldinstrumenten kunnen vertegenwoordigd worden door één of meerdere vertegenwoordigers waarvan de bevoegdheden worden vastgelegd in de uitgiftevoorwaarden. De vertegenwoordigers vertegenwoordigen de houders van deze schuldinstrumenten of de betrokken categorie van houders van schuldinstrumenten jegens de Vennootschap en jegens derden en kunnen de houders van schuldinstrumenten verbinden binnen de grenzen van de opdracht die hen wordt toevertrouwd. Zij moeten hun bevoegdheid enkel verantwoorden door de voorlegging van de akte waarin ze zijn aangesteld. Zij kunnen in rechte optreden en de houders van deze schuldinstrumenten vertegenwoordigen in elk faillissement, gerechtelijk reorganisatie of analoge procedure zonder de identiteit van de houders van de schuldinstrumenten die zij vertegenwoordigen, te moeten bekendmaken. De overige bepalingen van artikel 27, §1, 1^e tot en met 7^e lid van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles gelden eveneens in verband met de vertegenwoordigers van de houders van deze schuldinstrumenten.

ARTIKEL 15 – TOEGELATEN HOUDERS EN OVERDRACHTEN VAN SCHULDINSTRUMENTEN

Gelet op het specifiek doel van de Vennootschap en artikel 103, van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles, kunnen obligaties, thesauriebewijzen of andere schuldinstrumenten uitgegeven door de Vennootschap, enkel worden gehouden (hetzij door directe inschrijving of door overdracht) door institutionele of professionele beleggers (in de zin van artikel 5 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) die voor eigen rekening handelen.

Elke overdracht in strijd met de bepalingen van dit artikel is volstrekt nietig en niet tegenwerpelijk aan de vennootschap.

Indien door of namens de Vennootschap wordt vastgesteld dat een bepaalde houder van schuldinstrumenten geen institutioneel of professioneel belegger is (in de zin van artikel 5 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) die voor eigen rekening handelt, dan wordt de betaling van interesten met betrekking tot de door die persoon gehouden schuldinstrumenten opgeschort totdat die interesten kunnen worden uitbetaald aan een overnemer van die effecten die wel een dergelijke institutionele of professionele belegger is.

Indien een houder van een obligatie, thesauriebewijs of ander schuldinstrument niet voldoet of door een wijziging van zijn activiteit of statuut of anderszins niet langer voldoet aan de voorwaarden gesteld in de eerste alinea, is hij verplicht dit te melden aan de Vennootschap en is de Vennootschap gerechtigd hem te verplichten zijn obligatie, thesauriebewijs of ander schuldinstrument aan een toegelaten houder over te dragen tegen een marktconforme vergoeding.

Niettegenstaande de eerste vier leden van dit artikel, mag een overdrager van schuldvorderingen aan de vennootschap welke geen institutionele of professionele belegger is (in de zin van artikel 5 van de Wet van 20 juli 2004

betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten), effecten uitgegeven door de vennootschap verwerven of haar op een andere wijze financiële middelen verstrekken, in de mate dat de aldus verstrekte financiële middelen voornamelijk worden verstrekt om ten gunste van de andere beleggers de risico's van tekortkomingen in de betalingen van de schuldvorderingen te beheren.

HOOFSTUK III – BESTUUR EN CONTROLE

ARTIKEL 16 – SAMENSTELLING VAN DE RAAD VAN BESTUUR

De raad van bestuur telt minstens twee en maximum vijf leden. De duur van hun opdracht mag zes jaar niet overschrijden. Uittredende bestuurders zijn herbenoembaar.

De leden van de raad van bestuur worden benoemd door de algemene vergadering. De algemene vergadering bepaalt hun aantal en de duur van hun mandaat.

Wanneer een plaats van bestuurder openvalt, kan de raad van bestuur voorlopig een bestuurder coöpteren en deze benoeming ter bekrachtiging voorleggen aan de eerstvolgende algemene vergadering. De gecoöpteerde bestuurder voleindigt het mandaat van de aldus vervangen bestuurder.

Indien een rechtspersoon als bestuurder wordt verkozen, dient een natuurlijk persoon te worden aangeduid die de rechtspersoon zal vertegenwoordigen, in overeenstemming met artikel 61, §2 van het Wetboek van vennootschappen.

ARTIKEL 17 – VERGADERINGEN VAN DE RAAD VAN BESTUUR

De raad van bestuur wordt bijeengeroepen door elke bestuurder telkens wanneer het belang van de Vennootschap het vereist.

De oproepingen vermelden plaats, datum, uur en agenda van de vergadering en worden ten minste twee volle werkdagen voor de vergadering per brief, telegram, telefax of op een andere schriftelijke wijze aan elke bestuurder verzonden.

De vergaderingen vinden in regel plaats ter maatschappelijke zetel en in ieder geval in België.

De oudste bestuurder aanwezig zit de vergaderingen van de raad van bestuur voor.

De regelmatigheid van de bijeenroeping kan niet worden betwist indien alle bestuurders aanwezig of regelmatig vertegenwoordigd zijn.

ARTIKEL 18 – BERAADSLAGING

De raad van bestuur beraadslaagt minstens één keer per boekjaar.

De raad van bestuur kan slechts geldig beraadslagen indien in totaal minstens twee derden van de bestuurders aanwezig of vertegenwoordigd zijn. In afwijking van het voorgaande volstaat een quorum van een gewone meerderheid van bestuurders voor een geldige beraadslaging, indien de toepasselijke regelen inzake belangenconflicten de toepassing van de bijzondere quora onmogelijk zouden maken.

Iedere bestuurder kan per brief, telegram, telefax of op een andere schriftelijke wijze aan een collega volmacht geven om hem op een vergadering van de raad van bestuur te vertegenwoordigen. Een bestuurder mag meerdere van zijn collega's per volmacht vertegenwoordigen.

Elke bestuurder moet zich richten naar de bepalingen van artikel 523 van het Wetboek van vennootschappen, in de mate dat deze toepasselijk zijn. Indien de procedures voorgeschreven door artikel 523 leiden tot een onmogelijkheid van besluitvorming, wordt het voorstel van beslissing voorgelegd aan de algemene vergadering die een mandataris ad hoc aanstelt of zelf de beslissing neemt en de raad van bestuur met de uitvoering van de beslissing belast. Tevens dient de raad van bestuur de verplichtingen van artikel 524 van het Wetboek van Vennootschappen na te leven.

De beslissingen van de raad van bestuur worden geldig genomen bij eenvoudige meerderheid van de uitgebrachte stemmen. Onthoudingen of ongeldige stemmen worden niet bij de uitgebrachte stemmen geteld.

De vergaderingen van de raad van bestuur worden gehouden fysiek op de plaats aangeduid in de oproeping.

In uitzonderlijke gevallen, wanneer de dringende noodzakelijkheid en het belang van de Vennootschap zulks vereisen, kunnen de beslissingen van de raad van bestuur worden genomen bij een eenparig schriftelijk akkoord van de bestuurders. Hun handtekeningen worden aangebracht hetzij op één document, hetzij op meerdere exemplaren van dit document. Dergelijk schriftelijk besluit wordt geacht genomen te zijn op de datum van de laatst aangebrachte handtekening. Deze procedure kan echter niet gebruikt worden voor de vaststelling van de jaarrekening.

ARTIKEL 19 – NOTULEN

De beraadslagingen van de raad van bestuur worden vastgelegd in notulen die door de aanwezige leden of hun lasthebbers worden ondertekend. Deze notulen worden in een speciaal register opgenomen. De volmachten van de vertegenwoordigde bestuurders worden aan de notulen gehecht.

De afschriften of uittreksels, in rechte of anderszins voor te leggen, worden door twee bestuurders of door een persoon belast met het dagelijks bestuur ondertekend. Deze bevoegdheid kan worden opgedragen aan een lasthebber.

ARTIKEL 20 – BEVOEGDHEDEN VAN DE RAAD VAN BESTUUR

De Vennootschap wordt bestuurd door de raad van bestuur.

De raad van bestuur heeft de meest uitgebreide bevoegdheden om alle handelingen te verrichten die nodig of dienstig zijn voor de verwezenlijking van het doel van de Vennootschap. Hij is bevoegd alle daden te stellen die niet uitdrukkelijk door de wet of door de statuten aan de algemene vergadering zijn voorbehouden. De raad van bestuur heeft meer in het bijzonder de bevoegdheid om, onder voorbehoud van de beperkingen opgelegd door de wetten en reglementen, de beleggingspolitiek van de Vennootschap te bepalen. Overeenkomstig artikel 9 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles wordt de Vennootschap bestuurd in het belang van de houders van de effecten die zijn uitgegeven door de Vennootschap.

De raad van bestuur mag met het oog op een efficiëntere bedrijfsvoering bepaalde taken, onder meer (maar niet uitsluitend) het administratief/boekhoudkundig beheer, de inning van de betalingen op de aangekochte schuldvorderingen en de verificatie van de te ontvangen en te betalen bedragen aan derden, uitbesteden. De uitbesteding van bedoelde taken laat de aansprakelijkheid van de raad van bestuur onverlet.

ARTIKEL 21 – VERGOEDINGEN

De opdracht van bestuurder is onbezoldigd, behoudens andersluidend besluit van de algemene vergadering.

ARTIKEL 22 – VERTEGENWOORDIGING

De Vennootschap wordt in en buiten rechte vertegenwoordigd door twee bestuurders die gezamenlijk optreden.

Zij is bovendien, binnen het kader van hun mandaat, geldig verbonden door bijzondere gevolmachtigden daartoe aangesteld door de raad van bestuur.

ARTIKEL 23 – DAGELIJKS BESTUUR

De raad van bestuur zal eveneens instaan voor het dagelijks bestuur van de Vennootschap. De Vennootschap wordt in al haar handelingen van het dagelijks bestuur, met inbegrip van haar vertegenwoordiging in rechte, rechtsgeldig vertegenwoordigd door twee bestuurders die gezamenlijk optreden en die geen bewijs van een voorafgaand besluit dienen neer te leggen. Evenwel kan de raad van bestuur bijzondere gevolmachtigden aanstellen die de Vennootschap geldig kunnen vertegenwoordigen en verbinden binnen het kader van hun mandaat.

Binnen het dagelijks bestuur kan de vennootschap bovendien worden vertegenwoordigd door de hiertoe aangestelde(n), gedelegeerd bestuurder(s), die alleen of gezamenlijk optreden zoals bepaald bij hun aanstelling.

ARTIKEL 24 – CONTROLE

De controle op de financiële toestand, op de jaarrekening en op de regelmatigheid van de verrichtingen weer te geven in de jaarrekening, wordt opgedragen aan één of meer commissarissen.

De commissarissen worden door de algemene vergadering van aandeelhouders voor een hernieuwbare termijn van drie jaar benoemd onder de leden, natuurlijke personen of rechtspersonen, van het Instituut der Bedrijfsrevisoren. Op straf van schadevergoeding kunnen zij tijdens hun opdracht alleen om wettige redenen door de algemene vergadering worden ontslagen, mits eerbiediging van de procedure beschreven in de artikelen 135 en 136 van het Wetboek van vennootschappen.

De algemene vergadering bepaalt het aantal commissarissen en stelt hun bezoldiging vast bij de aanvang van hun opdracht.

Zij oefenen de hun door de wet opgedragen opdrachten uit. Indien er meerdere commissarissen zijn benoemd, worden zij geldig vertegenwoordigd door één van hen.

HOOFDSTUK IV – ALGEMENE AANDEELHOUDERSVERGADERINGEN

ARTIKEL 25 – VERGADERING

De jaarvergadering wordt gehouden ieder jaar op de laatste werkdag van de maand mei om vijftien uur.

De algemene vergaderingen vinden plaats op de zetel van de Vennootschap.

De algemene vergadering van aandeelhouders vertegenwoordigt alle aandeelhouders.

ARTIKEL 26 – BIJEENROEPING VAN DE ALGEMENE VERGADERING

De raad van bestuur, de commissaris(sen) of in voorkomend geval de vereffenaar(s) roept (roepen) de algemene vergadering bijeen. De oproepingen vermelden de plaats, datum, uur, agenda en voorstellen tot besluit van de algemene vergadering en geschieden in de vorm en binnen de termijnen vereist door het Wetboek van vennootschappen.

De regelmatigheid van de bijeenroeping kan niet worden betwist indien alle aandeelhouders, houders van obligaties, warrants of certificaten aanwezig of regelmatig vertegenwoordigd zijn en alle bestuurders en commissarissen aanwezig zijn, regelmatig vertegenwoordigd zijn of schriftelijk verzaakt hebben aan hun recht om aan de algemene vergadering deel te nemen.

Elk jaar wordt een algemene vergadering gehouden waarvan de agenda tenminste de volgende punten vermeldt: de bespreking van het jaarverslag en het verslag van de commissaris(sen), de bespreking en de goedkeuring van de jaarrekening en de bestemming van de nettowinst, de kwijting aan de bestuurders en de commissaris(sen) en, in voorkomend geval, de benoeming van de bestuurders en de commissaris(sen).

Een bijzondere of buitengewone algemene vergadering van aandeelhouders van de Vennootschap kan bijeengeroepen worden telkens het belang van de Vennootschap dit vereist. Zij moet worden bijeengeroepen telkens wanneer de aandeelhouders die samen één vijfde vertegenwoordigen van het maatschappelijk kapitaal van de Vennootschap, dit vragen.

ARTIKEL 27 – VERTEGENWOORDIGING

Elke aandeelhouder mag zich op de algemene vergadering doen vertegenwoordigen door een volmachtdrager, al dan niet aandeelhouder.

De raad van bestuur mag de vorm van de volmachten, die in overeenstemming moet zijn met de bepalingen van het Wetboek van vennootschappen, bepalen en eisen dat zij op de door hem aangeduide plaats worden neergelegd vijf volle dagen vóór de algemene vergadering.

ARTIKEL 28 – TOELATING TOT DE ALGEMENE VERGADERING

Het recht om deel te nemen aan de algemene vergadering wordt slechts verleend op grond van de inschrijving van de aandeelhouder in het register van de aandelen op naam van de Vennootschap.

Om tot de algemene vergadering van aandeelhouders te worden toegelaten, moeten de houders van gedematerialiseerde obligaties ten minste vijf volle dagen vóór de vergadering op de maatschappelijke zetel van de Vennootschap een attest van de erkende rekeninghouder of de vereffeninginstelling voorleggen dat het aantal gedematerialiseerde obligaties ingeschreven op naam van de betrokken obligatiehouder bevestigt en dat de onbeschikbaarheid van hun obligaties tot na de datum van de algemene vergadering vaststelt.

ARTIKEL 29 – BEVOEGDHEDEN VAN DE ALGEMENE VERGADERING

De algemene vergadering heeft de bevoegdheid die de wet en de statuten haar toekennen. Zij heeft het recht om wijzigingen aan te brengen in de statuten. Evenwel, en in afwijking van artikel 774 van het Wetboek van vennootschappen, kan de Vennootschap alleen worden omgezet in een commanditaire vennootschap op aandelen.

ARTIKEL 30 – BUREAU

Iedere algemene vergadering wordt voorgezeten door de oudste bestuurder aanwezig of door een lid van de vergadering door deze laatste aangeduid. De voorzitter van de vergadering duidt de secretaris aan. Indien het aantal aanwezige personen het toelaat, duidt de vergadering twee stemopnemers aan op voorstel van de voorzitter van de algemene vergadering. De notulen van de algemene vergaderingen worden ondertekend door de voorzitter en de secretaris of in voorkomend geval door leden van het bureau alsmede door de aandeelhouders die er om verzoeken.

ARTIKEL 31 – VERDAGING

De raad van bestuur mag elke algemene vergadering, vóór of tijdens de zitting, met drie weken verdagen.

Deze verdaging maakt een einde aan de beraadslaging. De reeds genomen besluiten blijven geldig genomen, behoudens andersluidend besluit van de algemene vergadering. De formaliteiten vervuld om aan de eerste zitting deel te nemen zijn geldig voor de tweede. Nieuwe volmachten mogen worden neergelegd met het oog op de tweede zitting.

ARTIKEL 32 – BERAADSLAGING – AANWEZIGHEIDSKWORUM

Geen enkele vergadering kan beraadslagen over punten die niet voorkomen op de agenda, tenzij in de vergadering alle houders van aandelen aanwezig of vertegenwoordigd zijn en daartoe met eenparigheid van stemmen wordt besloten.

De algemene aandeelhoudersvergadering kan geldig beraadslagen, ongeacht welk het aantal aanwezige en vertegenwoordigde houders van aandelen is, behoudens in de gevallen waarvoor de wet en de statuten een bepaald aanwezigheidsquorum vereist. De besluiten van de algemene vergadering zijn bindend voor alle aandeelhouders, zelfs voor de afwezigen of die tegenstemden.

In de algemene vergadering van alle aandeelhouders geven de aandelen elk recht op een aantal stemmen naar evenredigheid met het gedeelte van het kapitaal dat zij vertegenwoordigen, met dien verstande dat het aandeel dat het laagste bedrag vertegenwoordigt, voor één stem wordt aangerekend.

De stemmingen gebeuren door handopsteken of bij naamroeping, tenzij de algemene vergadering er met eenvoudige meerderheid van de uitgebrachte stemmen anders over besluit.

Voorts kunnen alle aandeelhouders eenparig en schriftelijk alle besluiten nemen die tot de bevoegdheid van de algemene vergadering behoren, met uitzondering van die welke bij authentieke akte moeten worden verleden. De houders van obligaties, warrants of certificaten bepaald in artikel 537 van het Wetboek van vennootschappen, mogen van die besluiten kennis nemen.

De raad van bestuur heeft het recht, tijdens de zitting, alle algemene vergaderingen, dus zowel de jaarvergadering als alle andere algemene vergaderingen, één enkele keer drie weken uit te stellen. Dergelijke verdaging doet geen afbreuk aan de andere genomen besluiten, behoudens andersluidende beslissing van de algemene vergadering hieromtrent.

De raad van bestuur zal uitzonderlijk dit uitstelrecht niet mogen toepassen wanneer de vergadering van de vennootschap wordt samengeroepen op verzoek van de commissaris(sen) of aandeelhouders die minstens één vijfde van het kapitaal van de vennootschap vertegenwoordigen.

ARTIKEL 33 – STEMRECHT

Behoudens de in de wet of in de statuten bepaalde gevallen waarin de houders van obligaties stemrecht hebben, mogen de houders van obligaties de algemene vergadering slechts bijwonen met raadgevende stem.

Onverminderd de bij de wet of deze statuten bepaalde uitzonderingen, worden de beslissingen, ongeacht het aantal der op de vergadering bijnagebrachte stemgerechtigde effecten, genomen bij gewone meerderheid der uitgebrachte stemmen. Onthoudingen en ongeldige stemmen worden niet bij de uitgebrachte stemmen geteld.

ARTIKEL 34 – AFSCHRIFTEN, KOPIES EN UITTREKSELS VAN NOTULEN

De afschriften van de notulen van de algemene vergaderingen af te leveren aan derden, worden ondertekend door twee bestuurders.

HOOFDSTUK V – JAARREKENING – WINSTVERDELING

ARTIKEL 35 – JAARREKENING

Het boekjaar begint op één januari en eindigt op éénendertig december van elk kalenderjaar.

Elk boekjaar maakt de raad van bestuur een inventaris en een jaarrekening op. De bestuurders van de Vennootschap stellen een verslag op waarin zij rekenschap geven van hun beleid.

ARTIKEL 36 – GOEDKEURING VAN DE JAARREKENING

De jaarlijkse algemene vergadering hoort het jaarverslag en het verslag van de commissaris(sen) en beslist met een gewone meerderheid van de aanwezige aandeelhouders over de goedkeuring van de jaarrekeningen en, bij afzonderlijke stemming, over de aan de bestuurders en de commissarissen te verlenen kwijting.

ARTIKEL 37 – UITKERING

De voor uitkering vatbare winst kan door de algemene vergadering op voorstel van de raad van bestuur aangewend worden, zowel voor de betaling van dividend als voor het aanleggen van reserves. Reservering is enkel toegestaan met het oog op latere uitkering of voor de dekking van risico's van tekortkomingen in de betalingen van de schuldvorderingen.

Een beslissing tot uitkering van voordien reeds gereserveerde bedragen wordt genomen met unanimiteit van stemmen van de aandeelhouders en mits inachtneming van de rechten verbonden aan de andere door de Vennootschap uitgegeven financiële instrumenten.

Er kunnen geen interimdividenden uitgekeerd worden. Indien door of namens de Vennootschap wordt vastgesteld dat een bepaalde aandeelhouder geen institutioneel of professioneel belegger is (in de zin van artikel 5§3 van de Wet van 20 juli 2004 betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles en haar uitvoeringsbesluiten) die voor eigen rekening handelt, dan wordt de betaling van dividenden met betrekking tot de door die aandeelhouder gehouden aandelen opgeschort totdat die dividenden kunnen worden uitbetaald aan een overnemer van die aandelen die wel een dergelijke institutionele of professionele belegger is.

HOOFSTUK VI – VEREFFENING – VERDELING

ARTIKEL 38 – VEREFFENING

De Vennootschap wordt in vereffening gesteld ingeval de schuldvorderingen die haar activa vormen definitief zijn uitgedoofd of volledig overgedragen en het kapitaal is verminderd tot het wettelijk minimumkapitaal.

Elke vereffening, behoudens de vereffening zoals voorzien in het eerste lid, moet worden beslist door de algemene vergadering van aandeelhouders en zij moet aan de goedkeuring van de algemene vergadering van obligatiehouders worden onderworpen.

De vereffening geschiedt door vereffenaars benoemd door de algemene vergadering van aandeelhouders en de algemene vergadering van obligatiehouders. De vereffenaars treden pas in functie na bevestiging door de Rechtbank van Koophandel van de benoeming door de algemene vergadering, overeenkomstig artikel 184 van het Wetboek van vennootschappen. Behoudens andersluidend besluit van de algemene vergadering, treden de vereffenaars gezamenlijk op. De algemene vergadering bepaalt hun bevoegdheden en vergoedingen en stelt de wijze van vereffening vast, overeenkomstig de ter zake toepasselijke bepalingen van het Wetboek van vennootschappen.

ARTIKEL 39 – VERDELING

Na aanzuivering van alle schulden, lasten en kosten van de vereffening, wordt het nettoactief verdeeld tussen de aandeelhouders in evenredigheid tot hun aandeel in het maatschappelijk kapitaal.

HOOFDSTUK VII – ALGEMENE BEPALINGEN

ARTIKEL 40 – WOONSTKEUZE

De houders van aandelen op naam zijn verplicht de Vennootschap kennis te geven van elke verandering van woonplaats. Bij ontstentenis van kennisgeving worden zij geacht keuze van woonplaats te hebben gedaan op hun vroegere woonplaats.

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