

## ESMÉE MASTER ISSUER NV/SA

*Institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge  
(incorporated with limited liability in Belgium)*

Legal Entity Identifier (LEI): 549300TZ21REPM69EN29

### EUR 25,000,000,000 SME Asset Backed Note Programme

Under this SME Asset-Backed Note Programme (the "**Programme**"), Esmée Master Issuer NV/SA, *Institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge* (the "**Issuer**") may from time to time issue Notes denominated in euro, with a minimum denomination per Note of EUR 250,000.

**The Notes may only be subscribed, purchased or held by ("Eligible Holders") meaning investors that qualify both as (a) Qualifying Investors under the UCITS Act (each as defined below) and (b) a holder 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. The Issuer will suspend payments of interest and principal on Notes in respect of which it becomes aware that they are not held by Eligible Holders. See "Transfer and holding restrictions" on page 209.**

As soon as the Issuer issues new Notes and as the Programme and the Notes becoming subject to the Securitisation Regulation, investors shall carry out a due-diligence assessment in accordance with Article 5 of Regulation 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**Securitisation Regulation**") which enables them to assess the risks involved. **The "Risk factors" section starting on page 44 contains details of the risks and other factors that the Issuer deems most material and that should be given particular consideration before investing in the Notes.**

**As from the Programme and the Notes becoming subject to the Securitisation Regulation, prospective investors should carefully read and review the entire Base Prospectus and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's own circumstances and financial condition. Each investor contemplating the purchase of any Notes should conduct an independent investigation of the financial condition, and appraisal of the ability of the Issuer to pay its debts, the risks and rewards associated with the Notes and of the tax, accounting, prudential and legal consequences of investing in the Notes.**

This document (including the information incorporated by reference therein) is a base prospectus (the "**Base Prospectus**") for purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This Base Prospectus has been approved by the Financial Services and Markets Authority ("**FSMA**") as competent authority under the Prospectus Regulation. The FSMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Application may be made for the Notes to be admitted to trading on the regulated market 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 FSMA 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 will be issued in the form of dematerialised notes and represented exclusively by a book-entry in the records of the securities settlement system operated by the National Bank of Belgium (the "**Clearing System**") or any successor thereto. Access to the Clearing System is available through its participants, including Euroclear Bank SA/NV, Clearstream Banking A.G., LuxCSD S.A. and certain others.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and, unless so registered, may not be offered or sold within the United States or to, or of the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**") except pursuant

to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws.

The Notes and (re)payment of principal, interest or any other amount due in connection with the Notes or the SME Receivables are not guaranteed by BNP Paribas Fortis SA/NV (in any capacity) or any other person.

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

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

The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to "consumers" (*consumenten / consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht / Code de droit économique*), as amended.

The date of this Base Prospectus is 29 November 2022. This Base Prospectus is valid for a period of one year from its date of approval, *i.e.* until 29 November 2023. The obligation to publish a supplement to this Base Prospectus (as referred to above) no longer applies after the expiry of the validity period of this Base Prospectus, even if important new factors, material mistakes or material imprecisions are discovered.

**Arranger and Dealer**  
**BNP Paribas Fortis SA/NV**

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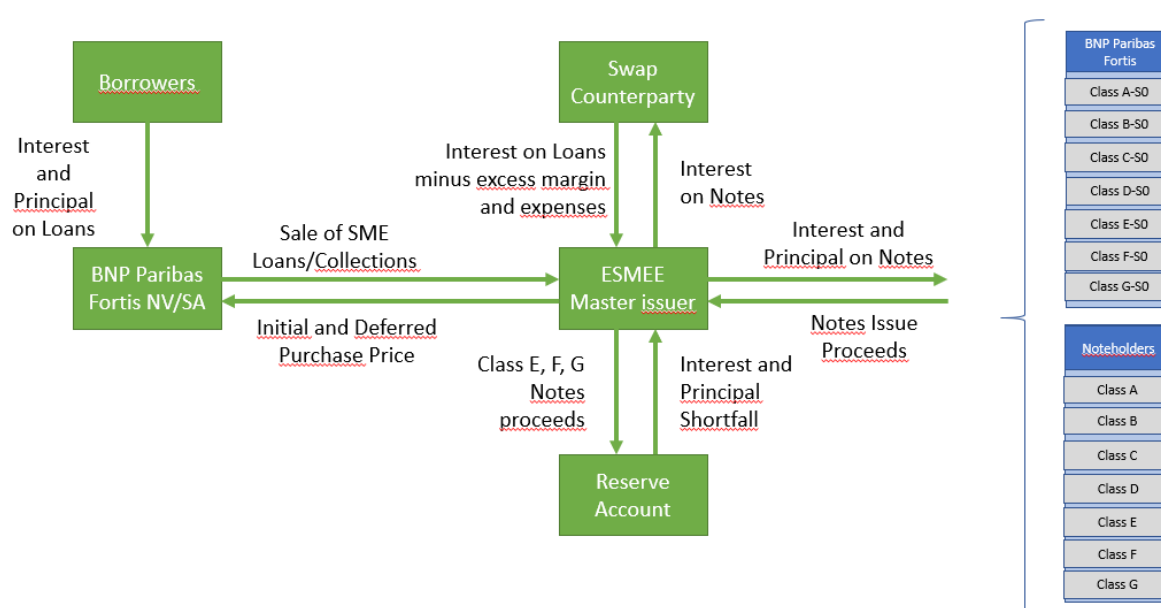
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## GENERAL DESCRIPTION OF THE PROGRAMME

The information set out in this "General description of the Programme", comprising Sections "Structure Diagram" on page 5 to and including "Fees" (starting on page 43), is not purported to be complete. It should be read in conjunction with, and is qualified in its entirety by the detailed information presented elsewhere in this Base Prospectus and, with respect to a particular Series and Tranche of Notes, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus have the same meanings in this "General description of the Programme". A listing of the pages on which these terms are defined is found in the "Index of defined terms" on page 246.

### STRUCTURE DIAGRAM



## OVERVIEW

*The following is an overview of the principal features of the Programme, and should be read as an introduction to this Base Prospectus. This overview does not purport to be complete, is taken from and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Base Prospectus. 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 overview 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 section "Index of Defined Terms".*

**Programme Establishment** The Issuer has initially established the Programme on 2 December 2009 (the "**Programme Closing Date**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €25,000,000,000, subject to increase in accordance with the terms of the Programme Agreement.

**Issuance in Series, Tranches, Classes and Sub-classes** Notes issued under the Programme have been and will be issued in Series and Tranches. The Notes within a Tranche: (a) have been and will be issued on a single date; and (b) have been and will be subject to identical Terms and Conditions. Each Series consists of one or more Tranches, subject to identical Terms and Conditions except for the Issue Date and the initial Interest Period.

Each Series contains Notes of one or more Classes, and each Class of Notes may have Sub-classes. Notes of the same Class or Sub-class will rank *pari passu* and *pro rata* among themselves. Each Series of the same Class or Sub-class will not, however, be subject to identical terms in all respects (for example, interest rates, interest calculations, expected maturity and final maturity dates may differ).

Notes of the same Class and Sub-class (if applicable) within each Series are fungible.

**Final Terms** Each Tranche will be subject to Final Terms, which, for the purpose of that Tranche only, supplements the Terms and Conditions of the Notes in this Base Prospectus and must be read in conjunction with this Base Prospectus.

**Underlying Assets** The Issuer's primary source of funds to make payments on the Notes will be derived from a portfolio comprising SME loans originated by

BNP Paribas Fortis SA/NV (or its legal predecessors) (see *Description of SME Loans* on page 64). The SME Loans can have a variety of characteristics relating to, among other things, calculation of interest and repayment of principal.

Pursuant to the SME Receivables Purchase Agreement, the Seller may from time to time, subject to certain criteria being satisfied, sell further SME Loans (see *Sale of the SME Loans* on page 97). The SME Loans will be pledged to the Secured Parties, including the Noteholders (see *Security for the Issuer's obligations* on page 112).

#### **Credit Enhancement**

- Subordination of more junior ranking Notes (see Condition 2)
- Establishment of a Reserve Account (see *Information relating to the Programme Structure, 3.2 (Reserve Account)*)
- Excess spread paid as Deferred Purchase Price in instalments as the lowest ranking item in the Interest Priority of Payments (see *Information relating to the Programme Structure, 5 (Interest Priority of Payments)*).

#### **Liquidity Support**

- 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
- the amounts available in the Reserve Account

#### **Redemption Provisions**

Information on any optional and mandatory redemption of the Notes is summarised on page 17 (*Transaction Overview - Summary of the Terms and Conditions of the Notes*) and set out in full in Condition 6 (*Redemption and cancellation*).

#### **Credit Rating Agencies**

Fitch and Moody's. Each of such Rating Agencies are registered under the CRA Regulations.

#### **Credit Ratings**

Ratings may be assigned to all or some of the Notes of a Series or Tranche on or before each Issue Date and such ratings will be set out in the Final Terms for the relevant Tranche.

The ratings assigned by Fitch address the likelihood of (a) timely payment of interest due to the Noteholders on each Note Payment Date and (b) full payment of principal by a date that is not later than the Final Maturity Date. The ratings assigned by Moody's address the expected loss to a Noteholder in proportion to the initial principal

amount of the class of Notes held by the Noteholder by the Final Maturity Date.

The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised, suspended or withdrawn at any time.

## **Listing**

Regulated Market of Euronext Brussels, unless specified otherwise in the applicable Final Terms. The regulated market of Euronext Brussels is a regulated market for the purposes of MiFID II.

## **Obligations**

The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of or guaranteed by BNP Paribas Fortis SA/NV, its affiliates or any other party named in the Base Prospectus (other than the Issuer).

## **Benchmarks**

Interest payable under the Floating Rate Notes may be calculated by reference to EURIBOR as administered by the European Money Markets Institute (EMMI). At the date of this Base Prospectus, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) in accordance with article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). Condition 4.2(e) contains provisions allowing the Calculation Agent to determine EURIBOR in case of temporary disruptions of the publication of EURIBOR, and Condition 15.2(c) contains provisions allowing a permanent replacement of EURIBOR in case of a long-term disruption, replacement or cessation of EURIBOR, and certain other cases, subject to the terms and conditions set out therein.

## **EU Risk Requirements**

### **Retention**

The Seller has undertaken to retain a material net economic interest of not less than 5% in the Notes in accordance with Article 405, paragraph (1) sub-paragraph (d) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "**Capital Requirements Regulation**" or "**CRR**") and Article 51 paragraph (1) sub-paragraph (d) of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU (the "**AIFM Regulation**") (until the Programme and the Notes becoming subject to the Securitisation Regulation) or Article 6 of the Securitisation Regulation (as from the Programme and the Notes becoming subject to the Securitisation Regulation). As at the Closing



Date, such interest was (and will until the Programme and the Notes becoming subject to the Securitisation Regulation continue to be) in accordance with Article 405, paragraph (1) sub-paragraph (d) of the CRR and Article 51 paragraph (1) sub-paragraph (d) of the AIFM Regulation be comprised of an interest in the first loss tranche, and, if necessary, other tranches having the same or a more severe risk profile than those sold to the investors (and it is expected that, as from the Programme and the Notes becoming subject to the Securitisation Regulation, the same will apply in accordance with Article 6(3)(d) of the Securitisation Regulation).

### **Volcker Rule**

The Issuer is of the view that it is not now, and immediately following the issuance of any further Notes under the Programme and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". Although other exclusions and exemptions under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and under the Volcker Rule and related regulations may be available to the Issuer, the Issuer has relied on determinations that (i) it may rely on the exemption from registration as an "investment company" under the Investment Company Act provided by Rule 3a-7 thereunder and (ii) it does not rely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for its exemption from registration under the Investment Company Act and, accordingly, the Issuer may rely on the exemption from the definition of a "covered fund" under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) for their exemption from registration under the Investment Company Act.

### **U.S. Retention Undertaking**

The issuance of the Notes was not designed to comply with Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934 (the "**U.S. Risk Retention Rules**") other than the exemption under Section 246.20 of the U.S. Risk Retention Rules and no other steps have been taken by the Issuer, the Seller, the Arranger or the Dealer or any of their affiliates or any other party to accomplish such compliance.

## TRANSACTION PARTIES

Party	Name	Address	Further information
<b>Arranger</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	N/A
<b>Dealer</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	Additional Dealers may be appointed or removed from time to time. See "Subscription and sale" on page 203.
<b>Issuer</b> .....	Esmée Master Issuer NV/SA ( <i>Institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit Belge</i> )	Marnixlaan 23, 5 <sup>th</sup> floor, 1000 Brussels, Belgium	See "The Issuer" on page 221.
<b>Issuer Director</b> .....	Intertrust (Belgium) NV/SA, represented by Christophe Tans  Stichting Holding Esmée, represented by Irène Florescu.	Marnixlaan 23, 5 <sup>th</sup> floor, 1000 Brussels, Belgium	See "The Issuer" on page 221.
<b>Holding</b> .....	Stichting Holding Esmée	Marnixlaan 23, 5 <sup>th</sup> floor, 1000 Brussels, Belgium	See "The Issuer" on page 221.
<b>Holding Directors</b> ..	Brecht Guldemont  Irène Florescu  Intertrust Financial Services BV represented by Christophe Tans		See "The Issuer" on page 221.
<b>Seller</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis SA/NV" on page 234.
<b>Pool Servicer</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis

			SA/NV" on page 234.
<b>Originator</b> .....	BNP Paribas Fortis SA/NV or any subsidiary or predecessor thereof (predecessors include Belgolaise NV/SA, ASLK Bank NV/SA. and Generale Bank).	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis SA/NV" on page 234.
<b>Administrator</b> .....	Intertrust (Netherlands) B.V.	Basisweg 10, 1043 AP Amsterdam, the Netherlands	See "Stichting Security Agent Esmée" on page 238.
<b>Security Agent</b> .....	Stichting Security Agent Esmée	Basisweg 10, 1043 AP Amsterdam, the Netherlands	See "Stichting Security Agent Esmée" on page 238.
<b>Security Agent Director</b> .....	Intertrust (Netherlands) B.V.	Basisweg 10, 1043 AP Amsterdam, the Netherlands	See "Stichting Security Agent Esmée" on page 238.
<b>GIC Provider</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis SA/NV" on page 234.
<b>Interest Swap Counterparty</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis SA/NV" on page 234.
<b>Domiciliary Agent and Reference Agent</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis SA/NV" on page 234.
<b>Listing Agent</b> .....	BNP Paribas Fortis SA/NV	Rue Montagne du Parc 3, 1000 Brussels, Belgium	See "BNP Paribas Fortis SA/NV" on page 234.
<b>Auditor</b> .....	PwC Bedrijfsrevisoren BV	Culliganlaan 5, 1831 Diegem	See sub-heading "Auditors" under "The Issuer" on page 231.

<b>Stock Exchange</b>	Euronext Brussels (Regulated Market)	Rue du Marquis 1, bte 1, 1000 Brussels	N/A
<b>Clearing System</b>	National Bank of Belgium (Securities Settlement System)	Boulevard de Berlaimont 14, 1000 Brussels	N/A
<b>Rating Agencies</b>	Fitch Ratings Ireland Limited Succursale française	28 avenue Victor Hugo, 75116 Paris, France	N/A
	Moody's Deutschland GmbH	An der Welle 5, 60322 Frankfurt am Main, Germany	N/A

## SME LOANS, SALE AND SERVICING

Please refer to the sections "Description of SME Loans", "Sale of the SME Loans" and "SME Loan underwriting and servicing" for further detail in respect of the characteristics of the SME Loans and the sale and the servicing arrangements in respect of the SME Loans.

### Sale of SME Receivables

The SME Loans portfolio consists and will consist of the SME Receivables, which include any right of the Seller against any Borrower under or in connection with any SME Loan, as such right has been purchased or is to be purchased, in each case subject to and in accordance with the terms of the SME Receivables Purchase Agreement.

Under the SME Receivables Purchase Agreement the Seller is entitled to sell and assign and the Issuer is obliged to purchase and accept assignment of SME Receivables that satisfy the Eligibility Criteria on any Business Day before the end of the revolving period, to the extent offered to it, up to the Purchase Available Amount.

See "Sale of the SME Loans" on page 97 for more information.

### Features of SME Loans

The following is a summary of certain features of the SME Loans. Investors should refer to, and carefully consider, further details in respect of the SME Loans set out in "Description of SME Loans" on page 64.

<b>Security:</b>	The SME Loans may be secured by collateral, including (non-exhaustive list): mortgage, mortgage mandate, pledge on business, pledge on cash or securities, or a shareholder guarantee. For long term credits it is a rule to ask for collateral.
<b>Governing law:</b>	Belgian law
<b>Types of loans:</b>	<ul style="list-style-type: none"><li>• Investment Credit</li><li>• Instalment Credit</li><li>• Social and Fiscal Instalment Credit</li></ul>
<b>Performing :</b>	The SME Loans have characteristics that demonstrate the capacity to produce funds to service payments under the Notes

<b>Single advance:</b>	An SME Loan may consist of a single advance under a revolving Credit Facility
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## **Consideration**

Consideration payable by the Issuer in respect of each sale of SME Receivables consists of the Initial Purchase Price and the sum of all relevant Deferred Purchase Price Instalments.

## **Representations and Warranties**

In addition to representations and warranties in respect of the legal nature of the SME Loans and their Related Security (e.g. the valid, binding and enforceable nature of the relevant SME Loan and the Related Security), the Seller make certain representations and warranties on the relevant Purchase Date, including representations and warranties relating to the following subject matters:

- the SME Receivables being free from third-party rights;
- the SME Loans have been duly and validly performed;
- the proceeds of each SME Loan, having been fully disbursed;
- 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;
- 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;
- 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;
- no SME Receivable has a remaining maturity in excess of 30 years;
- the Borrower has made at least one payment in respect of the relevant Receivable.

See *Sale of the SME Loans - Representations and warranties* on page 100 for a full list of the representations and warranties under the SME Receivables Purchase Agreement.

## **Eligibility Criteria**

Only SME Receivables resulting from SME Loans which satisfy the Eligibility Criteria and the representations and warranties made by the Seller in the SME Receivables Purchase Agreement will be purchased by the Issuer.

See *Sale of the SME Loans - "Eligibility Criteria"* on page 105.

## **Repurchase of the 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 thirty-five (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 thirty-five (35) days following such amendment.

## **Consideration for repurchase**

The purchase price in case of a repurchase by the Seller of SME Receivables in the events described under (i) above, will be equal to the aggregate principal sum (*hoofdsom/principal*) due by the relevant Borrower under the Relevant SME Receivable (the "**Outstanding Principal Amount**") 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.

The purchase price in case of a repurchase by the Seller of SME Receivables in the events described under (ii) above, will be equal to the Outstanding Principal Amount minus the Loan Loss Reserve related to the Relevant SME Receivable (and after the occurrence of a Realised Loss in respect of such SME Receivable, zero), 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.

## **Perfection**

Upon an Assignment Notification Event, the Seller shall, unless the Security Agent instructs the Seller otherwise, notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Agent are notified of the assignment of the SME Receivables or, at its option, the Issuer shall be entitled to make such notifications itself.

## **Servicing of the SME Loans**

The Pool Servicer will 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 on a monthly basis to the Issuer Collection Account.

The appointment of the Pool Servicer may be terminated by the Security Agent or the Issuer (with the consent of the Security Agent) in certain circumstances, including events relating to the following matters:

- (a) payment default,
- (b) non-compliance with other covenants and obligations, and
- (c) insolvency.

After termination of the appointment of the Pool Servicer, the Security Agent and the Issuer shall use their best efforts to appoint a substitute pool servicer.

See "*Information relating to the Programme Structure*" on page 80, "*Servicing of the SME Loans*" on page 110 and "*SME Loan underwriting and servicing*" on page 69 for more information.



## SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled *Terms and Conditions of the Notes* on page 117 for further detail in respect of the terms of the Notes.

<b>Form of Notes</b>	Unless otherwise specified in the Final Terms, the Notes will be issued in the form of dematerialised notes. The Notes will be represented by book entries in the records of the Clearing System (ie. the X/N securities settlement system currently operated by the National Bank of Belgium).
<b>Currency</b>	The Notes may be issued in euro.
<b>Denominations</b>	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.
<b>Ranking</b>	<p>The Notes of each Class of any Series are direct and unconditional obligations of the Issuer and rank <i>pari passu</i> and rateably without any preference or priority among Notes of the same Class of any Series.</p> <p>Payments of principal and interest on the Notes of any Class of any Series due and payable on a Note Payment Date will rank ahead of payments of interest and principal on the Notes of all lower-ranking Classes of any Series (in each case, due and payable on such Note Payment Date).</p> <p>The ranking of Classes of Notes of any Series is as follows: first, Class A Notes, then Class B Notes, then Class C Notes, then Class D Notes, then Class E Notes, then Class F Notes, then Class G Notes.</p> <p>See Condition 2 (<i>Status, Priority and Security</i>).</p>
<b>Security for the Notes</b>	<p>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 "<b>Issuer Rights</b>").</p> <p>The amount payable to the Noteholders and to the other Secured Parties will be limited to the amounts available for such purpose which, <i>inter alia</i>, 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.</p> <p>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.</p>
<b>Interest Provisions</b>	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 (subject to the possibility of Fixed Rates Notes switching to Floating Rate Notes as from the Step-Up Date as set out below).

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 25<sup>th</sup> 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) in each year (each such day being a "**Note Payment Date**").

Please refer to Condition 4 (*Interest*) and the Final Terms for the relevant Tranche of Notes for the applicable interest provisions.

<b>Interest Switch/Step-up</b>	If on the relevant 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 4.1(d) ( <i>Interest following the Step-up Date</i> ) and Condition 4.2(d) ( <i>Interest following the Step-up Date</i> ) in case the Issuer notifies the Noteholders in time of redemption of the relevant Series and Class, or Sub-class of Notes.
<b>Interest Priority of Payments</b>	<p>Prior to the delivery of an Enforcement Notice, the Issuer has to apply the Interest Available Amount on each Note Payment Date in accordance with the Interest Priority of Payments. The Issuer can pay the next creditor in line only if and to the extent that payments or provisions of a higher order of priority have been made in full.</p> <p>The failure to pay interest on a Series and that default continuing for a period of fifteen (15) days will be an Event of Default.</p>
<b>Issuance Test</b>	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 <i>Issuance Tests</i> .
<b>Issue Price</b>	Notes will be issued at an issue price which is set out in the Final Terms.
<b>Repayment Test</b>	Repayment of principal on the Subordinated Notes of any Class is subject to fulfilment of, <i>inter alia</i> , 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.
<b>Structure of the Notes</b>	The Notes can be Pass-through Notes or Soft-bullet Notes, as specified in the Final Terms. 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.

**Pass-through of the 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 prior to their respective Final Maturity Dates (i) if the Pro-rata Condition is satisfied, on a pro-rata basis among all Classes and Series of Pass-through Notes and (ii) if the Pro-rata Condition is not satisfied, on a sequential basis per Class of each Series of Pass-through Notes. See Condition 6.2.

**Soft-bullet Notes**

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 of each Series will switch to Pass-through Notes and will be subject to mandatory (partial) redemption on a sequential basis.

**Regulatory Call Option of the Seller**

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 Issuer has undertaken in the SME Receivables Purchase Agreement to re-sell and re-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 *Information relating to the Programme 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 6.9 (*Redemption for Regulatory Reasons*) and Condition 9.2 (*Principal*).

**No Tax Gross-up**

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.

## Redemption

The Notes are subject to the following optional or mandatory redemption events (as fully set out in Condition 6 (*Redemption and cancellation*)):

- *Mandatory redemption (pass-through etc.)* – mandatory redemption in part or in full in accordance with Condition 6.2;
- *Optional redemption as from the Step-up Date* – optional redemption of a Series and Class or Sub-Class of Notes, other than the Reserve Fund Notes of such Series, exercisable by the Issuer in whole but not in part on the date specified as the Step-up Date for such Notes in the Final Terms and on any Note Payment Date for such Notes thereafter, in accordance with Condition 6.4;
- *Clean-up Call of a Series and Class or Sub-class* – optional redemption of a Series and Class or Sub-Class of Notes, other than the Reserve Fund Notes, exercisable by the Issuer in whole but not in part at their Principal Amount Outstanding together with any accrued interest, on any Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes of such Series and Class or Sub-class (other than the Reserve Fund Notes) 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, in accordance with Condition 6.5;
- *Clean-up Call of the Programme* – optional redemption of all of the Notes, but not some only, exercisable by the Issuer, at their aggregate Principal Amount Outstanding plus any accrued interest, 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 reached since the Programme Closing Date, or (b) of the occurrence of an Assignment Notification Event, in accordance with Condition 6.6;
- *Redemption of the 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.

- *Tax Call* – optional redemption of the Notes exercisable by the Issuer in whole, at their Principal Amount Outstanding plus any accrued interest, for tax reasons, in accordance with Condition 6.8;
- *Regulatory Call* – optional redemption of the Notes exercisable by the Issuer in whole, at their Principal Amount Outstanding plus any accrued interest, for regulatory reasons, in accordance with Condition 6.9;
- *Redemption due to change of law* – optional redemption of all (but not some only) of the Notes, exercisable by the Issuer on each date 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, in accordance with Condition 6.10
- *Early redemption of Series-0 Notes* – optional redemption exercisable by the holder of a Note of Series-0 in whole or in part to the extent that funds are available in the Principal Available Amount (for all Notes of Series-0 other than Reserve Fund Notes) or the Reserve Account (for Reserve Fund Notes of Series-0), in accordance with Condition 6.11.

**Effect of a Trigger Event** 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.

**Events of Default** As more fully set out in Condition 10 (*Events of Default*) of the terms and conditions of the Notes, the Events of Default broadly include (where relevant, subject to any applicable grace period):

- a default in the payment on the due date of any amount due in respect of the Notes;
- breach of any of the contractual obligations by the Issuer;
- certain insolvency related events with respect to the Issuer;
- any action being taken by any authority, court or tribunal, which results in the loss of the Issuer of its status as an "institutional

VBS" 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 Programme.

#### **Limited Recourse**

All Notes are and will be limited recourse obligations of the Issuer. 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 on behalf of the Noteholders and 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.

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 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, which is described in more detail in Condition 9 (*Subordination and limited recourse*) of the terms and conditions of the Notes.

#### **Enforcement**

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.

#### **Non petition**

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;
- may 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.

#### **Governing Law**

The Notes will be governed and construed in accordance with Belgian law.

#### **Transfer and holding restrictions**

**The Notes offered by the Issuer may only be subscribed, purchased or held by investors that are Qualifying 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, the United States, Japan, Hong Kong, Singapore and Switzerland (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*.**

## RIGHTS OF NOTEHOLDERS

### Convening a Meeting

The meetings of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of all Series or of one or more Series and Class, as the case may be, may be convened by the Security Agent as often as it reasonably considers desirable.

Meetings of the Noteholders can be convened to consider matters relating to the Notes of one or more Series or Class of Notes by Noteholders holding no less than 10% of the Principal Amount Outstanding of each such Series or Class. Noteholders can also participate in a Noteholders' meeting convened by the Issuer or the Security Agent to consider any matter affecting their interests.

However, unless the Issuer has an obligation to take such action under the Relevant Documents, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Security Agent, without the consent of the Issuer and, if applicable, certain other transaction parties.

### Following an Event of Default

The Security Agent, 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) shall 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 an Event of Default occurs. Please also note *Relationship between Classes of Noteholders* below.

### Enforcement

If so directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding, the Security Agent has to, at any time after the Notes of any Class become due and payable, 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, provided that it shall have been indemnified to its satisfaction.

The Noteholders may proceed directly against the Issuer only if the Security Agent, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

### Noteholders Meeting provisions

#### Notice Periods

<i>Initial Meeting:</i>	First notice: 21 to 14 days before the meeting
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Second notice: at least 8 days after the first notice

*Adjourned Meeting:* 10 days (but can be reduced to at least 7 days in urgent cases)

### **Quorum**

*Initial Meeting:* For an Ordinary Resolution: one or more persons holding or representing at least 50 per cent. 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

For an Extraordinary Resolution (other than for a Basic Term Modification): 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

For an Extraordinary Resolution (for a Basic Term Modification): 75 per cent. 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

*Adjourned Meeting:* no quorum

### **Required Majorities**

*Resolution:* absolute majority of the validly cast votes and in case the votes are equally divided the proposal shall be deemed to be rejected

*Extraordinary Resolution (other than for a Basic Term Modification):* two-third majority of the validly cast votes

*Extraordinary Resolution (for a Basic Term Modification):* 75 per cent. majority of the validly cast votes

	<p><i>Written Resolution:</i> Written Resolution has the same effect as an Extraordinary Resolution.</p>
<b>Matters requiring Extraordinary Resolution</b>	<p>Broadly speaking, the following matters require an Extraordinary Resolution.</p> <ul style="list-style-type: none"> <li>• Basic Terms Change; and</li> <li>• change to the Conditions or any provisions of the Relevant Documents.</li> </ul> <p>See Annex 2 (<i>Provisions for meetings of Noteholders</i>) to the Conditions for further information.</p>
<b>Relationship between Classes of Noteholders</b>	<p>An Extraordinary Resolution of the holders of Class A Notes shall be binding on the Class A Notes and on all other Classes of Notes. An Extraordinary Resolution of the holders of a certain Class of Notes can only bind such Class of Notes and the lower Classes of Notes.</p> <p>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).</p> <p>A resolution which, in the sole opinion of the Security Agent,</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

- 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.
- 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.

**Seller as Noteholder**

The Issuer may issue Series-0 Notes directly to the Seller and/or any direct or indirect subsidiary of the Seller, and/or any entity of the group of the Seller. See "Issuance of Notes" in the Programme Agreement.

**Relationship between Noteholders and other Secured Creditors**

The Security Agent shall have regard to the interests of the Noteholders and 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. See Condition 2.3.

**Provision of Information to the Noteholders**

Information in respect of the underlying SME Receivables will be provided to the investors on a quarterly basis in the Quarterly Investor Report and in accordance with the Securitisation Regulation, Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 (the "**Transparency Directive**"). See *Where more information can be found* on page 241.

**Communication with Noteholders**

Noteholder meetings shall be held in Brussels at a place and at a time to be designated in the notice convening the meeting. The notice shall be given not less than fourteen (14) and not more than twenty-one (21) calendar days before the meeting, excluding the date of publication of the notice and the date of the meeting. Notice shall be done by publication in English, Dutch and French on the relevant Bloomberg page.

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 at least two Business Days before a Payment Date.

## CREDIT STRUCTURE AND CASHFLOW

<b>Issuer Collection Account</b>	The Issuer maintains the Issuer Collection Account with the GIC Provider. On each Collection Payment Date all amounts of interest and principal received under the SME Receivables are transferred by the Pool Servicer to the Issuer Collection Account in accordance with the Servicing Agreement.
<b>GIC Agreement</b>	The Issuer and the GIC Provider have entered into GIC Agreement under which the GIC Provider pays an agreed interest rate on the balance standing from time to time to the credit of the Issuer Accounts.
<b>Interest Swap Agreements</b>	The Issuer has entered into the Interest Swap Agreement 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 may enter into further Interest Swaps. See <i>Information relating to the Programme Structure - Interest Rate Hedging</i> .
<b>Reserve Account</b>	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 Amount on a Note Payment Date, and to repay the Reserve Fund Notes.
<b>Summary of Interest Priority of Payment</b>	Below is a summary of the priority of payments with regard to the interest payments.

### Prior to the delivery of an Enforcement Notice

The Issuer applies the Interest Available Amount on the immediately succeeding Note Payment Date as follows:

1. the fees or other remuneration to the Directors and any costs incurred by the Security Agent;
2. the fees and expenses to the Administrator and the Pool Servicer;
3. any amounts due and payable to third parties under obligations incurred in the Issuer's business;
4. amounts due but unpaid under the Interest Swap Agreement (except for the Interest Swap Counterparty Default Payment);
5. interest due in respect of the Notes, as long as no shortfall is reflected in the Principal Deficiency Ledger of a higher ranked Class of Notes;

6. amounts to be deposited on the Reserve Account until the Reserve Account reaches the Reserve Account Target Level;
7. amounts of principal due in respect of the Reserve Fund Notes in case not redeemed in full at their Maturity Date or after a Trigger Event;
8. the Interest Swap Counterparty Default Payment; and
9. Deferred Purchase Price Instalment to the Seller.

*See Information relating to the Programme Structure - Interest Priority of Payments.*

#### Following delivery of an Enforcement Notice

See below *Following delivery of an Enforcement Notice in Summary of Principal Priority of Payment.*

### **Summary of Principal Priority of Payment**

Below is a summary of the priority of payments with regard to the principal payments.

#### Prior to a Trigger Event or Enforcement Notice

The Issuer applies the Principal Available Amount on each Monthly Payment Date as follows:

1. principal due under the Notes of Class A, Class B, Class C and Class D (if the Pro-Rata Condition is satisfied) and principal due under the Notes of Class A, Class B, Class C and Class D sequentially in that order for each Class until fully repaid (if the Pro-Rata Conditions is not satisfied);
2. payment of (part of) the Initial Purchase Price in respect of New SME Receivables.

*See Information relating to the Programme Structure - Principal Priority of Payments prior to a Trigger Event.*

#### After a Trigger Event but before delivery of an Enforcement Notice

The Issuer applies the Principal Available Amount on each Monthly Payment Date on a pro rata basis, principal due under the Notes of Class A, Class B, Class C and Class D (in that order), for each Class until fully repaid.

*See Information relating to the Programme Structure - Principal Priority of Payments after a Trigger Event.*

#### Following delivery of an Enforcement Notice

Any amounts payable by the Security Agent will be paid to the Secured Parties (including the Noteholders) in the following order of priority:

1. fees or other remuneration due to the Directors, any cost incurred by the Security Agent, fees and expenses of the Domiciliary Agent and the Reference Agent, and fees and expenses of the Administrator and the Pool Servicer;
2. amounts due under the Swap Agreements;
3. amounts of interest, principal, and any other amount due in respect of the Notes, provided that Class A Noteholders are paid out first, followed by Class B Noteholders, followed by Class C Noteholders, followed by Class D Noteholders followed by Class E Noteholders, followed by the Class F Noteholders and followed by the Class G Noteholders;
4. Interest Swap Counterparty Default Payments payable to the Swap Counterparties;
5. Deferred Purchase Price Instalments to the Seller.

*See Information relating to the Programme Structure - Priority of Payments upon Enforcement.*

## TRIGGERS TABLES

Transaction Party	Required Ratings / Triggers	Possible effects of Trigger being breached include:
<b>Seller</b> .....	<p>the Seller's long term Issuer Default Rating ("IDR") by Fitch falls below BBB or such rating is withdrawn</p> <p>the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's falls below Baa3 or such rating is withdrawn</p>	Assignment Notification Event
<b>Seller Collection Account Provider</b> .....	<p>the rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Seller Collection Account Provider falls below Prime-1 by Moody's or such rating is withdrawn</p> <p>the short-term IDR of the Seller Collection Account Provider falls below F1 by Fitch or such rating is withdrawn</p> <p>the long-term IDR of the Seller Collection Account Provider falls below A by Fitch or such rating is withdrawn</p>	<p>Guarantee for payment of amounts received on Seller Collection Account relating to SME Receivables by a party having at least the required rating; or</p> <p>daily sweep into Issuer Collection Account; or</p> <p>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</p>
<b>Pool Servicer</b> .....	<p>the Pool Servicer's long term IDR by Fitch falls below BBB- or such rating is withdrawn</p> <p>the credit rating of the Pool Servicer's long term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's falls below Baa3 or such rating is withdrawn</p>	<p>best efforts to promptly (i) appoint a back-up pool servicer which would be ready and able to assume the role as substitute pool servicer, and (ii) enter into an agreement with such back-up pool servicer pursuant to which such back-up pool servicer agrees to receive from the Pool Servicer and maintain portfolio data via quarterly portfolio downloads, ensuring its capability to smoothly assume the Pool Servicer's role upon the occurrence of a</p>



		Termination Event and to transfer from Warm Back-Up Servicing into full servicing as substitute pool servicer substantially on the terms of this Agreement upon the occurrence of a Termination Event
<b>GIC Provider .....</b>	the GIC Provider's long-term IDR (or deposit rating, if available) by Fitch falls below A or such rating is withdrawn	Obtain a third party to with the required ratings to guarantee the obligations of the GIC Provider
	the GIC Provider's short-term IDR (or deposit rating, if available) by Fitch falls below F1 or such rating is withdrawn	Appoint a substitute GIC Provider with the required ratings
	the credit rating of the GIC Provider's short term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's falls below Prime 1 or such rating is withdrawn	
<b>Interest Swap Counterparty .....</b>	the long-term IDR (or derivative counterparty rating, if available) of the Interest Swap Counterparty (or, if these obligations of the Interest Swap Counterparty are not rated by the Fitch, of the guarantor who guarantees the obligations of the Interest Swap Counterparty) falls below A by Fitch or, if the highest then current rating of any Class of Notes is lower than AAAsf, the rating as set out in the Interest Swap Agreement	Termination of the Interest Swap Agreement
		Provision of collateral
		Transfer to another entity with the required ratings
		Procuring an entity with the required ratings as co-obligor under the Interest Swap Agreement
	the short-term IDR (or derivative counterparty rating, if available) of the Interest Swap Counterparty (or, if these obligations of the Interest Swap Counterparty are not rated by the Fitch, of the guarantor who guarantees the obligations of the Interest Swap Counterparty) falls below F1 by Fitch, or, if the	

highest then current rating of any Class of Notes is lower than AAAsf, the rating as set out in the Interest Swap Agreement

the rating of the long-term, unsecured and unsubordinated debt obligations of the Interest Swap Counterparty falls below A2 by Moody's (or, if it is not subject to a short term rating, falls below A1 by Moody's) or such rating is withdrawn

the rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Interest Swap Counterparty falls below Prime-1 by Moody's or such rating is withdrawn

**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.

## Non-Asset Trigger Events

Non-Asset Trigger Events relate primarily (but not exclusively) to events associated with the Seller/Service.

Name of Trigger	Description of Trigger	Consequence of Trigger
Assignment Notification Event ....	<p>(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</p> <p>(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</p> <p>(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</p> <p>(d) the Seller takes any corporate action or other steps are taken or legal</p>	<p>The Seller shall, unless the Security Agent instructs the Seller otherwise (in which case it shall notify the Rating Agencies in advance of its instruction to do so), 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 or, at its option, the Issuer shall be entitled to make such notifications itself</p>

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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 reorganisation measures (*saneringsmaatregel/mesure d'assainissement*) as referred to in Article 3, 56° of the law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms ("**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 Collection Account Provider Rating 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

	<p>Rating, and (2) has not transferred to the escrow account within fourteen (14) calendar days after such downgrade, an amount equal to the sum of (A) the amount held on the Seller Collection Accounts and (B) an amount equivalent to the next instalment payable under the SME Loans of the Borrowers and (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 ten (10) calendar days after such downgrade; or</p> <p>(j) the Seller's long term IDR falls below BBB by Fitch or such rating is withdrawn; or</p> <p>(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</p>	
Pledge Notification Event.....	<p>(a) an Assignment Notification Event as referred to under clause 8.1 of the SME Receivables Purchase Agreement has occurred; or</p> <p>(b) an Event of Default as referred to under Condition 10 has occurred; or</p> <p>(c) the Security Agent is so required by an order of any court or supervisory authority; or</p> <p>(d) whether by reason of a change in law or case law or for any other reason, the Security Agent reasonably considers it necessary to protect the interests of the Secured Parties in the Pledged Assets and/or under this Agreement</p>	Notice to the Borrower or obligors of Loan Security of the Pledge
Security Agent Termination Event....	<p>(a) an order is made or an effective resolution is passed for the dissolution (<i>ontbinding/dissolution</i>) of the Security Agent except a dissolution</p>	The Issuer may by notice in writing terminate the powers delegated to the Security Agent under the

	<p>(<i>ontbinding/dissolution</i>) for the purpose of a merger where the Security Agent remains solvent; or</p> <p>(b) 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</p> <p>(c) 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</p> <p>(d) the Security Agent becomes subject to any bankruptcy (<i>faillissement/faillite</i>), judicial reorganisation (<i>gerechtelijke reorganisatie/réorganisation judiciaire</i>) or other insolvency proceeding under applicable laws; or</p> <p>(e) 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;</p>	<p>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.</p>
<p>Servicer Termination Event.....</p>	<p>(a) a default is made by the Pool Servicer and/or the Administrator in the payment on the due date of any payment due and payable by either of them under this Agreement and such</p>	<p>The Security Agent or the Issuer may at once or at any time thereafter while such default continues by notice in writing to the Pool</p>

default continues unremedied for a period of fourteen (14) days after the earlier (i) of the Pool Servicer and/or the Administrator becoming aware of such default and (ii) receipt by the Pool Servicer and/or the Administrator of written notice by the Security Agent requiring the same to be remedied; or

- (b) a default is made by the Pool Servicer and/or the Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Security Agent is materially prejudicial to the interests of the Issuer and/or the holders of any Class of Notes and (except where, in the reasonable opinion of the Security Agent, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of fourteen (14) days after the earlier of (i) the Pool Servicer and/or the Administrator becoming aware of such default and (ii) receipt by the Pool Servicer and/or the Administrator of written notice from the Security Agent requiring the same to be remedied; or
- (c) the Pool Servicer or the Administration, acting through its board of directors or any of its directors having such authority, 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
- (d) the Pool Servicer or the Administrator, acting through its board of directors or any of its directors having such authority, 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 reorganisation measures

Servicer and/or, as the case may be, the Administrator terminate the Servicing Agreement with effect from a date (not earlier than the date of the notice) specified in the notice. In the case of bankruptcy, termination will be automatic with the obligation for the Pool Servicer to continue properly performing the services until a substitute has replaced the Pool Servicer.

(*saneringsmaatregel/mesure d'assainissement*) as referred to in Article 3, 56° 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

- (e) at any time it becomes unlawful for the Pool Servicer or Administrator to perform all or a material part of its obligations hereunder

Trigger Event.....

- (a) an amount is debited to the Class A Principal Deficiency Ledger;
- (b) 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;
- (c) 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, reorganisation measures 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;
- (d) 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 sixty (60) calendar days following such termination;
- (e) on a given Note Payment Date, after application of the Pass-through Principal Available Amount in

Soft-bullet Notes will become Pass-through Notes and all Pass-through Notes will be subject to mandatory (partial) redemption on a sequential basis.

The Issuer may no longer purchase New SME Receivables

The Issuer may not issue new Notes.

Holders of Notes of Series-0 may no longer request the Issuer to redeem such Notes early



accordance with the Principal Priority of Payments, an amount remains standing to the credit of the Issuer Collection Account which is in excess of an amount equal to 10 per cent of the Principal Amount Outstanding of the Soft-bullet Notes, other than the Reserve Fund Notes, on such Note Payment Date, and if such an excess amount has been continuously outstanding on the Issuer Collection Account for at least six (6) months prior to the relevant Note Payment Date; or

- (f) more than 2 per cent. of the aggregate Outstanding Principal Amount of the SME Loans is in arrears for more than 90 days.

Pro-rata Condition ....

- (a) 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,;
- (b) 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 9.2(b);
- (c) 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

If the Pro-rata Condition is satisfied, on each Note Payment Date, the Issuer will apply the Pass-through Principal Available Amount in respect of each Class of Notes to redeem (or partially redeem) the Pass-through Notes of that Class of Notes (of any Series), other than Reserve Fund Notes, on a pro rata basis within each Class (irrespective of their Series)

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

## Asset-Trigger Events

Name of Trigger	Description of Trigger	Consequence of Trigger
Principal Deficiencies....	<p>the aggregate amount standing to the credit of the Principal Deficiency Ledger of a Class is positive on the previous Note Payment Date or, if the Issue Date is a Note Payment Date, on the Issue Date</p> <p>the aggregate amount standing to the credit of the Principal Deficiency Ledgers is positive on the Note Payment Date</p>	<p>The Issuance Test is not fulfilled so that no new Notes of the Class can be issued.</p> <p>The principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6.2 (<i>Mandatory redemption</i>) in respect of each Note of that Class on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Principal Shortfall in respect of that Note on such Note Payment Date</p>

## FEES

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fees .....	0.055 per cent. per annum calculated over the aggregate Outstanding Principal Amount of all SME Receivables	Before the Notes	Annually
Administrator Fee..	EUR 20,000 excl. VAT, which starting on the first Note Payment Date falling in 2011, is increased with a percentage equal to the Consumer Price Index ( <i>Geharmoniseerd indexcijfer der consumptieprijzen</i> )	Before the Notes	Annually
Security Agent Fee	EUR 5,000 excl. VAT	Before the Notes	Annually
Rating Agencies, Auditors, National Bank of Belgium, FSMA, and other regular costs and expenses of the Issuer.....	Estimated at EUR 100,000 per year	Before the Notes	Annually

## RISK FACTORS

*The Issuer believes that the following risk factors are specific to the Issuer and/or the Notes and are material for taking an informed investment decision with respect to the Notes. If you are considering purchasing a series and class of notes to be issued by the Issuer, you should carefully read and consider all the information contained in this Base Prospectus and in the applicable Final Terms, including the risk factors set out in this section, prior to making any investment decision. The first risk factors described in each category below are the risk factors that the Issuer deems most material, taking into account the negative impact on the Issuer and the Notes, and the probability of their occurrence.*

*This Base Prospectus contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Base Prospectus.*

*Any of the risks described below or additional risks not currently known to the Issuer could have a significant or material adverse effect on the business, financial condition, operations or prospects of the Issuer and could result in a corresponding decline in the value of the Notes or the temporary or permanent inability of the Issuer to repay the Notes or pay interests or other amounts due to the Noteholders. As a result of any inability of the issuer to make payments, investors could lose all or a substantial part of their investment.*

### RISK FACTORS RELATING TO THE ISSUER

#### **The Issuer has limited resources available to it to make payments on the Notes**

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 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 *Information relating to the Programme Structure*.

Other than the foregoing, the Issuer will not have any sources of funds available to meet its obligations under the Notes and/or any other payments ranking in priority to the Notes. The activities of the Issuer are restricted and the Issuer will not be able to develop other activities or change its operating model. If the resources described above are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Parties subject to the applicable Priority of Payments, without any further recourse against the Issuer or any other person.

#### **The Issuer is highly dependent on BNP Paribas Fortis SA/NV and other third parties to comply with its obligations under the Notes and the Relevant Documents**

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. The Issuer will in particular be dependent on BNP Paribas Fortis SA/NV as GIC Provider, Pool Servicer, Interest Swap Counterparty, Domiciliary Agent, Reference Agent and Listing Agent. As a result, the Issuer is also exposed to BNP Paribas Fortis SA/NV's operational risk, including the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks). This risk is mitigated by provisions requiring the replacement of BNP Paribas Fortis SA/NV in some of those capacities in case of certain triggers (such as rating triggers), but there can be no assurance that a replacement service provider will be found in time or at all, or under the same conditions.

**The Issuer may issue further Tranches or new Series of Notes without the consent of existing Noteholders, and such Notes may have more favourable terms than existing Notes, may affect the risk and redemption profile of existing Notes, and may lead to dilution of existing Noteholders**

The Issuer may issue further Notes from time to time, subject to only limited restrictions (see *Issuance Tests*). New Notes may be issued without notice to existing Noteholders and without their consent, and may have different terms from outstanding Notes. A wide range of Notes may be issued under the Programme, which may be complex to understand.

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.

### **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.

## **RISK FACTORS RELATING TO THE SME LOANS**

### **Defaults on the SME Receivables may affect the Issuer's ability to make principal and interest payments on the Notes**

Payments on the SME Receivables are subject to credit risk, interest rate risk and liquidity risk. This may be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and similar factors.

The economic context in general has become much more difficult in recent months: the changed monetary policy by the ECB, the supply chain problems which are not getting any better due to the strong slowdown in China, the war in Ukraine and rising inflation (resulting *inter alia* from high energy prices), have lowered consumer confidence and economic outlooks. In that context, the creditworthiness of SME borrowers and their ability to repay the SME Loans may be adversely impacted. 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.

### **The Issuer is subject to concentration risk**

As the Issuer exclusively invests in Belgian SME Receivables, the Issuer is exposed to concentration risk. The Issuer may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Issuer's investments more than the market as a whole, to the extent that the Issuer's investments are concentrated in, *inter alia*, country, group of countries, region, market, industry, group of industries, sector, market segment or asset class.

However, these risks are spread over a large number of individual loans and over various geographical areas. The Belgian market is relatively stable. Interest rate increases and other factors, such as relevant personal factors (e.g. illness), may lead to losses of outstanding SME Receivables.

Further, the risk that the above factors could put the Issuer at risk of not meeting its obligations are hedged, *inter alia*, through the subordination of payment priority of part of the purchase price of the SME Receivables and to some extent an application of an excess spread mechanism in the Interest Swap Agreement with BNP Paribas Fortis SA/NV.

The expected evolution of the relationships and dependencies with BNP Paribas Fortis SA/NV were found to be positive due, among other things, to the shareholding structure of that bank.

### **Risks of losses associated with declining values of mortgage 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.

### **Certain SME Mortgage Receivables are only partly secured by a Mortgage, and partly by a Mortgage Mandate, which provides less legal certainty than a Mortgage**

Certain SME Mortgage Receivables are only partly secured by a Mortgage, with the remaining part of the principal amount of the SME Receivable being secured 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 Assets, but needs to be converted first into a registered 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 ranking of the Mortgage is based on the date of registration 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*), mortgage duties (*hypotheekrechten / droits d'hypothèque*) and other costs will be payable before the Mortgage can be executed and registered, amounting in most cases to approximately 1.3% to 1.6% of the secured amount of the Mortgage.

The following limitations, among other things, 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 and the seizing creditor will rank prior to the newly converted Mortgage;
- (c) if the Borrower or the third party provider of Related Security is an enterprise (including a natural person acting as a private trader) subject to insolvency laws:
  - (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 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 "suspect period" or "hardening 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 Borrower or the third party provider of Related Security, as the case may be, is a corporation (*vennootschap / société*) that has started dissolution and/or liquidation proceedings prior to the conversion, it may be impossible to convert of the Mortgage Mandate into a Mortgage;
- (e) if the Borrower or the third party provider of Related Security, as the case may be, is a private person and has started collective debt settlement proceedings, a Mortgage registered at the Mortgage Registrar after the court has declared the request admissible, is not enforceable against the other creditors of the Borrower or of the third party provider of Related Security;
- (f) 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 to the benefit of third parties (such as the legal mortgage of the tax authorities) to the extent these legal mortgages are registered before the exercise of the Mortgage Mandate (and subsequent registration at the Mortgage Registrar). 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; and
- (g) if the Borrower or the third party provider of Related Security, as the case may be, is a private person, certain limitations apply to the conversion of the Mortgage Mandate into a Mortgage if the Borrower or 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.

If any of the events described above occurs, the Issuer may receive less money than anticipated from the SME Receivables which may affect the ability of the Issuer to repay the Notes.

**The Issuer (and the Noteholders as beneficiary of the Security over the SME Receivables) may not have the benefit of the assignment of salary granted as part of Related Security, and the assignment of salary may not be first-ranking**

The Loan Security in relation to an SME Loan may include an assignment by a Borrower (who is also an employee) of his/her salary. The assignment of 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 (the "**Salary Protection Act**").

In respect of such assignment of salary, it should be noted that the Borrower may have assigned his salary as security for debts other than the SME Loans; the assignee who first starts actual enforcement of the assignment against the Borrower would have priority over the other assignees.

In the absence of reported precedents, it is not absolutely certain to which extent the Seller can validly transfer the benefit of such assignment 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 affect the ability of the Issuer to meet its obligations in full to pay interest and principal in respect of the Notes.



**The sale to the Issuer and pledge to the Noteholders of SME Receivables is subject to adverse events until notice of the sale and pledge is given to the relevant Borrower or other relevant debtor thereof**

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.

Until notice is given to the Borrowers and third party providers of security:

- (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 (or, following notification of the assignment of the SME Receivables but prior to the notification of the pledge of the SME Receivables, to the Issuer) and the Issuer (or the Secured Parties, as applicable) will have no further recourse against the Borrower (or the provider of Loan Security, as the case may be) even if the Seller (or the Issuer, as applicable) does not transfer such payments to the Issuer (or to the Security Agent on behalf of the Secured Parties, as applicable) or if the appointment of the Seller as Pool Servicer is terminated;
- (b) the Seller (or, following notification of the assignment of the SME Receivables but prior to the notification of the pledge of the SME Receivables, to the Issuer) can agree with the Borrowers or the other collateral providers to vary or waive the terms and conditions of the SME Receivables, the Mortgages, or the other Loan Security without the consent of the Issuer (or the Secured Parties, as applicable) and such variation or waiver is binding on the Issuer and the Secured Parties even if made in violation of the restrictions on such variations and waivers in the Relevant Documents;
- (c) 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, even if such assignment or pledge is given in violation of representations or restrictions relating to such assignments or pledges to third parties in the Relevant Documents;
- (d) payments made by Borrowers or other providers of Loan Security to a creditor of the Seller (including following an attachment (*derdenbeslag/saisie-arrêt*) in respect of a SME Receivable or Loan Security by a creditor of the Seller), will validly discharge their respective obligations under the SME Receivables or the Loan Security provided the Borrowers or the other collateral providers (as the case may be) and such creditor of the Seller acted in good faith at the time such payment was made;
- (e) borrowers or providers of Related Security may raise against the Issuer (or the Security Agent, the Noteholders and/or any other Secured Party) all rights and defences which existed against the Seller prior to notification of the transfer or pledge, including any set-off rights with respect to claims of the Borrower, Insurance Company or other provider of Related Security on the Seller and any defence of non-performance (unless the Seller has become subject of insolvency proceedings or a situation of concurrence of creditors (*samenloop/concours*), to the extent that the conditions for set-off or the defence of non-performance were only satisfied following or as a result of such insolvency proceedings or concurrence of creditors).

Even after notice of the assignment of SME Receivables (and the Loan Security) is given, the Borrowers (or the providers of Loan Security, as the case may be) can still invoke set-off or the defence of non-performance against the Issuer (and the Secured Parties) to the extent that the conditions for set-off or the defence of non-performance were already satisfied prior to such notification.

The SME Receivables Purchase Agreement provides that upon the occurrence of certain Assignment 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 Loan Security (see *SME Receivables Purchase Agreement*, 7 (*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).

There may be a delay between (i) the occurrence of an Assignment Notification Event, (ii) the Seller, the Issuer, the Security Agent and/or any other relevant party becoming aware of the occurrence of the Assignment Notification Event, and (iii) practical measures being taken and completed for the actual notification of the Borrowers and other debtors of Loan Security. If any of the events described in paragraphs (a) to (e) above would occur prior the Borrowers and third party providers of security having been notified of the assignment or pledge of the SME Receivables, the Issuer or the Secured Parties (as applicable) would not have any recourse against the relevant Borrowers or third party providers of security. In such cases, the Issuer or the Secured Parties (as applicable) may suffer losses or payment delays in respect of the relevant SME Receivables (and related Loan Security) and, consequently, this could affect the ability of the Issuer to repay the Notes.

### **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.

### **Prepayment Risk**

The average maturity of the Notes may be 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 (e.g. in the context of an environment with rising interest rate trends, prepayments on part of the portfolio with a fixed interest rate is expected to be lower), changes in tax laws (including, but not limited to, amendments to interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour. No guarantee can be given as to the level of prepayments of principal on any SME Loan prior to its scheduled due date in accordance with the provisions for prepayments provided for in the relevant SME Loan documents (each a Prepayment) that the SME Loans may experience, and variation in the rate of prepayments of principal on the SME Loans may affect each Class of Notes differently.

This risk of prepayments is partially mitigated by any contractual penalty which may be applicable in the event of a Prepayment (each a Prepayment Penalty) payable by the Borrower. In accordance with Article 9 of the Law of 21 December 2013 regarding the financing of small and medium sized enterprises (the "**SME Financing Law**"), a Borrower who entered into a credit agreement after 10 January 2014 may at any time prepay the entire outstanding amount of its SME Loan, provided that:

- (a) the Borrower gives the lender 10 business days prior notice per registered letter; and

- (b) the Borrower pays a prepayment fee (if agreed with the lender) in accordance with limitations set out in article 9, §2 of the SME Financing Law.

For loans not falling under the SME Financing Law (including those entered into prior to the application of the SME Financing Law), the application of the limitation on prepayment fees in respect of loan agreements as provided for in article 1907bis of the Belgian (Old) Civil Code (limiting the prepayment fee to a maximum of 6 months interest calculated on the basis of the prepaid amount and the interest rate applicable in the agreement) has for long been a subject of debate in legal writing and case law. To date, the argumentation that only loan agreements are covered by the limitation on prepayment fees as set out in article 1907bis of the Belgian (Old) Civil Code, but that credit facilities would not be captured, is under pressure.

Finally, in the context of an environment of rising interest rates, prepayments on the portfolio may lead to an improvement of the average interest rate on the portfolio insofar as the Seller is able to replenish the portfolio with New SME Receivables to which a higher interest rate applies.

### **No searches or investigations by the Issuer, the Security Agent or the Administrator**

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 thirty-five (35) calendar 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. The Issuer and the Security Agent will have no other remedy in respect of such breach if the Seller fails to effect such repurchase in accordance with the SME Receivables Purchase Agreement. This may affect the quality of the SME Receivables and the Related Security and accordingly the ability of the Issuer to make payments on the Notes.

### **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 enterprise court (*ondernemingsrechtbank/tribunal d'entreprise*) 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. 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.

## **RISKS RELATING TO THE STRUCTURE OF THE PROGRAMME**

### **Risks relating to the termination of the 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 an Interest Swap Counterparty (see *Information relating to the Programme Structure - 14. Interest Rate Hedging*)).

The Interest Swap Counterparty is obliged to make payments under the 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. The Interest Swap Agreement will provide, however, that if a Tax Event occurs, the interest Swap Counterparty may (in accordance with the transfer provisions of the Interest Swap Agreement and the Security Agent Agreement) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

The 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 such 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 Interest Swap Agreement or if the Interest Swap Agreement is otherwise terminated, and unless a comparable replacement swap agreement is entered into, 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.

In addition, if the Interest Swap Agreement is terminated, the Issuer may in certain circumstances be required to make a termination payment to the Interest Swap Counterparty. Any such termination payment could be substantial and may affect the funds available to pay amounts due to the Noteholders.

### **Commingling Risk**

The Issuer's liability to make payments in respect of the Notes and to pay its operating and administrative expenses depends on funds being received from the Borrowers (and providers of Loan Security) by the Seller in its capacity as Pool Servicer and such funds subsequently being swept by the Pool Servicer to the Issuer Collection Account. The Pool Servicer may also collect other funds in the same account on which the payments by the Borrower (or the providers of Related Security, as the case may be) under the SME Receivables are made, and to this extent there may be a risk of commingling of proprietary funds of the Pool Servicer and the Issuer. 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) calendar 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 results 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 sixty (60) calendar 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.

### **Changes in law or tax rules may affect the expected cashflows of the Programme and reduce or delay payments in respect of the Notes**

The structure of the Programme described in this Base Prospectus and, *inter alia*, the issue of the Notes and the purchase of SME Receivables are heavily based on laws, tax rules, regulations, guidelines, rates and procedures, and administrative practice in effect at the date of this Base Prospectus. For example, the Issuer is relying on its status as an *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* in accordance with the UCITS Act to exclude almost all of its revenue from its taxable base for corporate income tax purposes, and to apply certain exemptions from Belgian withholding taxes and value added tax (VAT). No assurance can be given that there will be no change to such laws, tax rules, rates, procedures or administrative practice which might have an adverse impact on the Notes and the expected payments of interest and repayment of principal in respect of the Notes.

In some of those cases, the Issuer (but not the Noteholders) may have a right (but no obligation) to prepay the Notes. See Conditions 6.8 (*Redemption for tax reasons*) and 6.10 (*Redemption for Change of Law*).

Also, in certain cases relating to changes to the Bank Regulations (as defined in Condition 6.9 (*Redemption for regulatory reasons*)) or to Eurosystem eligibility of the Notes, the Seller may repurchase the Relevant SME Receivables by exercising the Regulatory Call Option, following which the Issuer may redeem the Notes in accordance with and subject to Condition 6.9 (*Redemption for regulatory reasons*).

### **Risks relating to Ratings Confirmations**

The terms of certain of the Relevant Documents require that certain actions proposed to be taken by the Security Agent, the Issuer and certain other parties to the Relevant Documents may not proceed unless a confirmation from the Rating Agencies is received that such proposed action will not affect the rating of the Notes (a "**Ratings Confirmation**").

A written Ratings Confirmation may or may not be given at the sole discretion of that Rating Agency. It should be noted that no Rating Agency is obliged to provide any Ratings Confirmation (and any Rating Agency may refuse to do so for any reason, whether as a matter of general policy or in relation to such request specifically). Depending on the timing of delivery of the request and any information needed to

be provided as part of any such request, it may be the case that a Rating Agency cannot provide a written Ratings Confirmation in the time available or at all. No Rating Agency will be responsible for the consequences of any refusal or inability to provide a Ratings Confirmation or of any delay in providing a Ratings Confirmation.

A Ratings Confirmation from the Rating Agencies, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time. A Ratings Confirmation provided by a Rating Agency cannot be construed as advice for the benefit of any parties to the transaction. A Ratings Confirmation does not confirm that such action (i) is permitted by the terms of the Relevant Documents or (ii) is in the best interests of, or prejudicial to, the Noteholders.

To the extent that a Ratings Confirmation cannot be obtained, whether or not a proposed amendment, action, determination or appointment will ultimately take place will be determined in accordance with the provisions of the Relevant Documents.

**The Belgian bank recovery and resolution regime is applicable to BNP Paribas Fortis SA/NV as Seller, Pool Servicer, Interest Swap Counterparty and GIC Provider (and in other capacities)**

Directive 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") provides for the establishment of a new European-wide framework for the recovery and resolution of credit institutions and investment firms. The stated aim of the BRRD is to provide supervisory and resolution authorities, including the resolution college of the National Bank of Belgium within the meaning of Article 21ter of the Law of 22 February 1998 establishing the organic statute of the National Bank of Belgium, or any successor body or authority (the "**National Resolution Authority**" and, together with the national resolution authorities of other participating Member States, the "**NRAs**"), with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. BRRD had been transposed into Belgian law in subsequent stages pursuant to various laws, among which the Credit Institutions Supervision Act.

It should be noted that (i) certain elements of the Credit Institutions Supervision Act require further detailed measures to be taken by other authorities, in particular the National Bank of Belgium, (ii) certain elements of the Credit Institutions Supervision Act will be influenced by further regulations (including through technical standards) taken or to be taken at European level, and (iii) the application of the Credit Institutions Supervision Act may be influenced by the assumption by the European Central Bank of certain supervisory responsibilities which were previously handled by the National Bank of Belgium and, in general, by the allocation of responsibilities between the European Central Bank and the National Bank of Belgium.

In principle, the Issuer does not fall within the scope of the BRRD and its Belgian implementation as it does not qualify as a credit institution.

Although the exercise of powers by the National Bank of Belgium under the Credit Institutions Supervision Act could not affect the transfer of legal title to the SME Loans from the Seller to the Issuer completed prior to the exercise of such powers, there is a risk that such exercise of powers could adversely affect the proper performance by the Seller in each of its capacities under the Programme, including as the Pool Servicer, the Interest Swap Counterparty, the GIC Provider and the Reference Agent of its payment and other obligations to the Issuer and enforcement thereof against the such parties under the Relevant Documents.

**Risks relating to the European Market Infrastructure Regulation (EMIR)**

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**") which entered into force on 16 August 2012 establishes certain requirements for OTC derivatives contracts, including a mandatory clearing obligation (the "**Clearing Obligation**"), margin posting (the "**Collateral Obligation**") and other risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, and reporting and record-keeping requirements. EMIR has been amended by Regulation (EU) No 2019/834 ("**EMIR Refit 2.1**") on 20 May 2019. In general, the application of such regulatory requirements in respect of any derivative transactions under the Swap Agreement will depend on the classification of the counterparties to such derivative transactions.

Pursuant to EMIR, counterparties can be classified as: (i) financial counterparties ("**FCs**") (which, following changes made by EMIR Refit 2.1, includes a sub-category of small FCs ("**SFCs**")), and (ii) non-financial counterparties ("**NFCs**"). The category of NFC is further split into: (i) nonfinancial counterparties above the "clearing threshold" ("**NFC+s**"), and (ii) non-financial counterparties below the "clearing threshold" ("**NFC-s**"). Whereas FCs and NFC+ entities may be subject to the Clearing Obligation or, to the extent that the relevant derivative transactions are not subject to clearing, to the Collateral Obligation, such obligations do not apply in respect of NFC- entities.

The Issuer is currently an NFC-, although a change in its position cannot be ruled out. Should the status of the Issuer change to NFC+ or FC, this may result in the application of the Clearing Obligation or the Collateral Obligation, although it seems unlikely that the Interest Swap Agreement would be a relevant type of OTC derivative contract that would be subject to the Clearing Obligation under the relevant implementing measures made to date. It should also be noted that the Collateral Obligation should not apply in respect of derivative transactions entered into prior to the relevant application date, unless such derivative transaction is materially amended on or after that date.

OTC derivatives contracts that are not cleared by a an authorised or recognised central counterparty ("**CCP**") are subject to certain other risk mitigation techniques, including arrangements for timely confirmation of OTC derivatives contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivatives contracts. In order to comply with certain of these risk mitigation requirements the Issuer includes appropriate provisions in the Swap Agreement. In addition, under EMIR, counterparties must report all their OTC and exchange traded derivatives contracts to an authorised or recognised trade repository or to ESMA.

Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with the Clearing Obligation and the Collateral Obligation were they to be applicable, which may (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the Swap Agreement (possibly resulting in a restructuring or termination of the derivative transactions entered into under the Interest Swap Agreement) or to enter into swap agreements and/or (iii) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer to hedge certain risks. As a result, the amounts available to the Issuer to meet its obligations may be reduced, which may in turn result in investors' receiving less interest or principal than expected.

Finally, pursuant to the terms of the Conditions and the Security Agent Agreement, the Security Agent may agree, in order to comply with EMIR, without the consent of the Noteholders and the other Secured Parties to any modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of 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 the Security Agent has notified the Rating Agencies. Any such modification, authorisation or waiver shall be binding on the Noteholders and other Secured Parties.





## RISK FACTORS RELATING TO THE NOTES

**The Notes may have a much longer Final Maturity Date than the Step-Up Date or the expected average life of the Notes, and there is no guarantee that Issuer will exercise its right to redeem the Notes at the Step-up Dates**

On the relevant Step-up Date of each Note, the Issuer shall use its best efforts to redeem each Note with the proceeds of the issue of new Notes or of the sale of SME Receivables. No guarantee can be given that the Issuer will actually have sufficient funds available to redeem the relevant Notes, and, in respect of the Subordinated Notes, that the Repayment Test will be satisfied on the relevant Step-up Date or on any Note Payment Date thereafter.

The conditions for issuance of new Notes or for the sale of SME Receivables may not be satisfied and the Issuer may not be able to find purchasers for new Notes or for the SME Receivables, which may lead to a longer than expected average life of the existing Notes.

**The obligation of the Issuer to redeem the Notes (other than the Class A Notes) is limited by the collections received by the Issuer in respect of the SME Receivables and the required levels of subordination of higher ranking Notes**

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 (*Subordination and limited recourse*). On any relevant Note Payment Date, any Realised Losses on the SME Loans will be allocated as described in the section "*Information relating to the Programme Structure*" below.

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 Condition 6 (*Redemption and cancellation*). 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.

In accordance with Condition 9.2 (*Principal*), 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 be redeemed with the Principal Shortfall or the Reserve Fund Shortfall, as the case may be, of the Class of that Note. 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, and such loss may be definitive.

**Redemption of Notes may be accelerated or delayed in case of a Trigger Event**

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 will suspend payments to Noteholders that are not Qualifying Investors**

If a Noteholder is not a Qualifying Investor, or loses its status as a Qualifying Investor (due to a change in its own status or due to a change of the definition of Qualifying Investors in the UCITS Act), then the Issuer will suspend payments in respect of the Notes held by that Noteholder upon becoming aware thereof. The Noteholder will have to ensure it becomes a Qualifying Investor, or sell the Notes, which may lead to losses due to the expected limited liquidity of the Notes and the absence of an active secondary market in respect of the Notes.

### **Noteholders may have to accept decisions, determinations, amendments and waivers agreed by the general meeting of Noteholders or by the Security Agent, without having consented thereto**

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 14.3(c) 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.

Pursuant to the terms of the Programme Agreement and in accordance with Condition 15 (*Modifications, waivers, authorisations by the Security Agent*), the Security Agent may agree without the consent of the Noteholders and the other Secured Parties, to

- (a) any modification of any of the provisions of 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;
- (b) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of 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 the Security Agent has notified the Rating Agencies; and
- (c) any modification of a Relevant Document or the Conditions of the Notes, subject to certain conditions being satisfied, which:
  - (i) enables the Issuer to comply with the EMIR Requirements; or
  - (ii) enables the Issuer to comply with the CRA3 requirements, the Securitisation Regulation (when applicable to the Programme and the Notes) and the CRR Amendment Regulation; or
  - (iii) follows from the introduction of an Alternative Base Rate,

it being understood that any modification of a Relevant Document must be approved by each party thereto. Any such modification, authorisation or waiver shall be binding on the Noteholders and other Secured Parties.

### **Absence of secondary market; lack of liquidity**

There is currently no active secondary market with respect to any Notes. No assurance is provided that a secondary market for the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment for the life of the Notes. None of the Issuer, the Arranger or any Dealer is or will be obliged to make a market for a Series of Notes issued by the Issuer. Investors in the Notes

must be prepared to hold their Notes for an indefinite period of time, which may continue until the Final Maturity Date of those Notes or alternatively that they may only be able to sell the Notes at a discount to the original purchase price of those Notes.

### **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.

### **No assurance that Notes intended to be eligible as Eurosystem eligible collateral, will in fact be admitted as and remain Eurosystem Eligible Collateral**

The Final Terms in respect of the Notes may specify that such Notes are intended to be held in a manner which allows Eurosystem eligibility. Any such statement of intention in the Final Terms does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as amended from time to time.

### **Risks relating to Basel III & Solvency II**

Investors should also note that the Basel Committee on Banking Supervision ("**BCBS**") has approved a series of significant changes to the Basel regulatory capital and liquidity framework (such changes being referred to by the BCBS as "**Basel III**"), including revisions to the securitisation framework which may result in increased regulatory capital requirements in respect of certain positions. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements. As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities, may be subject to some level of national variation.

Implementation of the Basel III and Solvency II framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements or regulatory liquidity requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel framework (including the changes described above) and Solvency II, and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

### **Changes or uncertainty in respect of EURIBOR may affect the value or payment of interest under the Notes**

In the event that the EURIBOR benchmark referenced in the Conditions, an Interest Swap Agreement and the other Relevant Documents is temporarily unavailable, the fall-back position set out in Condition 4.2(e) (*EURIBOR*) will apply with respect to the Notes. In the event that EURIBOR is permanently discontinued or changed, the Issuer may in certain circumstances modify or amend the EURIBOR rate in respect of the Notes to an Alternative Base Rate without the Noteholders' prior consent as provided in Condition 15.2(c).

While an amendment may be made under Condition 15.2(c) to change the EURIBOR rate on the Notes to an Alternative Base Rate under certain circumstances broadly related to EURIBOR disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the SME Receivables, the Notes and/or the Interest Swap Agreements due to applicable fallback provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes.

Increases in payments in respect of Floating Rate Notes of a certain Class and Series due to temporary or permanent changes to the interest rate calculation methodology or parameters may also affect amounts available for making payments in respect of Fixed Rate Notes and other Floating Rate Notes of a different Class and Series.

Any of the above matters or any other significant change to the setting, existence or replacement of EURIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

### **Volcker Rule**

In response to the downturn in the credit markets and the global economic crisis, various agencies and regulatory bodies of the United States federal government have taken or are considering taking actions to address the financial crisis. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on 21 July 2010, and which imposes a regulatory framework over the U.S. financial services industry and the consumer credit markets in general.

Section 610 of the Dodd-Frank Act added a provision, commonly referred to as the "Volcker Rule", under which relevant banking entities are prohibited from, among other things, (i) conducting proprietary trading activities in a wide variety of financial instruments and (ii) acquiring or retaining any ownership interest in, or acting as sponsor in respect of, covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts banking entities from entering into certain credit exposure related transactions with covered funds. In general, there is limited interpretive guidance regarding the Volcker Rule.

If the Issuer is deemed to be a covered fund, then in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory guidance will prohibit or severely limit the ability of "banking entities" to hold an ownership interest in the Issuer or enter into certain financial transactions with the Issuer.

Each investor is responsible for analysing its own position under the Volcker Rule and any other similar laws and regulations and none of the Issuer, the Seller, the Administrator, the Security Agent, the Arranger or the Dealer makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, the Issuer's status under the Volcker Rule or to such investor's investment in the Notes on any issue date or at any other time.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes.

### **U.S. risk retention requirements**

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitiser" of a "securitisation transaction" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined for purposes of that act, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain.

The Seller does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Seller has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the SME Receivables from an affiliate or branch of the Seller or the Issuer that is organised or located in the United States.

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" under Regulation S. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Consequently, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest acquired in the initial distribution of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller and the Dealers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Seller, the Issuer and the Dealers are relying on the deemed representations made by the purchasers of the Notes and may not be able to determine the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and neither the Dealers nor any person who controls it or any director, officer, employee, agent or affiliate of the Dealers accepts any liability or responsibility whatsoever for any such determination or characterisation.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure on the part of the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Seller which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Relevant Documents. Furthermore, a failure by the Seller to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

# INFORMATION RELATING TO THE SME LOANS

## 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 classification of a loan as an SME Loan by the Seller is made in accordance with standard banking practice and definitions of the NBB, e.g.:

- small companies have a short model annual account;
- small companies do not exceed one of the following thresholds (over the last 2 financial years):
  - average full-time equivalents of staff: 50;
  - annual turnover (excl. VAT) of EUR 7.3 million;
  - total balance sheet of EUR 3.65 million;
- medium sized companies have an annual account according to the full model and an annual turnover (excl. VAT) which is less than EUR 37.2 million (over the last 2 financial years).

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

### 1. SME LOANS

#### 1.1 Governing law

The SME Loans are governed by Belgian law.

#### 1.2 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 BNP Paribas Fortis SA/NV and the client is sent a letter 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 BNP Paribas Fortis SA/NV uses as new interest rate the then current interest rate for similar loans for similar terms.



### 1.3 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 BNP Paribas Fortis SA/NV, is used for the financing of:

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

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

- (i) the total amount of the investment, mostly 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 BNP Paribas Fortis SA/NV to provide additional lending;
  - to evaluate the return of the investment;
- (ii) the cash input by the client; and
- (iii) 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:

- (i) the expected economic life of the investment being financed; and
- (ii) 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.:

- (i) fixed principal payments (linear): monthly, quarterly, semi-annually or annually;
- (ii) at the request of the client, e.g. bullet or balloon; or
- (iii) 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 BNP Paribas Fortis SA/NV, on the following conditions:

- (i) the client has to send a registered letter;
- (ii) this letter has to be sent at least 15 days before repayment date; and
- (iii) 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):

- (i) mortgage;
- (ii) cash or security pledge;
- (iii) pledge on business;
- (iv) mandate to pledge on business;
- (v) mortgage mandate;
- (vi) shareholder guarantee (in case client is a company);
- (vii) government guarantee (national, regional or European);
- (viii) financial ratio triggers;
- (ix) insurances; and/or
- (x) 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:

- (i) professional investments, with or without specified purpose; or
- (ii) 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:

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

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

Instalment credits can be repaid through:

- (i) fixed principal payments (linear): monthly, quarterly, semi-annually or annually;
- (ii) 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 BNP Paribas Fortis SA/NV, given following conditions:

- (i) the client sends a registered letter; and
- (ii) 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

### 1.1 Underwriting Principles

#### (a) 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 'Bank for Entrepreneurs' is defined as a segment of professionals and small enterprises within Retail and Private Banking Belgium ("**RPBB**"), bordered on one side by the Commercial Banking Belgium ("**CBB**") segment. As far as companies are concerned, RPBB's perimeter of activities has been defined as follows:

- Maximum turn-over : 7.5 Mio €,
- Or maximum TDR/TGA: 5 Mio € (10 Mio € for Real Estate). The open credit risk shouldn't exceed 5 Mio €,
- Or no substantial international activities (import/export),
- Or no complex needs for which CBB has a specialized competence.

In practice however, borderline files will be allocated in common agreement between RPBB and Corporate Banking. Clients with complex needs for which only CBB has the specialized competences will be systematically allocated to CBB.

The Professionals & Small Enterprises ("**P&S**") clients, contrary to some CBB 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:

- (i) BNP Paribas Fortis SA/NV, commercialized through a wide network of statutory and independent branches, local business centers and contact centers (Easy Banking Centers), and
- (ii) Fintro, commercialized through a network of agents, who are also acting as independent insurance brokers.

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

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

- (i) the local and international laws and regulations,

- (ii) BNP Paribas Fortis SA/NV procedures and standards regarding reputation, sustainability, ...
- (iii) the BNP Paribas Fortis SA/NV credit policies in terms of forbidden, exclusive and reserved matters:
  - (I) 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 ... ;
  - (II) exclusive matters need an expert opinion by a competence centre (e.g. agricultural loans, ...);
  - (III) reserved matters may only be decided by the credit department (e.g. 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:

- (i) Identification of counterparty (on credit risk group level);
- (ii) Risk portrait for existing and new credit lines: type / amount / exposure, collateral type / amount / value, etc.;
- (iii) Qualitative part: shareholders, management reputation and track-record, customers, suppliers, market, technology, client relationship history and profitability;
- (iv) 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,...);
- (v) Optional: advice from third parties, e.g. legal and tax department and international trade finance;
- (vi) Risk assessment: from the commercial side as well as from the Credit Risk 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.

#### (b) **Internal Rating System**

Furthermore, each client is assigned a rating which is monthly recalculated. Various Basel 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 Risk 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:

Basel Masterscale Rating Class	Probability of Default (PD) - %		
0	0		
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		
8	0,85 (1,01) 1,16		
9	1,16 (1,37) 1,58		
10	1,58 (1,87) 2,15		
11	2,15 (2,54) 2,92		
12	2,92 (3,45) 3,97		
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		

## 1.2 Credit Authority

In the beginning of 2014, existing Retail & Private Banking Belgium (RPBB) and Commercial Banking Belgium (CBB) delegation models have been simplified and aligned to increase efficiency and promote mutualisation.

The aim was to optimize the risk management set up with the following main objectives:

- guarantee the continuity of the risk model by enhancing focus of the Business on their "First line of defense" and Risk on its "Second line of defense" responsibilities,
- capitalize on existing best practices between CBB and RPBB,
- further reinforce the competence-based organization of the "Risk Filière",
- promote and streamline interactions between Business and Risk,
- define leaner and more efficient processes.

The objective is also to have a network autonomy ensuring a balance between operational efficiency on the one hand and an acceptable credit risk level on the other hand. So the Credit Risk department can focus on the applications with the highest credit risk.

The following decision powers are applicable for RPBB and CBB:

*RPBB Decision Levels (in EUR)*

	Maximum TGA				Maximum Net Direct Risk			
	Rating				Rating			
	Blue	Orange	Red	Black	Blue	Orange	Red	Black
	Green				Green			
2 Eyes commercial network	750.000	375.000	187.500	0	375.000	187.500	93.750	0
2 Eyes Agricultural Division	1.250.000	625.000	312.500	0	625.000	312.500	156.250	0
2 Eyes Credit Risk (Quick Decision)	2.500.000	1.250.000	625.000	0				
4 Eyes Business + Risk								
· level Sector director	5.000.000	2.500.000	1.250.000	0				
· level Zone director	10.000.000	5.000.000	2.500.000	2.500.000				
· level Head RPBB	30.000.000	30.000.000	20.000.000	10.000.000				
· level CEO BNPPF	≤ CCDG thresholds							
CCDG	> CCDG thresholds							

*CBB Decision Levels (in EUR)*

	Maximum TGA			
	Rating			
	Blue	Orange	Red	Black
	Green			
2 Eyes commercial network	750.000	375.000	187.500	0
2 Eyes Credit Risk (Quick Decision)	2.500.000	1.250.000	625.000	0
4 Eyes Business + Risk				
· level deputy Business Centre Manager	7.500.000	3.750.000	1.875.000	0
· level Business Centre Manager	15.000.000	7.500.000	3.750.000	0
· level Zone director	40.000.000	20.000.000	10.000.000	5.000.000
· level Head CBB	100.000.000	50.000.000	25.000.000	10.000.000
· level Head CPBB (*)	500.000.000	100.000.000	50.000.000	15.000.000
· level CEO BNPPF	≤ CCDG thresholds			
CCDG	> CCDG thresholds			

(\*) Delegation limits on this level are further subdefined based on rating class instead of rating color.

Except for some product specific delegations and automated decisions for applications in the scope of the acquisition tool ICE<sup>3</sup>, the amounts mentioned above 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 relationship manager (RPBB branches) or the account manager (CBB Business Centres), while the Credit Risk department has the final say on the composition of groups.

According to the credit decision authority required, the decision can be taken automatically by the commercial function (product specific delegations, within a pre-approved envelope or within the intuiti personae delegations as mentioned in above tables) or needs the intervention of the Credit Risk department. Important to notice is that, next to rating and TGA, other risk parameters can also lift the decision authority to a higher level, e.g. reserved matters based on type of credit, sector or activity, (bad) credit history, tenor, ...

Particularly within RPBB:

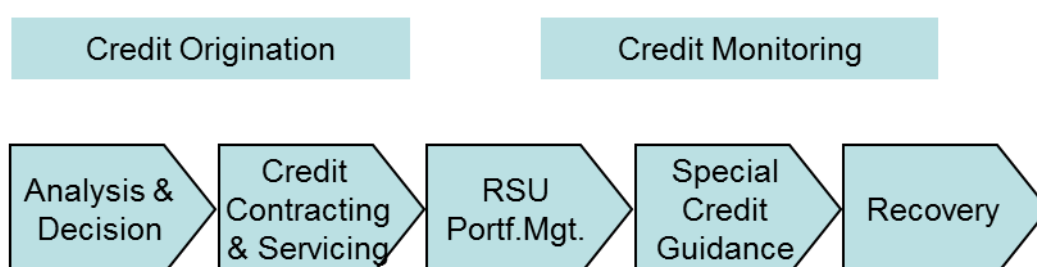


- the unsecured risk or 'Net Direct Risk'(NDR) is impacting the decision level. To calculate the NDR, the global exposure (TGA or 'Total Group Authorization') needs to be reduced with the real securities (mortgage, pledge on securities accounts, pledge on term deposit or saving accounts, pledge on assets under management) taking into account the outlined internal valorization rules.
- the credit authority level is calculated by the origination tool and the applications are automatically routed to the appropriate decision level.

### 1.3 Arreas Management of Investment Credit and Installment Credits

#### (a) Principles

After the origination phase, the credit is serviced internally by BNP Paribas Fortis SA/NV through different business units, according to the following schema:



The payment of amounts due is automatically debited from a BNP Paribas Fortis SA/NV 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.

BNP Paribas Fortis SA/NV produces daily and monthly follow-up lists of unpaid amounts (starting the 3<sup>rd</sup> day after the first unpaid), which are sent to the relevant commercial entity (account manager or branch).

"Reminder" letters are sent automatically for both clients and potential guarantors. The first reminder at 10 days past due, the second at 30 days past due. A third letter is sent 60 days past due and serves notice to the client.

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**"), Special Credits (**SC**) or Recovery ("**REC**").

If the client has not settled his arrears after the third letter has been sent, the relevant risk management entity is informed at day 75 to assess the file and take a decision (which might be the termination of the contract and send the file to Recovery).

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 Special Credits 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.

**(b) Risk Surveillance Unit (RSU)**

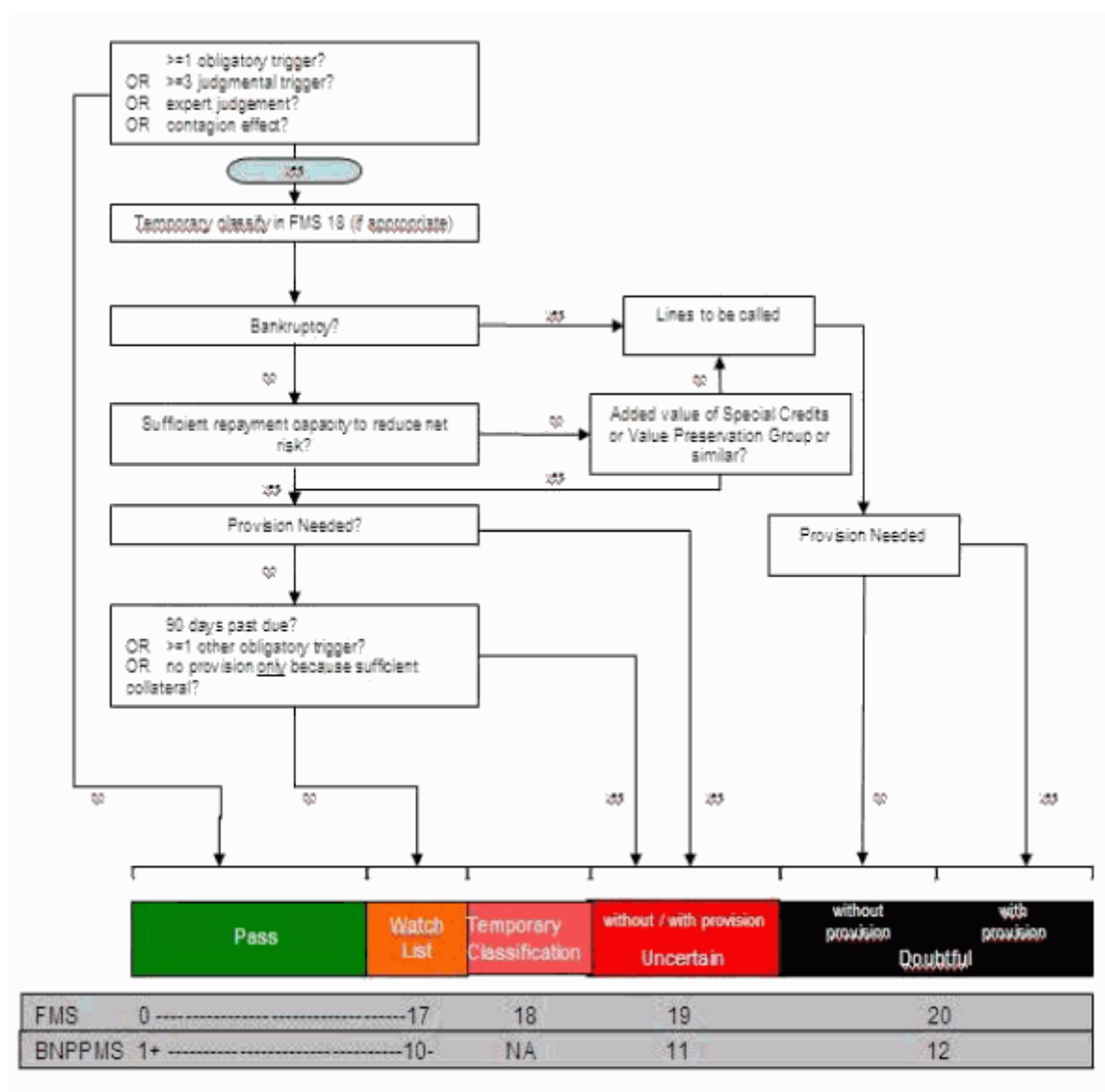
RSU continuously monitors credit files to detect any deterioration of their risk profile by using the tool FIRST (Fortis Integrated Risk Surveillance Tool). This tool captures risk related events from internal and external sources (e.g. excess drawings, unpaid social premiums, negative equity ...). By setting weights in function of parameters, a filtering is done and a selection of files is presented to the RSU officers for assessment and further investigation. This allows RSU to take or propose risk mitigating actions and to classify the file correctly and when necessary to transfer it to Special Credits or Recovery.

In the Basel 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,
- default situation of the obligor in another entity of the BNPP-Fortis-group (contagion)
- an obligor belonging to a group with (a) defaulted obligor(s) in SC (contagion)
- the presence of three or more judgmental triggers,
- expert judgment to reclassify.

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	

Classification decision tree:



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	

### (c) Special Credits (SC)



At a certain point in time, files can be transferred to the Special Credits department. This transfer is decided either in a formal credit committee process or in the RSU files handling process. In a lot of cases this operational transfer is linked with a classification of the file in 'default'.

When a file is transferred to Special Credits, the client facing is taken over by the Special Credits Expert. So the file is treated outside of the normal commercial relation. Special Credits operates in an independent way but will submit its credit requests to the appropriate decision authority, as defined in the Credit Delegation Model.

At intake of a file, Special Credits makes an assessment on the chances on continuity of the client. If Special Credits thinks it is unlikely that the client can be cured, an individual loan loss reserve (ILLR) will be booked to cover the calculated unsecured risk and this in conformity with the accounting principles. At each important event or at least each quarter, the file is reassessed to determine whether an ILLR should be booked or whether an existing LLR should be increased or decreased. For files under EUR 50,000 there is no ILLR booked, but a global one on portfolio basis.

The first goal of Special Credits is to reduce the unsecured risk, (negotiate additional collateral, decrease credit lines,...) in close collaboration with the borrower.

Files handled in the Special Credits can either (i) stay within Special Credits 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.

Special Credits works on a credit group approach and will take responsibility for the entire relationship (but will delegate daily banking 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 24-36 months.

#### (d) **Recovery**



The provisioning process starts as soon as a file is submitted to Special Credits (SC). The aim of SC is to bring problem files back to the business (historically, two thirds of all SC 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 performs the denunciation of the loan and starts up the recovery of the claim by using the collaterals.

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 without any collateral or with just a personal guarantee are immediately sold to Aremas. All other files are entirely handled by BNP Paribas Fortis SA/NV Recovery Experts.

## OVERVIEW OF THE BELGIAN MARKET FOR SME LOANS

As in other EU countries, SMEs dominate the Belgian business economy, accounting for about 63% of value added and more than 69% of employment. While their proportion of the number of all enterprises is identical to the EU average of 99.8%, they contribute 2%points more to employment and 7%points more to overall value added than their EU counterparts. This is especially due to the contribution of microenterprises.

Within BNP Paribas Fortis, the self-employed, liberal professions and companies with a turnover of up to EUR 7.5 million are served within *Ondernemersbank/La Banque des Entrepreneurs*. Companies with a turnover between EUR 7.5 million and EUR 250 million are served within Commercial Banking.

BNP Paribas Fortis is a leading player within the Belgian entrepreneurial market. Within *Ondernemersbank/La Banque des Entrepreneurs*, it currently serves more than 430,000 professional customers and granted more than 5 billion professional loans in 2021.

	ENTERPRISES		PERSONS EMPLOYED		VALUE ADDED	
	NUMBER	SHARE	NUMBER	SHARE	€ BILLION	SHARE
<b>SMEs</b> (0 -249 persons employed)	682 643	99.9%	1 963 336	65.6%	156.1	58.3%
<b>LARGE ENTERPRISES</b> (250+ persons employed)	989	0.1%	1 030 635	34.4%	111.6	41.7%

The data for 2021 are estimates produced by JRC, based on 2008-2019 figures from national and Eurostat databases.

*Source: Fact Sheet for Belgium of the European Commission (2022 and earlier versions), WTO, Eurostat*

According to the WTO, Belgian SMEs are very open to international trade. More than 80% of the goods produced in Belgium are exported. This exposes SMEs more to world events be it positive or negative.

The support of the Belgian State and Regions has been massive. It took various forms such as short-time work scheme, loans, payment delays, tax advantages, guarantees, and subsidies. After a sharp decline in 2020, SMEs in Belgium recovered significantly in 2021, with value added increasing by 15.4% and employment by 2.0%. While employment in the retail and tourism ecosystems recovered slightly by 0.6% and 0.1% respectively in 2021, SME value added increased strongly by 13.5% and 15.0%. The recovery follows a sharp decline in SME value added in 2020 by 11.2% in the retail ecosystem and 12.1% in the tourism ecosystem.

Based on data from early 2022, it was expected that this year SME value added and SME employment in Belgium would continue to grow by 5.1% and 0.3% respectively, but Russia's war of aggression against Ukraine will affect these estimates.

Belgian SME's are more digitised than the European average: E-commerce commands a high share of total sales, firms provide IT-training and employ many specialists. In addition these firms report having strong access to finance, even if smaller firms and self-employed sometimes struggle to obtain credits.

The main challenges for Belgian SMEs are high labour costs and skill-mismatch on the labour market. Labour costs are set to increase a lot faster than those in neighbouring countries as a result of automatic wage-indexation. According to Eurostat, Belgium is one of the EU countries with the lowest share of graduates in tertiary education in science, math, computing, engineering, manufacturing, construction. In addition, Belgian SMEs' eco-innovation is hindered by difficulties imposed by the inter-regional coordination, a lack of related skills, a limited control over product design for most products entering the market and the very low environmental taxation.

## 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.

# INFORMATION RELATING TO THE PROGRAMME STRUCTURE

## CREDIT STRUCTURE

### 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

- 2.1 All payments made by Borrowers are to 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**") (the "**Seller Collection Account(s)**"). Such Seller Collection Account(s) may also be used for the collection of monies paid in respect of SME loans other than the SME Loans and in respect of other monies belonging to the Seller.
- 2.2 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.
- 2.3 "**Collection Payment Date**" means, in respect of a Monthly Collection Period, at least one day occurring during such Monthly Collection Period.
- 2.4 "**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 commenced on (and include) 29 November 2009 (the "**Initial Cut-off Date**") and ended on (and include) 31 January 2010.
- 2.5 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) calendar 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

#### 3.1 Issuer Collection Account

- (a) The Issuer has agreed to maintain with the GIC Provider the Issuer Collection Account to which all amounts received:
  - (i) in respect of the SME Receivables; and
  - (ii) from the other parties to the Relevant Documents will be paid.
- (b) The Administrator has agreed to 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.
- (c) The Issuer has agreed to, 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**").
- (d) 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.
- (e) The Issuer has agreed to also maintain with the GIC Provider the Reserve Account (see below).

#### 3.2 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 Amount on a Note Payment Date, and to repay the Reserve Fund Notes.

If and to the extent that the Interest Available Amount on any Note Calculation Date exceeds 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 Amount 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**".

### 3.3 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 sixty (60) calendar days of any such event:

- (a) to obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the GIC Provider; or
- (b) to find an alternative GIC provider acceptable to the Security Agent.

## 4. INTEREST CASH FLOWS

On each third Business Day prior to a Note Payment Date (in respect of such 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 Amount"**):

- (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 under the relevant Interest Swap Agreements on the immediately succeeding Note Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Interest 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 9.2), 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%.

**"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.

**"Note Collection Period"** means in relation to a Note Payment Date, the three successive Monthly Collection Periods preceding such 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 the 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; and
- (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 Amount 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 Agreements, 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 is the Defaulting Party or (b) an Interest Swap Counterparty Rating Downgrade Event, including a Settlement Amount (as defined in the Interest Swap Agreement) (an **"Interest 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 ; and
- (u) in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

## 6. PRINCIPAL CASH FLOWS

**"Principal Available Amount"**, 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; and
- (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 Amount.

**"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 *Sale of the SME Loans - 1 Purchase of SME Receivables and New SME Receivables* below).

## 8. PRINCIPAL AVAILABLE AMOUNT FOR REDEMPTION OF PASS-THROUGH NOTES

8.1 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 6.2 (*Mandatory redemption*), be equal to the sum of the Pass-through Principal Available Amounts.

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

8.3 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 Principal Available Amount"**) will, if the Pro-rata Condition is satisfied, be equal to:

$A \times B / C$ , where:

A = the Pass-through Principal Available Amount;

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.

8.4 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 Principal Available Amount"**) will, if the Pro-rata Condition is satisfied, be equal to:

$A \times B / C$ , where:

A = the Pass-through Principal Available Amount;

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.

- 8.5 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 Principal Available Amount**") will, if the Pro-rata Condition is satisfied, be equal to:

A x B / C, where:

A = the Pass-through Principal Available Amount;

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.

- 8.6 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 Principal Available Amount**") will, if the Pro-rata Condition is satisfied, be equal to:

A x B/C, where:

A = the Pass-through Principal Available Amount;

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.

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

- 8.8 "**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).

- 8.9 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.

- 8.10 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 9.2, 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 9.2 (*Principal*).

## 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**"):

- (a) *first*, in or towards satisfaction of principal due under the Class A Notes;
- (b) *second*, in or towards satisfaction of principal due under the Class B Notes;
- (c) *third*, in or towards satisfaction of principal due under the Class C Notes;
- (d) *fourth*, in or towards satisfaction of principal due under the Class D Notes;
- (e) *fifth*, 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**

- 10.1 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**"):

- (a) *first*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class A Notes until fully repaid;
- (b) *second*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class B Notes until fully repaid;
- (c) *third*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class C Notes until fully repaid;
- (d) *fourth*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class D Notes until fully repaid.

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

- (a) an amount is debited to the Class A Principal Deficiency Ledger;



- (b) 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;
- (c) 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, reorganisation measures 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;
- (d) 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 sixty (60) days following such termination;
- (e) on a given Note Payment Date, after application of the Pass-through Principal Available Amount in accordance with the Principal Priority of Payments, an amount remains standing to the credit of the Issuer Collection Account which is in excess of an amount equal to 10 per cent of the Principal Amount Outstanding of the Soft-bullet Notes, other than the Reserve Fund Notes, on such Note Payment Date, and if such an excess amount has been continuously outstanding on the Issuer Collection Account for at least six (6) months prior to the relevant Note Payment Date; or
- (f) more than 2 per cent. of the aggregate Outstanding Principal Amount of the SME Loans is in arrears for more than 90 days.

## 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, and
  - (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 Interest Swap Agreements, except for any 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 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, has been established by or on behalf of the Issuer in order to record any amounts of unpaid interest on the (relevant Class of) Notes (other than the Class A Notes) (an **"Interest Deficiency"** ).

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, has been 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 Realised Loss has to 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 and thereafter such amounts have to 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 and thereafter such amounts have to 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 and thereafter such amounts have to 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 Amount.

**"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**

If, on any date, there is a balance on the Principal Deficiency Ledger in respect of any Class of Notes, then notwithstanding any other provisions of the Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6.2 (*Mandatory redemption*), in respect of each Note of such Class on such date shall not exceed its Principal Amount Outstanding less the Principal Shortfall in respect of such Note on such date.

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

### 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**" has been 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 has entered into, and may enter into, as the case may be, 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 Amount;

(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 Rating Downgrade 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. 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.

#### **18. 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 substitutions conditions (i) to (v) (inclusive) as set out in Section *Sale of the SME Loans – 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.

19. **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 thirty (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.

20. **NOTE CLEAN-UP CALL OPTION**

Subject to the Repayment Test, the Issuer has 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 Condition 6.5 (*Notes clean-up call option*) and Condition 9.2 (*Principal*), 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.



## SALE OF THE SME LOANS

On the Programme Closing Date the Seller and the Issuer entered 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 (the "**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 purchased 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 is entitled to sell and assign and the Issuer is obliged to 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 New SME Receivables were originated in the ordinary course of business of the Seller.

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 Amount) 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 9.2), 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 9.2 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 SA/NV) 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 SA/NV) 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 20% 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 30% 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 SA/NV, 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 SA/NV), excluding SME Loans with a Borrower with an internal rating of 18, 19 and 20 or an unknown rating, will not exceed 2.75%;

- (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; and
- (w) on the date of purchase of the New SME Receivables, the aggregate Outstanding Principal Amount of the SME Loans in arrears for more than 90 days (including any SME Loans that would have been denounced) does not exceed 3% of the aggregate Outstanding Principal Amount of all SME Loans.

## 2. **Purchase Price**

The purchase price for each sale of SME Receivables consists of an initial purchase price (the "**Initial Purchase Price**"), which is 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 SME Receivables the Initial Purchase Price will be equal to the aggregate Outstanding Principal Amount in respect of the 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 Amount 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 represents and warrants on the relevant Purchase Date with respect to the SME Receivables that it sells and assigns 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 provisions on consumer credit set out in Book VII, Title 4, Chapter 1 of the Code of Economic Law and on mortgage credit set out in Book VII, Title 4, Chapter 2 of the Code of Economic Law).

**(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 *schuldbijstelling / 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 / exeption* 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 Purchase 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 moratorium (*uitstel van betaling / sursis de paiement*) or a judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*), 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" as applicable as from the time of originations (most recently version 2016).

(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 SA/NV.
- (viii) The Borrower has made at least one payment in respect of the relevant Receivable.

(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 does not explicitly prohibit 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, are being 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 is 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 thirty-five (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 *Sale of the SME Loans – 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), will be equal to the aggregate principal sum (*hoofdsom/principal*) due by the relevant Borrower under the Relevant SME Receivable (the "**Outstanding Principal Amount**") 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.

The purchase price in case of a repurchase by the Seller of SME Receivables in the events described under (b) above, will be equal to the Outstanding Principal Amount minus the Loan Loss Reserve related to the Relevant SME Receivable (and after the occurrence of a Realised Loss in respect of such SME Receivable, zero), 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

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 Amount 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 Amount 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 Amount as soon as the Seller is rated at least Baa3 by Moody's.

## 6. NO ACTIVE PORTFOLIO MANAGEMENT

The Seller's rights and obligations to sell SME Receivables to the Issuer, and/or repurchase SME Receivables from the Issuer pursuant to the SME Receivables Purchase Agreement, including without limitation repurchases of SME Receivables which did not materially comply with the representations and warranties given by the Seller in respect of such Relevant SME Receivables or the relevant SME Loan, do not constitute active portfolio management for the purposes of Article 20(7) of the Securitisation Regulation.

## 7. 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 reorganisation measures (*saneringsmaatregel/mesure d'assainissement*) as referred to in Article 3, 56° 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 Collection Account Provider Rating 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 thirty (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 ten (10) days after such downgrade; or
- (j) the Seller's long term Issuer Default Rating (IDR) by Fitch falls below BBB or such rating is withdrawn; or
- (k) the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's falls below Baa3 or such rating is withdrawn,

(each an "**Assignment Notification Event**")

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).

## 8. **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.

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 OF THE SME LOANS

### 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 *Information relating to the Programme Structure – 2. Cash Collection Arrangements*) and the implementation of arrear procedures including the enforcement of Related Security (see further *SME Loan Underwriting and Servicing*). 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 the Pool Servicer's long term Issuer Default Rating ("**IDR**") by Fitch would fall below BBB- or such rating is withdrawn or the credit rating of the Pool Servicer's long term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's would fall below Baa3 or such rating is withdrawn.

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) all payments to be made by the Issuer under the Interest Swap Agreement, (d) all payments to be made by the Issuer under the Notes in accordance with the Domiciliary Agency Agreement and the Conditions, (e) the maintaining of data for all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions under the Notes.

### 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 (a "**Servicer Termination Event**"), 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 redress measures (*herstelmaatregelen/mesures de redressement*) within the meaning of Book II, Title VI of 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 it is in a situation as set out in Article 244, §1 of the Credit Institutions Supervision Act relating to the conditions for the application of a resolution measure (*afwikkelingsmaatregel/mesures de résolution*).

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.

## SECURITY FOR THE ISSUER'S OBLIGATIONS

As security for the performance by the Issuer of its obligations under the Relevant Documents, the Issuer has granted rights of pledge on its assets in favour of the Security Agent and the other Secured Parties. As part of creation of these pledges, the Issuer has undertaken as a separate and independent obligation, by way of parallel debt, to pay to the Security Agent amounts due to the Secured Parties.

### Secured obligations – Parallel Debt

The Issuer has entered into a Parallel Debt Agreement. In the Parallel Debt Agreement the Issuer has irrevocably and unconditionally undertaken to pay to the Security Agent (the **Parallel Debt**) amounts which will be equal to the aggregate amount due (*verschuldigd/dû*) by the Issuer:

- (a) 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;
- (b) as fees and expenses to the Pool Servicer and the Administrator under the Servicing Agreement;
- (c) as fees and expenses to the Domiciliary Agent and the Reference Agent under the Domiciliary Agency Agreement;
- (d) to the Seller under the SME Receivables Purchase Agreement;
- (e) to the Interest Swap Counterparty under the Interest Swap Agreements;
- (f) to the GIC Provider under the GIC Agreement; and
- (g) to the Noteholders under the Notes.

(the parties referred to in item (a) through (g), 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:

- (i) representative of the Noteholders, in accordance with Article 271/12 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;
- (ii) as representative of the Noteholders in accordance with article 7:63, §1 and §2 of the Belgian code of companies and associations (*Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations*) ("**Code of Companies and Associations**");



- (iii) representative of the Secured Parties, in accordance with Article 5 of the Collateral Act;
- (iv) representative of the Secured Parties, in accordance with Article 3 of title XVII of Book 3 of the Belgian Civil Code (old) (the "**Movable Collateral Act**").

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 has granted on the Programme Closing Date a first ranking pledge over the following pledged assets (the "**Pledged Assets**"):

- (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, 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;
- (d) all right and title of the Issuer in respect of the Eligible Investments, as and when these will be acquired by the Issuer.

### **Perfection and notification - Pledge Notification Events**

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 (ii) and (iii) 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 (iv) 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.

### **Enforcement of the Security**

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 sell the SME Receivables and the rights of the Issuer relating to the Issuer Accounts.

In addition to other methods of enforcement permitted by law, Article 271/12 of the UCITS Act also permits the Noteholders (acting together) to request the president of the enterprise 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 *Information relating to the Programme Structure*)).

## REGULATORY COMPLIANCE

### **The Programme and the Notes will become subject to the Securitisation Regulation as soon as the Issuer issues new Notes**

On 20 November 2017, the Council of the European Union approved the final versions of the framework for securitisation and a specific framework for "simple, transparent and standardised" EU Securitisation Regulation (Regulation (EU) 2017/2402 of the European Parliament and of the Council or the "**Securitisation Regulation**") and the associated CRR amending regulation (Regulation (EU) 2017/2401 of the European Parliament and of the Council or the "**CRR Amendment Regulation**"). The Securitisation Regulation recasted (with some amendments) a number of provisions which applied in respect of securitisations in the EU, including those relating to risk retention, due diligence and disclosure. It also introduced a new framework for simple, transparent and standardised (STS) securitisations.

The Securitisation Regulation and the CRR Amendment Regulation have applied from 1 January 2019, subject to certain transitional provisions in the CRR Amendment Regulation regarding securitisations the securities of which were issued before 1 January 2019 or securitisations that have opted to be considered 'STS' in accordance with paragraphs (2) to (4) of Article 43 and Article 18 and following of the Securitisation Regulation. As the Issuer has not yet issued any Notes since 1 January 2019 and has not opted for any of the Notes to be considered 'STS', the Issuer currently benefits from these transitional provisions set out in Article 43 of the Securitisation Regulation, as a result of which the Securitisation Regulation does not yet apply to the Programme or the Notes outstanding on the date of this Base Prospectus. As from the issuance of any new Notes following the date of this Base Prospectus or the submission of an STS notification in accordance with Article 18 and following of the Securitisation Regulation, the Issuer, the Programme and the Notes (including any Notes issued prior to the date of this Base Prospectus) will become subject to the Securitisation Regulation.

As from the Programme and the Notes becoming subject to the Securitisation Regulation, certain European-regulated institutional investors, including credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities (UCITs) and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under Article 5 with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements. If the relevant European-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors. Aspects of the requirements of the Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of requirements applicable to them and are required to independently assess and determine the sufficiency of the information described in this Base Prospectus generally for the purposes of complying with such due diligence requirements under the Securitisation Regulation and any corresponding national measures which may be relevant.

As from the Programme and the Notes becoming subject to the Securitisation Regulation, various parties to the securitisation transaction described in this Base Prospectus (including the Seller and the Issuer) will also become subject to the requirements of the Securitisation Regulation.

The Seller has undertaken to retain a material net economic interest of not less than 5% in the Notes in accordance with Article 405, paragraph (1) sub-paragraph (d) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "**Capital Requirements Regulation**" or "**CRR**") and Article 51 paragraph (1) sub-paragraph (d) of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU (the "**AIFM Regulation**") (until the Programme and the Notes becoming subject to the Securitisation Regulation) or Article 6 of the Securitisation Regulation (as from the Programme and the Notes becoming subject to the Securitisation Regulation). Such interest will in accordance with Article 405, paragraph (1) sub-paragraph (d) of the CRR and Article 51 paragraph (1) sub-paragraph (d) of the AIFM Regulation be comprised of an interest in the first loss tranche, and, if necessary, other tranches having the same or a more severe risk profile than those sold to the investors (and it is expected that, as from the Programme and the Notes becoming subject to the Securitisation Regulation, the same will apply in accordance with Article 6(3)(d) of the Securitisation Regulation). Any change in the manner in which this interest is held shall be notified to investors. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period wherein the Notes are outstanding to the Issuer and the Security Agent in the SME Receivables Purchase Agreement.

**Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and / or decreased liquidity in respect of the Notes**

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position. None of the Issuer, Arranger or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

Regulatory capital requirements are subject to ongoing change, and are expected to become more stringent. This is especially due to the implementation and entry into force of the changes to CRD IV included in the EU banking package adopted on 14 May 2019 (the "**EU Banking Reforms**") and the finalised Basel III reforms as published on 7 December 2017 (the "**Basel III Reforms**") (informally referred to as Basel IV). In addition, pursuant to the Solvency II Regulation, more stringent rules apply to European insurance companies in respect of instruments such as the Notes in order to qualify as regulatory capital that may impact certain investors. The Solvency II Regulation is currently under review on an EU level. Any changes to the prudential framework applicable to banks, insurance companies or other institutions investing in the Notes, may affect the risk-weighting of the Notes for these investors. This could affect the market value of the Notes in general and the relative value for the investors in the Notes. Potential investors should consult their own advisers as to the consequences to and effect on them of CRD IV, the EU Banking Reforms and the Basel III Reforms, and the application of the Solvency II Regulation, to their holding of any Notes. None of the Issuer, the Security Trustee or the Arranger are responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of CRD IV, the EU Banking Reforms, the Basel III Reforms or the Solvency II Regulation (whether or not implemented by them in its current form or otherwise) nor do they make any representation regarding the regulatory capital treatment of their investment.

# INFORMATION RELATING TO THE NOTES

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to 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 Class or Sub-class of a Series can be issued in one or more tranches (each a "**Tranche**"). Notes of a Tranche of a Class or Sub-class of a Series are identical in all respects. Notes of all Tranches of a Class or Sub-class of a Series are have identical terms on issue, except in respect of the first payment of interest and their issue price.

Each Tranche of a Class or Sub-Class of a Series of Notes is subject to Final Terms. The Final Terms in relation to each Tranche of Notes will supplement these Conditions in respect of such Notes. The Final Terms applicable to a Tranche of Notes (other than Exempt Notes, as defined below) will be available upon request from the Domiciliary Agent, will be provided to the FSMA 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 <https://www.intertrustgroup-fgreporting.com>. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

The final terms of Notes that are not admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation ("**Exempt Notes**") will be set out in a pricing supplement in respect of such Exempt Notes (a "**Pricing Supplement**"). A Pricing Supplement in respect of Exempt Notes 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 Exempt Notes. Any reference in these Conditions to Final Terms in relation to Exempt Notes should be read as a reference to the relevant Pricing Supplement. Pricing Supplements will only be obtainable at the registered offices of the Issuer and of the Domiciliary Agent by a Noteholder holding one or more relevant Exempt Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Domiciliary Agent as to its holding of such Exempt Notes and identity.

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 Programme Agreement, 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 Programme Agreement, the Security Agent Agreement, the Pledge Agreement, the Domiciliary Agency Agreement, each of the other Relevant Documents and the Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes. Copies of the Programme Agreement, Security Agent Agreement, the Domiciliary Agency 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 Rue 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 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 (*Definitions*) of these Conditions.

References herein to 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 shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

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 the 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, TRANSFER AND HOLDING RESTRICTIONS

### 1.1 Form

- (a) The Notes are issued in dematerialised form under the Code of Companies and Associations 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.
- (b) 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**").
- (c) The Notes cannot be physically delivered and cannot be exchanged into notes in bearer form.

### 1.2 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:

- (a) Article 5, §3/1 of the Belgian Act of 3 August 2012 on institutions for collective investment that satisfy the criteria of directive 2009/65/EC and on institutions for investment in receivables (*Wet betreffende de instellingen voor collectieve belegging die voldoen aan de criteria van richtlijn 2009/65/EG en de instellingen voor belegging in schuldvorderingen / Loi relative aux organismes de placement collectif qui répondent aux conditions de la Directive 2009/65/CE et aux organismes de placement en créances*), as amended from time to time (the "**UCITS Act**") ("**Qualifying 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 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 held by Eligible Holders. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer.

### 1.3 Excluded holders

Notes may not be acquired by a foreign transferee being a resident of or having an establishment in, or acting, for the purposes of the Notes, through a bank account held on a tax haven jurisdiction as referred to in Article 307, §1/2 of the BITC 1992.

## 2. STATUS, PRIORITY AND SECURITY

2.1 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.

2.2 In accordance with the provisions of Condition 4 (*Interest*), Condition 6 (*Redemption and Cancellation*) and Condition 9 (*Subordination and limited recourse*) and the Security Agent Agreement:

- (a) 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
- (b) 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
- (c) 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;
- (d) 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;
- (e) 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
- (f) 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.

2.3 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:

- (a) 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
- (b) 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
- (c) 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

- (d) 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
- (e) 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 Class F Noteholders and the Class G Noteholders, on the other hand, and
- (f) 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.

2.4 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.

2.5 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.

2.6 In order to secure its obligations under the Notes and Relevant Documents, including the Parallel Debt, to the Security Agent and the other Secured Parties, the Issuer has, on terms set out in a pledge agreement, granted 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, 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) 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.

### 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 on any business other than the business of purchasing SME Receivables and to finance such acquisitions by issuing Notes and the related activities as contemplated in the Relevant Documents and the Issuer's corporate purpose

- (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 an 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 2.6;
- (h) make investments (other than, subject to the prior written consent of the Servicer, Eligible Investments and except for other investments as contemplated by the Relevant Documents); and
- (i) as from the Securitisation Regulation being applicable to the Programme and the Notes, enter into derivative contracts, except for the purpose of hedging interest-rate or currency risk relating to the Programme, to the extent that such hedging derivatives are documented according to common standards in international finance (in accordance with Article 21(2) of the Securitisation Regulation).

#### 4. **INTEREST**

##### 4.1 **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 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 4.2 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 (€)) 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 13.2. 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 Condition 4.1(e) (*Determination of the Fixed Interest Amount*) or 4.1(f) (Notification of the Fixed Interest Amount) above, as the case may be, the Security Agent shall calculate the Fixed Interest Amount in accordance with Condition 4.1(e) (*Determination of the Fixed Interest Amount*) above, and each such determination or calculation shall be final and binding on all parties.

## 4.2 **Interest on Floating Rate Notes**

(a) **Period of Accrual**

The Floating Rate Notes shall bear interest on their Principal Amount Outstanding 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 arrears in Euros, 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 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 for each Floating Rate Interest Period will accrue at a rate equal to the higher of (i) the sum of the Euro Interbank Offered Rate ("**EURIBOR**") for three months deposits (or, only in respect of the first Floating Rate Interest Period of a Tranche, the rate which represents the linear interpolation of EURIBOR for deposits in euro by reference to the longest period for which rates are quoted that is shorter than such first Floating Rate Interest Period, and the shortest period for which rates are quoted that is longer than such first Floating Rate Interest period, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards) plus a margin as specified in the Final Terms and (ii) zero.

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, such Notes have not been redeemed in full, a floating rate of interest will be applicable to each such Notes 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.

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 4.2(c) (Interest up to the Step-up Date) and 4.2(d) (Interest following the Step-up Date) EURIBOR will be determined as follows:

- (i) The Reference Agent will obtain for each Interest Period the rate equal to EURIBOR for the relevant period in euros. The Reference Agent shall use the EURIBOR rate as determined and published by the European Money Markets Institute (EMMI) and which appears for information purposes on the Reuters Screen EURIBOR01 (or, if not available, any other display page on any screen service maintained by any registered information vendor 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 Interest Determination Date, such EURIBOR rate is not determined and published by EMMI, or if it is not otherwise reasonably practicable to calculate the rate under (a) above, and provided that such arrangements are in compliance with the requirements imposed on the administrator of a benchmark pursuant to the Benchmark Regulation (the "**Benchmark Regulation Requirements**"), the Reference Agent will use its reasonable efforts to:
  - (A) request the principal euro-zone office of each of four major banks in the euro-zone interbank market (the "**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
- (C) 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 Condition 4.2(e) (*EURIBOR*) 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) **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 on each relevant Interest Determination Date, determine the floating rates of interest referred to in Conditions 4.2(c) (Interest up to the Step-up Date) and (d) (Interest following the Step-up Date) 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.

(g) **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 in accordance with Condition 13.2. 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.

(h) **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 Condition 4.2(e) (*EURIBOR*) 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 Condition 4.2(f) (Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount) 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 Condition 4.2(f) (Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount) above, and each such determination or calculation shall be final and binding on all parties.

(i) **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 a Reference Agent. The Issuer has, subject to prior written consent of the Security Agent, the right to terminate the appointment of the Reference by giving at least 90 days' notice in writing to that effect. If any person shall be unable or unwilling to continue to act as a Reference Agent or if the appointment of any Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Agent, appoint a successor Reference Agent 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. Notice of any such termination will be given to the holders of the relevant Notes in accordance with Condition 13 (*Notices*).

5. **PAYMENT**

- 5.1 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.
- 5.2 No commissions or expenses shall be charged by the Domiciliary Agent to the Noteholders in respect of such payments.
- 5.3 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 (*Taxation*).
- 5.4 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**

6.1 **Final redemption**

Unless previously redeemed as provided in this Condition 6 (*Redemption and Cancellation*), the Issuer will 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.



In respect of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, and Class G Notes, such redemption will be subject to (i) Condition 9.2 (*Principal*) and (ii) fulfilment of the Repayment Test.

## 6.2 Mandatory redemption

- (a) Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*) 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 9.2 (*Principal*) and (ii) fulfilment of the Repayment Test, be obliged to apply:
- (i) the Class A Pass-through Notes Principal 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 Principal 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 Principal 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 Principal 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 Principal 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 ), 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 Principal 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 ), 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 Principal 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 ), 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 Principal 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 ), 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.
- (b) Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*) 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 9.2 (*Principal*) and (ii) fulfilment of the Repayment Test, be obliged to apply the Pass-through Principal Available Amount 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.
- (c) Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*), 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 9.2 (*Principal*) and (ii) fulfilment of the Repayment Test, be obliged to apply the Principal Available Amount 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.
- (d) 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 Amount, and (iii) on or after a Trigger Event the Principal Available Amount, 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), 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.
- (e) 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.

### 6.3 **Determination of Principal Redemption Amount and Principal Amount Outstanding**

- (a) On each Note Calculation Date, the Issuer shall determine (or cause the Administrator to determine):
  - (i) the Principal Redemption Amount;
  - (ii) 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
  - (iii) 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 its Issue 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.

- (b) 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 as in line with the rules of the Clearing System to the Security Agent, the Domiciliary Agent, the Reference Agent and to the holders of Notes in accordance with Condition 13 (*Notices*). 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 (*Notices*).
- (c) 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 Condition (but based upon the information in its possession) as to the Principal Available Amount. Each such determination or calculation shall be deemed to have been made by the Issuer.

### 6.4 **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 whole but not in part, at their Principal Amount Outstanding together with any accrued interest and, in respect of the Class B Notes, Class C Notes and Class D Notes, (i) subject to Condition 9.2 (*Principal*) 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 thirty (30) days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 13 (*Notices*).

## 6.5 Notes clean-up call option

The Issuer may, at its option, redeem at their Principal Amount Outstanding together with any accrued interest and, in respect of the Class B Notes, Class C Notes, Class D Notes (i) subject to and in accordance with Condition 9.2 (*Principal*) 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 thirty (30) days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 13 (*Notices*).

## 6.6 Programme Clean-up call option

The Issuer may, at its option, redeem at their Principal Amount Outstanding together with any accrued interest and, 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 9.2 (*Principal*), redeem all of the Notes, but not some only, 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 (*Notices*).

## 6.7 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 9.2 (*Principal*)) 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.

## 6.8 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 9.2 (*Principal*)), on any Note Payment Date if, immediately prior to the giving of the notice referred to below, the Issuer has satisfied the Security Agent that:

- (a) on the next Note Payment Date the Issuer, the National Bank of Belgium as operator of the Clearing System, the Domiciliary Agent or any other person would be required to deduct or withhold for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed by the Kingdom of Belgium (or any sub-division or authority thereof or therein) from any payment of principal or interest in respect of Notes held by or on behalf of any Noteholder as a result of any amendment to, or change in, the tax laws or regulations of the Kingdom of Belgium (or of any sub-division or authority thereof or therein having power to tax) or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations, 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
- (b) 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 9.2 (*Principal*))) 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 thirty (30) days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

## 6.9 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 and, 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 9.2 (*Principal*)), if the Seller exercises its option to repurchase the SME Receivables from the Issuer upon the occurrence of :

- (a) a change published on or after Programme Closing Date in the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision, as updated and amended from time to time (the "**Basel Accord**") or in the international, European or Belgian regulations, rules and instructions (which includes the solvency regulations of the National Bank of Belgium) (the "**Bank Regulations**") applicable to the relevant Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord); or
- (b) a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including the European Central Bank, the National Bank of Belgium, or other competent international, European or national 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; or

- (c) a change in the eligible collateral framework of the European Central Bank as a result of which the Class A Notes no longer qualify as eligible collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem,

(any such change a "**Regulatory Change**"), provided that 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 9.2 (*Principal*)) 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 thirty (30) days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

#### 6.10 **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 and, 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 9.2 (*Principal*), if:

- (a) 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**"); and
- (b) 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 9.2 (*Principal*)) 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 thirty (30) days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

#### 6.11 **Early redemption of Series-0 Notes**

Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*), and no Trigger Event has occurred, subject to a thirty (30) days' notice period (unless the Issuer agrees to a shorter notice period):

- (a) 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 Amount, 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;
- (b) 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 or Reserve Fund Shortfall attributed to such Note.

#### 6.12 **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.

### 7. **TAXATION**

7.1 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 or FATCA. 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.

7.2 The Issuer, the Clearing System Operator, the Domiciliary Agent or any other person being required to make a tax deduction 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**

#### 9.1 **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 (*Interest*) and Condition 6 (*Redemption and Cancellation*), subject to the terms of this Condition.

In the event that on any relevant Note Calculation Date the Interest Available Amount is insufficient to satisfy the obligation of the Issuer in respect of amounts of interest due on any Class of Notes (other than the Class A 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 relevant Class of Notes and the amount of the shortfall (the "**Interest Deficiency**") shall be credited to the Interest Deficiency Ledger of the relevant Class of Notes. Any Interest Deficiency in respect of a Class of Notes shall not be treated as due on that date for the purposes of Condition 4 (*Interest*), but shall accrue interest as long as it remains

outstanding at the rate of interest applicable to the relevant Class of Notes for such period, and 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 Note of the relevant Class on the next succeeding Note Payment Date.

## 9.2 Principal

- (a) Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice, a holder of any Class of Notes (other than Class A Notes) will not be entitled to any repayment of principal in respect of such Class of Notes until the date on which the Principal Amount Outstanding of the higher ranking Class(es) of Notes (as specified in Condition 2.2) is reduced to zero.
- (b) If, on any date, there is a balance on the Principal Deficiency Ledger in respect of any Class of Notes (other than the Reserve Fund Notes), then notwithstanding any other provisions of these Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 6.2 (*Mandatory redemption*) in respect of each Note of that Class on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Principal Shortfall in respect of that Note on such Note Payment Date. The **Principal Shortfall** in respect of any Note (other than a Reserve Fund Note) shall mean an amount equal to the quotient of the balance on the Principal Deficiency Ledger in respect of the Class of that Note on the preceding Note Payment Date or, if such date is a Note Payment Date, this date divided by the aggregate Principal Amount Outstanding of all Notes of that Class on such Note Payment Date multiplied by the Principal Amount Outstanding of that Note.
- (c) If, on any date, there is a balance on the Reserve Fund Deficiency Ledger in respect of any Class of Reserve Fund Notes, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption shall not exceed its Principal Amount Outstanding less the Reserve Fund Shortfall in respect of that Note on such date. The **Reserve Fund Shortfall** in respect of any Reserve Fund Note on a given date shall mean an amount equal to the quotient of the balance on the Reserve Fund Deficiency Ledger in respect of the Class of that Note on this date divided by the aggregate Principal Amount Outstanding of all Notes of that Class on such date multiplied by the Principal Amount Outstanding of that Note.

## 9.3 General

In the event that the Security in respect of the Notes 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, or 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 any Class of Notes (other than the Class A Notes) or amounts of Principal Shortfall or Reserve Fund Shortfall shall not constitute an Event of Default;
- (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 procedures provided for in Book XX of the Belgian Code of Economic Law 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* (distrain) 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 VBS" 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 Programme,

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.

The issuance of an Enforcement Notice will be reported to the Noteholders without undue delay in accordance with Condition 13 (Notices).

## **11. ENFORCEMENT**

- 11.1 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.
- 11.2 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.
- 11.3 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 (*Events of Default*) 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 also Annex 1 (*Security Agent Provisions*) which is incorporated in these Conditions as if set out herein).

## **13. NOTICES**

- 13.1 All notices to Noteholders (including notices for convening meetings of Noteholders) shall be deemed to have been duly given by delivery of the relevant notice to that Clearing System Operator for communication by it to the relevant account holders. Any such notice shall be deemed to have been given on the date on the date and at the time it is delivered to the Clearing System.
- 13.2 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.

## 14. MEETINGS OF NOTEHOLDERS

The Articles 7:161 to 7:176 of the Code of Companies and Associations 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. See also Annex 2 (*Provisions for meetings of Noteholders*) which is incorporated in these Conditions as if set out herein.

All resolutions passes at any meeting of Noteholders shall be notified to the Rating Agencies.

### 14.1 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:

- (a) 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;
- (b) 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;
- (c) 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:

- (a) 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;
- (b) 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;
- (c) 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.

#### **14.2 Basic Terms Change**

No 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.

#### **14.3 Extraordinary Resolution**

##### **(a) 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.

(b) **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 (*Meetings of Noteholders*)), 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.

(c) **Programme Resolution**

(i) Notwithstanding the preceding paragraphs of this Condition 14 (*Meetings of Noteholders*), any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Security Agent:

(A) to take any enforcement action pursuant to Condition 10 (*Events of Default*) and Condition 11 (*Enforcement*); or

(B) 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.

(ii) 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.

- (iii) 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.

#### 14.4 Other or further regulations

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. MODIFICATIONS, WAIVERS, AUTHORISATIONS BY THE SECURITY AGENT

- 15.1 Provided that the conditions included in Condition 15.3 are met, the Security Agent may on behalf of the Noteholders and without the consent of the Noteholders or the other Secured Parties at any time and from time to time, agree to:

- (a) 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
- (b) 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.

- 15.2 Provided that the conditions included in Condition 15.3 are met, the Security Agent may also on behalf of the Noteholders and without the consent of the Noteholders or the other Secured Parties at any time and from time to time, concur with the Issuer or any other person in making any modification:

- (a) to these Conditions or any of the Relevant Documents in order to enable the Issuer and/or the Interest Swap Counterparty to comply with any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) (the "**EMIR Requirements**") or any other obligation which applies to it under the EMIR Requirements and/or any new regulatory requirements, subject to receipt by the Security Agent of a certificate of the Issuer and, where the amendment has been requested by the Interest Swap Counterparty, the Interest Swap Counterparty

certifying to the Security Agent that the amendments requested by the Issuer or the Interest Swap Counterparty, as the case may be, are to be made solely for the purpose of enabling the Issuer or the Interest Swap Counterparty, as the case may be, to satisfy the EMIR Requirements, provided that the Security Agent shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Agent, would have the effect of (A) exposing the Security Agent to any additional liability or (B) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Relevant Documents and/or the Conditions, (C) as from the Securitisation Regulation being applicable to the Programme and the Notes, the Programme, any Notes or any Relevant Document not complying with the requirements set out in the Securitisation Regulation, in each case, further provided that the Security Agent has received written confirmation from the Interest Swap Counterparty in respect of the Interest Swap Agreement that it has consented to such amendment; or

- (b) to these Conditions or any of the Relevant Documents in order to enable the Issuer (or in respect of the Securitisation Regulation the Originator) to comply with any obligation which applies to it under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and Commission Delegated Regulation (EU) 2015/3 (the "**CRA3 Requirements**"), under the Securitisation Regulation or Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the "**CRR Amendment Regulation**") and/or any new regulatory requirements (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators to the CRA3 Requirements, the Securitisation Regulation and/or the CRR Amendment Regulation), subject to receipt by the Security Agent of a certificate of the Issuer certifying to the Security Agent that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under the CRA3 Requirements, the Securitisation Regulation, the CRR Amendment Regulation and/or any new regulatory requirements provided that the Security Agent shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Agent, would have the effect of (i) exposing the Security Agent to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Relevant Documents and/or the Conditions or (iii) as from the Securitisation Regulation being applicable to the Programme and the Notes, the Programme, any Notes or any Relevant Document not complying with the requirements set out in the Securitisation Regulation;
- (c) to these Conditions or any of the Relevant Documents in order to enable the Issuer to change the base rate on the Floating Rate Notes from EURIBOR to an alternative base rate (any such rate, an "**Alternative Base Rate**") (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR, provided that:
  - (i) such modification is being undertaken due to:

- (I) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
- (II) a public statement by the administrator of EURIBOR that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor administrator for EURIBOR has been appointed that will continue publication of EURIBOR) and such cessation is reasonably expected by the Issuer to occur prior to the latest Final Maturity Date of any of the Notes;
- (III) a public statement by the supervisor of the administrator of EURIBOR that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner and such cessation is reasonably expected by the Issuer to occur prior to the latest Final Maturity Date of any of the Notes;
- (IV) a public statement by the supervisor of the administrator of EURIBOR that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences;
- (V) the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (I), (II), (III) or (IV) will occur or exist within six months of the proposed effective date of such modification, and

and, in each case, has been drafted solely to such effect; and

- (ii) such Alternative Base Rate is:

- (I) a base rate published, endorsed, approved or recognised by the FSMA, any regulator in the European Union or any stock exchange on which the Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing;
- (II) a base rate utilised in a material number of publicly-listed new issues of Euro-denominated asset backed floating rate notes prior to the effective date of such modification (for these purposes, unless agreed otherwise by the Security Agent, such issues shall be considered material);
- (III) a base rate utilised in a publicly-listed new issue of Euro-denominated asset backed floating rate notes where the Originator of the relevant assets is the Seller;

and, in each case, the change to the Alternative Base Rate will not, in its opinion, be materially prejudicial to the interest of the Noteholder or, as from the Securitisation Regulation being applicable to the Programme and the Notes, resulting in the Programme, any Note or any Relevant Document not complying with the requirements set out in the Securitisation Regulation; and

- (iii) provided further that:

- (I) the party proposing the modification to a Relevant Document, if possible and if necessary with the cooperation of the Issuer, obtains



from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Security Agent that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency and, if relevant, delivers a copy of each such confirmation to the Issuer and the Security Agent; or

- (II) the Issuer certifies in writing to the Security Agent that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 Business Days after being informed thereof that such modification would result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency; and
- (VI) the Security Agent shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Agent, would have the effect of (i) exposing the Security Agent to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Relevant Documents and/or the Conditions;

- 15.3 The Security Agent shall notify the Rating Agencies in advance of any such modification, authorisation or waiver pursuant to this Condition 15 (*Modifications, waivers, authorisations by the Security Agent*) and shall have 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, will not be adversely affected (or withdrawn) by any such modification, authorisation or waiver.
- 15.4 Any such modification, authorisation or waiver pursuant to this Condition 15 (*Modifications, waivers, authorisations by the Security Agent*) 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 (*Notices*) as soon as practicable thereafter. The Issuer shall also cause notice of any such modification to be given to the Administrator, the Pool Servicer, the Domiciliary Agent and the Dealers.
- 15.5 Any such modification of a Relevant Document must be approved by each party thereto, except as expressly set out above.

## 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 Basisweg 10, 1043 AP Amsterdam, the Netherlands, in its capacity as administrator of the Issuer under the Servicing Agreement, or its successor or successors;

**"Borrower"** means a debtor, whether an individual or a moral person, including any jointly and severally liable co-debtors, of the SME Receivables;

**"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;

**"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 Principal Available Amount"** means, on any date, an amount calculated in accordance with the following formula, if the Pro-rata Condition is satisfied:

$A \times B/C$ , where:

A = the Pass-through Principal Available Amount;

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 Principal Available Amount"** means, on any 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 Amount;

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 Principal Available Amount"** means, on any 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 Amount;

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 Available Amount"** means, on any 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 Amount;

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;

**"Domiciliary Agency Agreement"** means the paying agency agreement entered into by the Issuer, the Domiciliary Agent, the Reference Agent and the Security Agent on 2 December 2009, as 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 Ratings;

**"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 (*Final Terms*) of the Base Prospectus, as the same may be amended, restated and/or supplemented from time to time;

**"Fitch"** means Fitch Ratings Ireland Limited, Succursale française;

**"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;

**"FSMA"** means the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*), which is the Belgian competent authority for the purpose of the Prospectus Regulation and relevant implementing measures in Belgium;

**"GIC Agreement"** means the guaranteed investment contract entered into by the Issuer, the GIC Provider and the Security Agent on 2 December 2009, as amended, restated, supplemented or otherwise modified from time to time;

**"GIC Provider"** means BNP Paribas Fortis SA/NV in its capacity as GIC provider under the GIC Agreement and/or its successor or successors;

**"GIC Provider Rating Downgrade Event"** means the event that respectively the short-term IDR (or deposit rating, if available), the long-term IDR (or deposit rating, if available) or 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;

**"GIC Provider Required Rating"** means (i) a long-term IDR (or deposit rating, if available) of at least A by Fitch; (ii) a short-term IDR (or deposit rating, if available) of at least F1 by Fitch; and (iii) a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime 1 by Moody's;

**"Holding"** means Stichting Holding Esmée, organised as a foundation (*stichting/fondation*) under Belgian law, with its registered office at Marnixlaan 23, 5<sup>th</sup> floor, 1000 Brussels, Belgium;

**"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, Class F Interest Deficiency Ledger, and 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;

**"Interest Swap Counterparty Rating Downgrade Event"** means the event that (i) respectively, the long-term IDR (or derivative counter party rating, if available), the short-term IDR (or derivative counter party rating, if available), the long-term, unsecured, unsubordinated and unguaranteed debt obligations or the short-term unsecured, unsubordinated and unguaranteed debt obligations, of the Interest Swap Counterparty or, if the Interest Swap Counterparty or these obligations of the Interest Swap Counterparty are not rated as such 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 the Interest Swap Counterparty or 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;

**"Interest Swap Counterparty Required Rating"** means (i) a derivative counterparty rating, if available, or a long-term IDR of at least A by Fitch; (ii) a rating of the long-term, unsecured and unsubordinated debt obligations of at least A2 by Moody's (or, if it is not subject to a short term rating, A1 by Moody's); (iii) a derivative counterparty rating, if available, or a short-term IDR of at least F1 by Fitch; and (iv) a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's;

**"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 NV/SA, 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 Marnixlaan 23, 5<sup>th</sup> floor, 1000 Brussels, Belgium;

**"Issuer Collection Account"** means the account of the Issuer maintained with the GIC Provider 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;

**"Listing Agent"** means BNP Paribas Fortis SA/NV, 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 commenced on (and included) the Initial Cut-off Date and ended on 31 January 2010;

**"Moody's"** means Moody's Deutschland GmbH;

**"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 Receivables, (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 entered into by the Issuer, the Security Agent and the Secured Parties (other than the Noteholders) on 2 December 2009, as amended, restated, supplemented or otherwise modified from time to time;

**"Pass-through Notes"** means the Notes (i) of which the applicable Final Terms specify that they are Pass-Through Notes or (ii) that have become Pass-through Notes in accordance with Condition 6.2

**"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 entered into on dated 2 December 2009, as further amended and /or restated from time to time, between the Issuer, and the other Secured Parties pursuant to which the Issuer will pledge the pledged assets;

**"Pool Servicer"** means BNP Paribas Fortis SA/NV 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:

- (a) as repayment and prepayment of principal under the SME Receivables;
- (b) if the Principal Period includes a Note Payment Date, any amounts to be credited to the Principal Deficiency Ledger on such Note Payment Date;
- (c) as Net Proceeds on any SME Receivable, to the extent such proceeds relate to principal;
- (d) 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;
- (e) as amounts received in connection with a sale of SME Receivables to the extent such amounts relate to principal;
- (f) 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; and
- (g) 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 Amount;

**"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, 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 EUR 25,000,000,000 SME Asset-Backed Note Programme of the Issuer;

**"Programme Agreement"** means the programme agreement entered into by the Issuer, the Security Agent, the Administrator, the GIC Provider, the Seller and the Dealers on 2 December 2009, as 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) (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 9.2, 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 9.2;

**"Purchase Date"** means the Closing Date each Business Day on which a New SME Receivable was or is purchased by the Issuer;

**"Rating Agencies"** means Fitch and Moody's;

**"Reference Agent"** means BNP Paribas Fortis SA/NV 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;

**"Regulatory Call Option"** means the option of the Issuer to redeem the Notes in accordance with Condition 6.9 in case of a Regulatory Change;

**"Relevant Documents"** means the Programme Agreement, the Pledge Agreement, 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:

- (a) 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;
- (b) 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;

- (c) 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;
- (d) 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;
- (e) 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

- (f) 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) the Holding Directors, (h) the Security Agent Directors, (i) the Pool Servicer, (j) Interest Swap Counterparty and (k) 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 Basisweg 10, 1043 AP Amsterdam, the Netherlands;

**"Security Agent Agreement"** means the security agent agreement entered into by *inter alios* the Security Agent and the Issuer on 2 December 2009, as amended, restated, supplemented or otherwise modified from time to time;

**"Seller"** means BNP Paribas Fortis SA/NV (and its successor or successors) and any other seller who has acceded to the Programme as Seller (and its successor or successors);

**"Seller Collection Account Provider"** means BNP Paribas Fortis SA/NV in its capacity as seller collection account provider with respect to the Seller Collection Account of the initial Seller, or any other bank in Belgium in its capacity as seller collection account provider with respect to the Seller Collection Account of such Seller or their successor or successors;

**"Seller Collection Account Provider Rating Downgrade Event"** means the event that the long-term, unsecured and unsubordinated debt obligations, the short-term IDR or the long-term IDR 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;

**"Seller Collection Account Provider Required Rating"** means (i) a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's; (ii) a short-term IDR of at least F1 by Fitch; and (iii) a long-term IDR of at least A by Fitch;

**"Servicing Agreement"** means the servicing agreement entered into by the Administrator, the Pool Servicer, the Issuer and the Security Agent on 2 December 2009, as 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 dated 2 December 2009, as amended, restated, supplemented or otherwise modified from time to time;

**"Soft-bullet Notes"** means any Note which in the Final Terms has been designated as Soft-bullet Note and which is not subject to mandatory repayment on the next Note Payment Date;

**"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:

- (a) an amount is debited to the Class A Principal Deficiency Ledger; or
- (b) 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
- (c) 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, reorganisation measures 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;
- (d) 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 sixty (60) days following such termination; or
- (e) on a given Note Payment Date, after application of the Pass-through Principal Available Amount in accordance with the Principal Priority of Payments, an amount remains standing to the credit of the Issuer Collection Account which is in excess of an amount equal to 10 per cent of the Principal Amount Outstanding of the Soft-bullet Notes, other than the Reserve Fund Notes, on such Note Payment Date, and if such an excess amount has been continuously outstanding on the Issuer Collection Account for at least six (6) months prior to the relevant Note Payment Date; or
- (f) more than 2 per cent. of the aggregate Outstanding Principal Amount of the SME Loans is in arrears for more than 90 days.

## ANNEX 1: SECURITY AGENT PROVISIONS

### 1. APPOINTMENT

- 1.1 The Issuer has appointed the Security Agent as representative (*vertegenwoordiger / représentant*) of the Noteholders in accordance with article 271/12, §1 (formerly article 29 §1, first to seventh indent and article 126) of the UCITS Act upon the terms and conditions set out herein.
- 1.2 The Noteholders hereby appoint the Security Agent as representative (*vertegenwoordiger / représentant*) of the Noteholders in accordance with article 7:63, §1 and §2 of the Code of Companies and Associations upon the terms and conditions set out herein.
- 1.3 The Secured Parties (other than the Security Agent and the Noteholders) have appointed the Security Agent as representative (*vertegenwoordiger / représentant*) in accordance with Article 3 of the Movable Collateral Law and Article 5 of the Financial Collateral Law and as their agent (*mandataire/lasthebber*), in each case on the terms and conditions and with the powers set out herein.
- 1.4 In relation to any duties, obligations and responsibilities of the Security Agent to the Secured Parties (other than the Noteholders) in its capacity as agent of these other Secured Parties in relation to the Pledged Assets and under or in connection with the Relevant Documents, the Security Agent and these other Secured Parties hereby agree, and the Issuer concurs, that the Security Agent shall discharge these duties, obligations and responsibilities by performing and observing its duties, obligations and responsibilities as representative of the Noteholders in accordance with the provisions of the Relevant Documents and the Conditions, including this Annex 1.

### 2. POWERS

- 2.1 The Security Agent, acting in its own name and on its own behalf and on behalf of the Noteholders and the other Secured Parties, shall have the powers and authorities set forth in the Conditions, including this Annex 1, and in any of the Relevant Documents to which it is a party and such powers incidental thereto, which it will exercise in accordance with and subject to the provisions of the Conditions and the Relevant Documents. In particular, but without limitation, the Security Agent shall have the power:
  - (a) to accept the Security on behalf of the Noteholders and the other Secured Parties;
  - (b) 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 behalf of the Secured Parties;
  - (c) to collect all proceeds in the course of enforcing the Security;
  - (d) to apply or to direct the application of the proceeds of enforcement in accordance with the Conditions and the Relevant Documents;
  - (e) 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;

- (f) 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;
- (g) 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;
- (h) 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;
- (i) 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;
- (j) to exercise all other powers and rights and perform all duties given to the Security Agent under the Relevant Documents; and
- (k) 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.

- 2.2 All of the Secured Parties acknowledge that the Security Agent has entered into the Parallel Debt Agreement and that the Security Agent equally secures the Parallel Debt owing to the Security Agent in addition to the obligations of the Issuer owing to the other Secured Parties.

### **3. DELEGATION OF POWERS**

- 3.1 The Security Agent may delegate the performance of any of the foregoing powers to any person whom it may designate. Notwithstanding any sub-contracting or delegation of the performance of its obligations under this Agreement, the Security Agent shall not thereby be released or discharged from any liability hereunder and shall remain responsible for the performance of the obligations of the Security Agent under this Agreement and shall be jointly and severally liable for the performance or non-performance or the manner of performance of any sub-contractor, agent or delegate.

#### 4. **REMUNERATION**

- 4.1 The Issuer shall pay to the Security Agent an annual fee for its services as trustee, which fee shall be separately agreed between the Security Agent and the Issuer.
- 4.2 The Issuer shall also pay or discharge all costs, charges, liabilities and expenses incurred by the Security Agent in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Agreement or any of the other Relevant Documents, including but not limited to travelling expenses, costs of expert advice and appraisal and any stamp and other taxes or duties paid by the Security Agent in connection with any legal proceedings brought or contemplated by the Security Agent against the Issuer for enforcing any obligation under this Agreement, the Notes or any of the other Relevant Documents.
- 4.3 In the event of the occurrence of an Event of Default or the Security Agent considering it expedient or necessary or being requested by the Issuer to undertake duties which the Security Agent and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Agent under this Agreement, the Issuer shall pay to the Security Agent such additional remuneration as shall be agreed between them.
- 4.4 The Security Agent will, after consultation with the Issuer prior to the Enforcement Date only, at all times be entitled to provide itself with the assistance of one or more experts, provided that no such expert(s) fulfil the same advisory function with or for the Issuer, the Administrator, the Pool Servicer or the Seller.
- 4.5 The Security Agent shall, however, not be obliged to take any action which may involve expenses, unless reasonable security for or indemnity against all costs involved, shall be placed at its disposal, by the Issuer, by the Secured Parties or by others. The Security Agent may deduct whatever it is entitled to by reason of fees, disbursements or otherwise from what it may have in its possession or receive for the account of the Secured Parties.

#### 5. **RELIANCE**

- 5.1 In determining whether or not any power, trust, authority, duty or discretion or any change, event or occurrence under or in relation to the Conditions or any of the Relevant Documents will be:
- (a) materially prejudicial to the interests of Noteholders;
  - (b) exposing the Security Agent to any additional liability;
  - (c) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Conditions or the Relevant Documents; or
  - (d) resulting in the Programme, any Note or any Relevant Document to not comply with the requirements set out in the Securitisation Regulation (when applicable to the Programme and the Notes),
  - (e) the Security Agent shall be able to rely on, and act on any advice or opinion of or any certificate obtained from a valuer, accountant, banker, broker, securities company or other company other than the Rating Agencies, or any certificate obtained in accordance with the provisions of Condition 15 (*Modifications, waivers, authorisations by the*



*Security Agent*), whether obtained by itself or the Issuer. The Security Agent shall not be liable for any loss occasioned by such action, save where such loss is due to its gross negligence, wilful misconduct or fraud.

- 5.2 Concurrently, the Security Agent may, along with any other relevant factors, have regard for whether the Rating Agencies have confirmed that the then current rating of the Notes, would not be adversely affected by such change, event or occurrence. The fact that the current ratings of the Notes would not be adversely affected shall not be construed to mean that any such exercise, change, event or occurrence is not materially prejudicial to the interests of the Noteholders.

## **6. LIABILITY**

- 6.1 The Security Agent shall not be liable for any action taken or not taken by it or for any breach of its obligations under this Agreement or other Relevant Documents or for any breach of its obligations under or in connection with this Agreement or any other Relevant Document to which it is a party, except in the event of its wilful misconduct (*opzettelijke fout / faute intentionnelle*) or gross negligence (*grove fout / faute lourde*), and it shall not be responsible for any act or negligence of persons or institutions retained by it in good faith.
- 6.2 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 fout / faute lourde*) or wilful misconduct (*grove schuld / faute intentionnelle*). The liability shall be shared 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.

## **7. INDEMNITY/REIMBURSEMENT**

Without prejudice to the right of indemnity by law given to it, the Security Agent and every attorney, manager, agent, delegate or other person appointed by it under this Agreement shall be indemnified by the Issuer against and shall on first demand be reimbursed in respect of all liabilities and expenses properly incurred by it in the execution or purported execution of the powers of this Agreement or of any powers, authorities or discretions vested in it or him pursuant to this Agreement and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Agreement or otherwise.

## **8. NOTIFICATION OF BREACHES**

The Security Agent shall inform the parties listed in paragraph 10.2 upon its receipt of a notice in writing from the Issuer of a Notification Event, an Event of Default or a breach of the representations and warranties set out clauses 3 (Representations and Warranties Relating to the SME Loans / SME Receivables) and 4 (Representations and Warranties Relating to the Seller)

of the SME Receivables Purchase Agreement, unless such notice has already been made to such parties by the Administrator in accordance with the Servicing Agreement.

## **9. REPORTING BY THE SECURITY AGENT**

If so requested in advance by the board of directors of the Issuer, the Security Agent shall report to the general meeting of Noteholders on the performance of its duties under the Conditions and the Relevant Documents provided such request is notified by registered mail no later than ten (10) Business Days prior to the relevant general meeting of Noteholders. The board of directors of the Issuer shall require such report if so requested by those Noteholders who have requested that such general meeting be convened.

## **10. ENFORCEMENT PROCEEDINGS**

10.1 At any time following the occurrence of an Event of Default, the Security Agent at its discretion may, or if so directed by an Extraordinary Resolution of all Class A Noteholders or if no Class A Notes are outstanding, by an Extraordinary Resolution of the holders of all Class B Notes or if no Class A Notes and Class B Notes are outstanding by an Extraordinary Resolution of the holders of all Class C Notes or if no Class A Notes, Class B Notes and Class C Notes are outstanding by an Extraordinary Resolution of the holders of all Class D Notes or if no Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding by an Extraordinary Resolution of the holders of all Class E Notes or if no Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are outstanding by an Extraordinary Resolution of the holders of all Class F Notes or if no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes are outstanding by an Extraordinary Resolution of the holders of all Class F Notes (subject, in each case, to being indemnified to its satisfaction) shall (but in the case of the occurrence of any of the events mentioned in Condition 10(b), 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) deliver an Enforcement Notice to the Issuer.

10.2 The Security Agent shall send a copy of any Enforcement Notice to each of:

- (a) the Administrator;
- (b) the Directors;
- (c) the Domiciliary Agent;
- (d) the Reference Agent;
- (e) the Account Bank;
- (f) the Pool Servicer(s);
- (g) the Interest Swap Counterparties;
- (h) the Seller(s); and
- (i) the Rating Agencies.

10.3 At any time after the Enforcement Date, the Security Agent may at its discretion, but subject to paragraph 10.8, and without further notice take such proceedings as it may think fit against the Issuer to enforce the terms of this Agreement, the Pledge Agreement, the Notes and any of the

other Relevant Documents to which the Security Agent is a party or under which it derives any rights.

- 10.4 The Security Agent shall not be bound to take any such proceedings as are mentioned in paragraphs 10.1 to 10.10 unless (a) it shall have been directed to do so in accordance with paragraph 10.1 and (b) it shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.
- 10.5 In the event that an Enforcement Notice shall have been given in respect of the Notes of any Class, the Security Agent will be empowered:
- (a) to prepare the account of such Notes outstanding according to the records made available by the Domiciliary Agent pursuant to Domiciliary Agency Agreement, together with the accrued interest and any other amounts owed by the Issuer in respect of the Notes, with reasonable costs, including the Security Agent's fee; and
  - (b) to prepare the account of all amounts due and payable to the other Secured Parties according to the records made available by the Administrator pursuant to the Servicing Agreement. The Issuer will act in accordance with and will fully accept the accounts as prepared by the Security Agent, subject to evidence to the contrary.
- 10.6 At any time after the Notes of any Series and Class become immediately due and payable the Security Agent may by notice in writing to the Issuer and the Domiciliary Agent and the Reference Agent require the Domiciliary Agent and the Reference Agent pursuant to the Domiciliary Agency Agreement:
- (a) to act thereafter as Domiciliary Agent and Reference Agent of the Security Agent in relation to payments to be made by or on behalf of the Security Agent under the provisions of this Agreement, mutatis mutandis, on the terms provided in the Domiciliary Agency Agreement (save that the Security Agent's liability under any provision thereof for the indemnification of the Domiciliary Agent and the Reference Agent shall be limited to the amount for the time being received or recovered by the Security Agent under the Pledge Agreement) subject to the priority of payments set forth in clause 5 (Priority of Payments upon Enforcement) of the Security Agent Agreement and thereafter to hold all Notes and all sums, documents and records held by them in respect of the Notes on behalf of the Security Agent; and/or
  - (b) to deliver all Notes and all sums, documents and records held by them in respect of Notes to the Security Agent or as the Security Agent shall direct in such notice, provided that such notice shall be deemed not to apply to any documents or records which the Domiciliary Agent or the Reference Agent is obliged not to release by any applicable law or regulation.
- 10.7 Only the Security Agent may enforce the provisions of any of the Relevant Documents, including the Notes. None of the Secured Parties shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of any of the Relevant Documents, including the Notes, unless the Security Agent having become bound as aforesaid to take proceedings as set forth in paragraph 10.3 fails to do so within a reasonable period and such failure shall be continuing. If the Noteholder(s) and/or any of the other Secured Parties proceed directly against the Issuer in accordance with the terms of this Agreement, all limitations and restrictions imposed under or by virtue of this Agreement, the Notes or any other Relevant

Document on the Security Agent in relation to enforcement of rights and availability of remedies, shall mutatis mutandis also fully apply to such Noteholder(s) and/or such other Secured Parties.

- 10.8 Neither the Secured Parties nor the Security Agent may 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 only remedy of the Security Agent against the Issuer after an Enforcement Notice has been given pursuant to Condition 10 (Events of Default) is to enforce the Pledge Agreement to which the Security Agent is a party.
- 10.9 In connection with the exercise of its functions (including but not limited to those referred to in this paragraph) the Security Agent shall have regard to the interests of the Class A Noteholders and the Class B Noteholders and the Class C Noteholders and the Class D Noteholders and the Class E Noteholders and the Class F Noteholders and the Class G Noteholders each as a Class or as the case may be as a Series and Class and in accordance with Condition 9 (*Subordination and limited recourse*) and shall not have regard to the consequences of such exercise for individual Noteholders. 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 or other consequence of any such exercise upon individual Noteholders. 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 applicable Priority of Payments determines which interests of which Secured Party prevails.
- 10.10 In the event that the Pledge Agreement has been fully enforced and the proceeds of such enforcement, after payment of all claims ranking in priority to the Class G Notes, or the Class F Notes, or the Class E Notes, or the Class D Notes, or the Class C Notes, or the Class B Notes, or the Class A Notes, as the case may be, in accordance with the Security Agent Agreement are insufficient to pay in full all amounts outstanding in respect of the Class G Notes, the Class F Notes, the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A Notes, as the case may be, then the Class G Noteholders, the Class F Noteholders, the Class E Noteholders, the Class D Noteholders, the Class C Noteholders, the Class B Noteholders and the Class A Noteholders, as the case may be, shall have no further claim against the Issuer or the Security Agent in respect of any such unpaid amounts.
- 10.11 In the event that the Pledge Agreement has been fully enforced and the proceeds of such enforcement and any other amounts received by the Security Agent, after payment of all claims ranking in priority to any claim of a Secured Party in accordance with the Security Agent Agreement are insufficient to pay in full all amounts outstanding in respect of the respective payment to the relevant Secured Party, then the relevant Secured Party shall have no further claim against the Issuer or the Security Agent in respect of such unpaid amount.

## 11. RETIREMENT AND REMOVAL

- 11.1 Until all amounts payable by the Issuer to the Secured Parties have been paid in full, the Security Agent shall not retire and may only be removed from its duties under the Security Agent Agreement as set out below.
- 11.2 If any of the following events (each a "**Security Agent Termination Event**") occurs:

- (a) 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
- (b) 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
- (c) the Security Agent defaults in the performance or observance of any of its material covenants and obligations under the Conditions or the 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 or receipt by the Security Agent of written notice from the Issuer requiring the same to be remedied; or
- (d) the Security Agent becomes subject to any bankruptcy (*faillissement / faillite*), judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*) or other insolvency proceeding under applicable laws; or
- (e) 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 appointment of the Security Agent 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 person 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 Conditions and 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 paragraph.

11.3 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:

- (a) in the same resolution a substitute security agent is appointed; and
- (b) such substitute security agent meets all legal requirements, if any, to act as security agent in respect of an Institutional VBS and accepts to be bound by the terms of this Agreement and all other Relevant Documents in the same way as its predecessor.

11.4 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.

11.5 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.

## **ANNEX 2: PROVISIONS FOR MEETINGS OF NOTEHOLDERS**

### **1. CONVENING MEETINGS / NOTICES / ACCESS / MANAGEMENT**

#### *Convenings and notices*

- 1.1 The meetings of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of all Series or of one or more Series and Class, as the case may be, may be convened by the Security Agent as often as it reasonably considers desirable.
- 1.2 The Security Agent shall convene a meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of all Series, at the written request of: (a) the Issuer; or (b) the Noteholders of any Class holding not less than ten (10) per cent. of the total Principal Amount Outstanding of the Notes of such Class who prove their capacity in a way satisfactory to the Security Agent.
- 1.3 The Security Agent shall convene a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of one or more Series and Class, at the written request of: (a) the Issuer or (b) the Noteholders of such one or more Series and Class holding not less than ten (10) per cent. of the total Principal Amount Outstanding of the Notes of such one or more Series and Class who prove their capacity in a way satisfactory to the Security Agent.
- 1.4 A request as referred to in clause 1.2 or 1.3 of this Annex 2 must contain the subject matter to be discussed and an explanatory memorandum. All persons entitled to request to convene a meeting shall be entitled to bring forward subjects to be discussed.
- 1.5 In the event that the Issuer requests the convening of a meeting, the Security Agent shall contemporaneously with the notice convening the meeting (in accordance with Condition 13), prepare a written report to the Noteholders of such Class or one or more Series and Class concerning the subject matter to be discussed and announce by advertisement that the report may be obtained in due time before the meeting free of charge at its offices in Brussels and at the specified offices of the Domiciliary Agent.
- 1.6 In the event that the request for the convening of a meeting is made pursuant to clause 1.2 (b) or 1.3 (b) of this Annex 2, the Noteholders of the relevant one or more Classes or the relevant one or more Series and Class shall contemporaneously with the filing of their request send a copy thereof and a description of the subject matter to be discussed together with a copy of the explanatory memorandum to the Issuer.
- 1.7 In the event of the non-fulfilment of the provisions of clauses 1.4 and 1.6 of this Annex 2, the obligation of the Security Agent to convene the meeting shall cease.
- 1.8 If the Security Agent fails to convene the meeting referred to in clause 1.2 or 1.3 in this Annex 2 within one month after receipt of the request, the Issuer or, as the case may be, any Noteholder of the relevant one or more Classes or relevant one or more Series and Class shall have the right to convene the meeting themselves with due observance of the notice periods and the formalities set forth in this Annex.

- 1.9 The meetings of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of all Series or of one or more Series and Class shall be held in Brussels at a place and at a time to be designated in the notice convening the meeting. The notice shall be given not less than fourteen (14) and not more than twenty-one (21) days before the meeting, excluding the date of publication of the notice and the date of the meeting. Notice shall be done by publication in English, Dutch and French on the website of Bloomberg and (ii) in the Belgian State Gazette (*Belgisch Staatsblad / Moniteur Belge*). Alternatively, such notice can also validly be given by delivery of the relevant notice to the Clearing System Operator for communication by it to the relevant account holders. Such notice shall be published a second time, with an interval of eight (8) calendar days between each publication. A copy of the notice shall be given to the Security Agent (unless the general meeting shall be convened by the Security Agent) and to the Issuer (unless the general meeting shall be convened by the Issuer).
- 1.10 In urgent cases, at the discretion of the Security Agent, the period of notice for convening a second meeting as referred to in clauses 1.17, 2.10, 2.11 and 4.1 in this Annex may be reduced to not less than seven (7) days.
- 1.11 Regardless of who convenes a meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders, the Security Agent undertakes to include in the notice referred to in clause 1.9 in this Annex either the contents of the agenda and of all documents which must by law or in accordance with the articles of association of the Issuer or the provisions of the Security Agent Agreement or this Schedule be deposited, or to state in such notice where those documents are made available to the Noteholders of one or more Classes or of one or more Series and Class concerned.
- 1.12 In the case of meetings of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders, one copy of the agenda and of the other documents referred to in the foregoing clause shall be filed with Euronext Brussels not later than the day on which the notice of the meeting is given or the deposit must take place.

#### *Access to the Meeting*

- 1.13 The Noteholders of one or more Classes or one or more Series and Class concerned shall be admitted to the meetings on presentation of a voucher, to be delivered by the Security Agent of one or more of the banking institutions named in the notice, stating that the Notes have been deposited with the Security Agent or, as the case may be, with any of those banking institutions not later than a date fixed by the Security Agent and will remain on deposit there until the end of the meeting.
- 1.14 The Security Agent and the Issuer (through their respective officers, employees, advisers, agents or other representatives) and their respective financial and legal advisers shall be entitled to attend and speak at any general meeting of the Noteholders.
- 1.15 Proxyholders need to be Noteholders.

#### *Management of the meeting*

- 1.16 The chairman of a meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders



and/or Class G Noteholders of all Series or of one or more Series and Class shall be a person nominated by the Security Agent; if the person nominated by the Security Agent is not present at the meeting or if the Security Agent does not nominate any person, the meeting shall appoint one of those present to act as chairman.

- 1.17 The chairman may with the consent of (and shall if directed by) any general meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned general meeting except business which could have been transacted at the general meeting from which the adjournment took place. At least ten (10) days' notice of any general meeting adjourned through want of a quorum shall be given in the same manner as for an original general meeting, and such notice shall state the quorum required at the adjourned general meeting. Subject as aforesaid, it shall not be necessary to give any notice of an adjourned general meeting.

## **2. VOTING / EXTRAORDINARY RESOLUTIONS / PROGRAMME RESOLUTIONS**

### *Voting*

- 2.1 Each Note carries one vote.
- 2.2 The Issuer may not vote on any Notes held by it whether directly or indirectly, and such Notes shall not be taken into account in establishing the total amount outstanding.
- 2.3 For the election of persons an absolute majority of votes validly cast is required. If no one obtains an absolute majority on the first ballot, a second ballot shall take place between the two persons who obtained most votes. If more than two would qualify for a second ballot by reason of obtaining the same number of votes, the two persons who will participate in the second ballot shall be chosen by lot. In the second ballot, the person who obtains most votes shall be elected; if the votes are equally divided in such second ballot, the decision shall be made by lot.
- 2.4 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.
- 2.5 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.
- 2.6 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.
- 2.7 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.
- 2.8 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.

- 2.9 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.

#### *Extraordinary Resolutions*

- 2.10 Except as otherwise provided in the Security Agent Agreement or in this Annex, at the meetings of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of all Series, or of one or more Series and Class, as the case may be, all matters shall be decided by an absolute majority of the validly cast votes and in case the votes are equally divided the proposal shall be deemed to be rejected. The expression "Extraordinary Resolution" where used in this document means a resolution passed at a duly convened meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders and/or Class F Noteholders and/or Class G Noteholders of all Series or of one or more Series and Class, as the case may be, held in accordance with the provisions herein contained, where at least two-thirds of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, are represented, and at such meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including a Basic Terms Change (as defined below) shall be at least seventy five (75) per cent. of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, and the majority required shall be at least seventy five (75) per cent. of the validity cast votes at that Extraordinary Resolution. If at such a meeting the aforesaid quorum, is not represented, a second meeting of Noteholders of one or more Classes or of the relevant one or more Series and Class concerned, as the case may be, will be held within one (1) 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 the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, then represented.
- 2.11 If at a meeting no Noteholder is present or represented, a second meeting of Noteholders of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, shall be held within one (1) month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting and if at that meeting no Noteholder is present or represented, the Security Agent taking into account the interests of the Noteholders of the relevant one or more Classes or of the relevant Series and Class, as the case may be, shall decide on the matters discussed during the first meeting, except in cases where the provisions of the following clause apply.
- 2.12 Without any prejudice to clauses 2.17 and 2.18 of the Security Agent Agreement and clause 17 of the Programme Agreement, any change to the Conditions or any provisions of the Relevant

Documents can be effected by an Extraordinary Resolution, provided, however, that no change of certain terms by the Noteholders of any Class or Sub-class of any Series, as the case may be, including the date of maturity of the Notes in the relevant Class or Sub-class of the relevant one or more Series, as the case may be, 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 the rate of interest applicable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date of 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 such Series of Notes being referred to 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 Class or Sub-class of Notes of the relevant Series, as the case may be, as provided in clause 2.10 above, 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.

- 2.13 Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class or Sub-class of the relevant one or more Series (whether or not they were present at the meeting at which such resolution was passed).
  
- 2.14 In urgent matters the Security Agent will, notwithstanding Condition 14 and clause 2.11 above, be entitled, in case of impending bankruptcy, suspension of payments or reorganisation of the Issuer, to be judged by the Security Agent in its reasonable opinion, to abandon in whole or in part, to diminish or to change any rights of Noteholders of the relevant Class or of the relevant one or more Series and Class, as the case may be, as well as to take other measures in the interest of Noteholders, if the Security Agent, after consultation with Euronext Brussels, is of the opinion that these actions will book no delay, even without authorisation of the meeting of Noteholders of the relevant Class or of the relevant one or more Series and Class, as the case may be. The Security Agent will give notice to the Noteholders of actions and operations as mentioned above as soon as possible. For the use or non use of the authorisation given to the Security Agent in this clause, and the consequences emanating therefrom, the Security Agent will never be liable nor can it ever be held liable except in case of wilful misconduct (*opzet/intention*) or gross negligence (*grove fout/faute grave*) of the Security Agent.
  
- 2.15 No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending 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 any 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 following lower Class of Notes of each Series of the Notes then outstanding to which the change relates, as the case may be, or such change is in the opinion of the Security Agent not materially prejudicial to the interests of such Noteholders of each Series.
  
- 2.16 An Extraordinary Resolution of the Class B Noteholders of any Series or any Sub-class thereof, as the case may be, 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 or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders. The Security Agent Agreement

imposes no such limitations on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, irrespective of the effect on their interests.

- 2.17 An Extraordinary Resolution of the Class C Noteholders of any Series or any Sub-class thereof, as the case may be, 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 and of the Class B Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and of the Class B Noteholders. The Security Agent Agreement imposes no such limitations on the powers of the Class A Noteholders and of the Class B Noteholders, the exercise of which will be binding on the Class C Noteholders, irrespective of the effect on their interests.
- 2.18 An Extraordinary Resolution of the Class D Noteholders of any Series or any Sub-class thereof, as the case may be, 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 and of the Class B Noteholders and of the Class C Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, of the Class B Noteholders and of the Class C Noteholders. The Security Agent Agreement imposes no such limitations on the powers of the Class A Noteholders and of the Class B Noteholders and of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders, irrespective of the effect on their interests.
- 2.19 An Extraordinary Resolution of the Class E Noteholders of any Series or any Sub-class thereof, as the case may be, 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 the Class B Noteholders and of the Class C Noteholders and of the Class D Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, of the Class B Noteholders, of the Class C Noteholders and of the Class D Noteholders. The Security Agent Agreement imposes no such limitations on the powers of the Class A Noteholders, of the Class B Noteholders and of the Class C Noteholders and of the Class D Noteholders, the exercise of which will be binding on the Class E Noteholders, irrespective of the effect on their interests.
- 2.20 An Extraordinary Resolution of the Class F Noteholders of any Series or any Sub-class thereof, as the case may be, 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 the Class B Noteholders, of the Class C Noteholders, of the Class D Noteholders and of the Class E Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, of the Class B Noteholders, of the Class C Noteholders, of the Class D Noteholders and of the Class E Noteholders. The Security Agent Agreement imposes no such limitations on the powers of the Class A Noteholders, of the Class B Noteholders, of the Class C Noteholders, of the Class D Noteholders and of the Class E Noteholders, the exercise of which will be binding on the Class F Noteholders, irrespective of the effect on their interests.
- 2.21 An Extraordinary Resolution of the Class G Noteholders of any Series or any Sub-class thereof, as the case may be, 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 the Class B Noteholders, of the Class C Noteholders, of the Class D Noteholders, of the Class E Noteholders and of the Class F Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, of the Class B Noteholders, of the Class C Noteholders, of the Class D Noteholders, of the Class E Noteholders and of the Class F Noteholders. The Security Agent Agreement imposes no such limitations on the powers of the Class A Noteholders, of the Class B Noteholders, of the Class C Noteholders, of the Class D Noteholders, of the Class E

Noteholders and of the Class F, the exercise of which will be binding on the Class G Noteholders, irrespective of the effect on their interests.

- 2.22 Subject to clause 2.17 to 2.21, an Extraordinary Resolution of the Class A Noteholders of a Series, the Class B Noteholders of a Series, the Class C Noteholders of a Series, the Class D Noteholders of a Series, the Class E Noteholders of a Series, the Class F Noteholders of a Series or the Class G Noteholders of a Series shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the Noteholders of other Series or when it is sanctioned by an Extraordinary Resolution of the Noteholders of all Series of the respective Classes.

#### *Programme Resolution*

- 2.23 Notwithstanding the preceding paragraphs of this schedule 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 any or all of the managing directors of 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.
- 2.24 To take exceptional action in connection with events not provided for in this Security Agent Agreement, the Security Agent must obtain the authorisation of a meeting of Class A Noteholders. The provisions of clause 2.10 of this Schedule referring to "Extraordinary Resolution" are likewise applicable to the adoption of resolutions granting such authority.

#### *Compliance with Belgian law*

- 2.25 Subject to all other provisions contained in these presents, 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 the Noteholders and attendance and voting thereat as are necessary to comply with Belgian law. Articles 7:161 to 7:176 of the Code of Companies and Associations shall only apply to the extent that the Conditions, the by-laws of the Issuer or the Relevant Documents do not contain provisions that differ from the provisions contained in such articles. The Relevant Documents contain in particular, but without limitation, the following provisions that differ from the provisions of the Company Code:
- (a) notwithstanding the provisions of article 7:165 of the Code of Companies and Associations, the notices in relation to meetings of Noteholders will be published as set out in Condition 13;

- (b) notwithstanding the provisions of article 7:161 of the Code of Companies and Associations, the meeting of Noteholders and the Security Agent shall have the powers given to them in the Relevant Documents, including, but not limited to, those given to them in these Conditions.

### **3. RESOLUTIONS**

- 3.1 All resolutions including Extraordinary Resolutions and Programme Resolutions duly adopted at a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or of Class D Noteholders and/or of Class E Noteholders and/or of Class F Noteholders and/or of Class G Noteholders of all Series or of one or more Series and Class, as the case may be, are binding upon all Noteholders of the relevant of a Class of Notes or of the relevant one or more Series and Class of Notes, as the case may be, whether or not they are present at the meeting.
- 3.2 Minutes shall be taken of the proceedings of the meeting and signed by the chairman and another person to be appointed by the meeting. If minutes of the proceedings of a meeting are made by a civil law notary, the counter-signature of the chairman shall suffice.
- 3.3 A resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a general meeting in accordance with the provisions contained in the Conditions shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a general meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Conditions. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.
- 3.4 The Security Agent shall implement a resolution of a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or of Class D Noteholders and/or of Class E Noteholders and/or of Class F Noteholders and/or of Class G Noteholders within the time set in that resolution, after the resolution has become final.
- 3.5 If the Security Agent fails to implement a resolution, except in the circumstances mentioned in clause 4.1 of this Annex, any or all of its managing directors may be removed by a Programme Resolution of a meeting of Class A Noteholders of all Series in accordance with clause 2.21 here above, except that such Programme Resolution may be passed with a majority of two-thirds of the votes cast, irrespective of the principal amount of the Class A Notes then represented.

### **4. RESOLUTION NOT IN THE INTERESTS OF NOTEHOLDERS**

- 4.1 In the event that a resolution adopted by a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or of Class D Noteholders and/or of Class E Noteholders and/or of Class F Noteholders and/or of Class G Noteholders of all Series or of one or more Series and Class, as the case may be, is, in the opinion of the Security Agent, contrary to the interests of the Noteholders of one or more Classes or one or more Series and Classes, as the case may be, concerned, the Security Agent shall be entitled to postpone the implementation of that resolution and to convene another meeting of the Noteholders of the relevant one or more Classes or the relevant Series and Class, as the case may be, concerned for which notice shall be given within two (2) weeks after the previous meeting. Such meeting shall take place not later than one (1) month after the previous meeting.

- 4.2 In the second meeting of the Noteholders of one or more Classes or one or more Series and Classes, as the case may be, concerned referred to in the foregoing clause, a resolution regarding the subject matter covered by the resolution of the previous meeting may be adopted by a majority of not less than two-thirds of the validly cast votes, regardless of the principal amount of the Notes of the relevant one or more Classes or one or more Series and Class, as the case may be, represented at the meeting.
- 4.3 If the Security Agent does not exercise the right granted by clause 4.1 of this Schedule within fourteen (14) days, the resolution shall become final.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which, subject to any necessary amendment, will be completed for each Series of Notes issued under the Programme pursuant to the Base Prospectus. Text in this section appearing in italics does not form part of the Final Terms but provides directions for completing the Final Terms.*

Final Terms dated [●].

### Esmée Master Issuer NV/SA

*Institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht /  
Société d'investissement en créances institutionnelle de droit belge*

*Issue of [Aggregate Nominal Amount of Series of Notes] [Title of relevant Series and Class of Notes]*

Issued under the EUR 25,000,000,000

### SME Asset-Backed Note Programme

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's (i.e. each person deemed a manufacturer for purposes of the EU Delegated Directive 2017/593, hereafter referred to as a **Manufacturer**) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the Manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**" or "**IDD**"), where that customer



would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO CONSUMERS IN BELGIUM** - The Notes are not intended to be offered, sold or otherwise made available to and, may not be offered, sold or otherwise made available to, any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) in Belgium.

## **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 [date] [and the supplement to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), as amended from time to time. This document constitutes the final terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Final Terms and the Base Prospectus. The Base Prospectus [and the Supplement to the Base Prospectus] is available for viewing at the Issuer's website [ ] and copies may be attained from BNP Paribas Fortis SA/NV, Rue Montagne du Parc 3, 1000 Brussels, Belgium.

*[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [date]]. This document constitutes the final terms of the Notes described herein for the purposes of the Prospectus Regulation, as amended, and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, including the Terms and Conditions incorporated by reference in 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 dated [original date] and [current date] [and the supplement to the Base Prospectus dated [date]]. The Base Prospectus [and the Supplement to the Base Prospectus] is available for viewing at the Issuer's website ([ ]) and copies may be attained from BNP Paribas Fortis SA/NV, Rue Montagne du Parc 3, 1000 Brussels, Belgium.

*[The following alternative language applies if no prospectus is required in accordance with the Prospectus Regulation.]*

The Final Terms do not constitute final terms for the purposes of the Prospectus Regulation. The Issuer is not offering the Notes in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Regulation. Nor is any person authorised to make such an offer of the Notes on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing the Notes on any stock exchange.

[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.]

[When completing any final terms, or 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 23 of the Prospectus Regulation.]

1.	Issuer:	Esmée Master Issuer NV/SA institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge
2.	(a) Series Number:	[●]
	(b) Tranche Number:	[●]  <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).</i>
3.	Specified Currency:	euro
4.	Aggregate Nominal Amount of Notes:	[●]
	(a) [Series:	[●]]
	(b) [Tranche:	[●]]
5.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] <i>(in the case of fungible issues only, if applicable)</i> ]
6.	Specified Denomination:	[minimum EUR [250,000]]
7.	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[●]
8.	Final Maturity Date:	[Fixed rate - specify date/Floating Rate - Interest Payment Date falling in or nearest to the relevant month and year]
	(a) Business Day Convention for Maturity Date:	[Following Business Day Convention/ Not Applicable]
	(b) Additional Business Centre(s):	[●] <i>(please specify other financial centres required for the Business Day definition)</i>
9.	Interest Basis:	[Fixed Rate Notes]

		<p>[Floating Rate Notes, EURIBOR (as calculated in accordance with Condition 4.2(e) (<i>EURIBOR</i>) plus margin specified below/<i>other</i>)</p> <p>[<i>Other</i>]</p> <p><i>(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 23 of the Prospectus Regulation.)</i></p>
10.	[Date [board (or similar)] approval for issuance of Notes obtained:	<p>[●]</p> <p><i>(N.B. Only relevant where board (or similar) authorisation is required for the particular tranche of Notes)]</i></p>
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>		
11.	Fixed Rate Note Provisions:	[Applicable/Not Applicable][to and including [●]]
	(a) Fixed Rate prior to the Step-up Date:	[●] per cent. per annum payable annually/quarterly
	(b) As of the Step-up Date the Fixed Rate Notes will switch to Floating Rate Notes:	<p>[Applicable/Not Applicable]</p> <p><i>(If (a) and (b) are not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p>
	(c) Note Payment Date(s):	<p>[Note Payment Date falling in] [●] in each year up to and including the Step-up Date]/[specify other]</p> <p><i>(N.B. This will need to be amended in the case of long or short coupons)</i></p>
	(d) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[●]
12.	Floating Rate Notes Provisions:	<p>Applicable</p> <p><i>(Note that soft bullet Fixed Rate Notes switch to Floating Interest Rates after the Step-up date)</i></p>
	(a) Interest:	[EURIBOR][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 to the Step-up Date:	[●] per cent. per annum
	(d) Note Payment Date(s):	[[25th] 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]
13.	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 23 of the Prospectus Regulation.)
<b>PROVISIONS RELATING TO REDEMPTION OF THE NOTES</b>		
14.	Pass-through Notes or Soft Bullet Notes or Reserve Fund Notes:	[Pass-through Notes/Soft Bullet Notes/Reserve Fund Notes]
15.	Step-up Date:	Note Payment Date falling in or nearest to [specify month and year]
16.	Maturity Date (only for Reserve Fund Notes)	Note Payment Date falling in or nearest to [specify month and year]
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>		
17.	Form of Notes:	Dematerialised Securities
18.	Additional Business Centre(s) or other special provisions relating to [Interest Payment Days]:	[Not Applicable/give details]  [Note that this item relates to and the date and place of payment]
19.	New Global Note:	No
20.	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

		<i>the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)</i>
<b>DISTRIBUTION</b>		
21.	(a) If syndicated, names of Dealers:	[Not Applicable/give names, addresses and underwriting commitments]  [Can be BNP Paribas Fortis SA/NV and/or any direct or indirect subsidiary of BNP Paribas Fortis SA/NV, and/or (ii) any entity of the BNP Paribas Group.]
	(b) Date of Subscription Agreement:	[●]
	(c) Stabilising Manager(s) (if any):	[Not Applicable/give name and address]
22.	If non-syndicated, name of relevant Dealer:	[Not Applicable/give name and address]
23.	Applicable TEFRA rules:	[TEFRA D/TEFRA C/TEFRA not applicable]
24.	U.S. Selling Restrictions:	[The C Rules are applicable / The C Rules are not applicable]
25.	Additional selling restrictions:	[Not Applicable/give details]

## PURPOSE OF FINAL TERMS

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 NV/SA, *Institutionele Vennootschap voor belegging in schuldvorderingen naar Belgisch recht / Société d'investissement en créances institutionnelle de droit belge*.

## STABILISATION

In connection with this issue, [insert name of Stabilising Manager(s)] (the Stabilising Manager(s)) (or any person acting for the Stabilising Manager(s)) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager(s) (or any agent of the Stabilising Manager(s)) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

## 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:

**ESMÉE MASTER ISSUER NV/SA, institutionele VBS naar Belgisch recht**

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Name: [●]

Title: [●]

## **PART B - OTHER INFORMATION**

### **1. LISTING AND ADMISSION TO TRADING**

- (a) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the *[specify relevant regulated market (for example Euronext Brussels, the Bourse de Luxembourg or the Regulated Market of the Irish Stock Exchange)]* *[specify relevant other market]* with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the *[specify relevant regulated market (for example Euronext Brussels, the Bourse de Luxembourg or the Regulated Market of the Irish Stock Exchange)]* *[specify relevant other market]* with effect from [●].] [Not Applicable.]
- (b) Listing: *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (c) Estimate of total expenses related to admission to trading: [●]

### **2. RATINGS**

Rating of the Notes: The Notes to be issued have been rated:

[Fitch]

[Moody's]

[[Other]: ☐

*(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.)*

*[●] is established in the European Union and is registered for the purposes of the EU Regulation on credit rating agencies (Regulation (EC) No.1060/2009), as amended. As such ☐ is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.*

3. **[SPECIFIC INTEREST SWAP AGREEMENT]**

[Hedging Agreement Provider: ☐

Nature of Hedging Agreement: ☐

4. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

*[Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:]*

*"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." Amend as appropriate if there are other interests*

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

5. **REASONS FOR THE OFFER, ESTIMATED NET AMOUNT AND TOTAL EXPENSES**

(a) Reasons for the offer: ☐

(b) Estimated net proceeds: ☐

(c) Estimated total expenses: ☐

6. **YIELD (Fixed Rate Notes Only)**

Indication of yield: ☐

*[The yield is calculated on the basis of the Issue Price, the Rate of Interest applicable from and including the Interest Commencement Date until and excluding the*

*Maturity Date, and the Final Redemption Amount. It is not an indication of future yield.]*

## 7. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) (insert here any other relevant codes such as CINS codes): [●]
- (d) Any clearing system(s) other than the Securities Settlement System, Euroclear, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, and any other NBB investor (I)CSDs and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (e) Delivery: Delivery [against/free of] payment
- (f) Names and addresses of the Domiciliary Agent (if any): [●]
- (g) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No] [Note that the designation "yes" simply means that the Notes to be held in a manner which would allow Eurosystem eligibility and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (h) Benchmark: [Not applicable]/ [[specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation.]

## 8. 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 NV/SA *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:

- (a) Class A Notes: [●]
- (b) Class B Notes: [●]
- (c) Class C Notes: [●]
- (d) Class D Notes: [●]
- (e) Class E Notes: [●]
- (f) Class F Notes: [●]
- (g) Class G Notes: [●]

## 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 SME Loans that are selected for inclusion in the [Consolidated Pool/Provisional Pool] will have been originated on the basis of the Seller's lending criteria. The material aspects of the seller's lending criteria are described in the Section *SME Loan underwriting and servicing and Sale of the SME Loans – representations and warranties* of the Base Prospectus. BNP Paribas Fortis SA/NV services all of the SME Loans it originates. The [Consolidated Pool/Provisional Pool] as of [●] [\_\_\_\_] [●] consists of [●] SME Loans, comprising loans originated by BNP Paribas Fortis SA/NV [and its predecessors] and having an aggregate outstanding principal balance of approximately EUR [●] as at that date. The SME Loans in the [Consolidated Pool/Provisional Pool] as at [●] [\_\_\_\_] [●] were originated by the seller between [●] and [●].

[Verification of data – The Seller has caused a sample of the SME Loans (including the data disclosed in respect of those loans) to be externally verified by an appropriate and independent third party. The [Consolidated Pool/Provisional Pool] as at [●] [\_\_\_\_] [●] has been subject to an agreed upon procedures review on a representative sample of SME Loans selected from [Consolidated Pool/Provisional Pool] as at [●] [\_\_\_\_] [●] conducted by a third-party and completed on or about [●] with respect to [Consolidated Pool/Provisional Pool] as at [●] [\_\_\_\_] [●] in existence as of [●]. Another independent third party has verified that the stratification tables disclosed below in these Final Terms in respect of the SME Loans are accurate. The report is publicly available on [●]. The Seller has reviewed the reports of such independent third parties and is of the opinion that there were no significant adverse findings in such reports. The third parties undertaking such reviews only have obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein.]

*[The following is an example of the information which may be provided in the 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.]*

### Key Characteristics of the pool

Outstanding Principal Balance (EUR)	[•]
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	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	[•]%	[•]	[•]%

### 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	[●]	[●]%	[●]	[●]%
<b>TOTAL</b>	<b>[●]</b>	<b>100.00%</b>	<b>[●]</b>	<b>100.00%</b>

Top 20 Clients			
Top 20 Clients (Borrower N°)	Outstanding Principal	%	Internal Rating
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
	[●]	[●]%	[●]
<b>TOTAL</b>	[●]	[●]%	[●]

Client Province				
Client Province	Outstanding Principal	%	Number	%
Antwerpen	[•]	[•]%	[•]	[•]%
West-Vlaanderen	[•]	[•]%	[•]	[•]%
Oost-Vlaanderen	[•]	[•]%	[•]	[•]%
Vlaams-Brabant	[•]	[•]%	[•]	[•]%
Brussels	[•]	[•]%	[•]	[•]%
Hainaut	[•]	[•]%	[•]	[•]%
Limburg	[•]	[•]%	[•]	[•]%
Liège	[•]	[•]%	[•]	[•]%
Brabant Wallon	[•]	[•]%	[•]	[•]%
Namur	[•]	[•]%	[•]	[•]%
Luxembourg	[•]	[•]%	[•]	[•]%
Unknown	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

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%	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	[•]%

Interest Rate Type				
Interest Rate Type	Outstanding Principal	%	Number	%
Fixed	[•]	[•]%	[•]	[•]%
Resettable	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

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	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]%	<b>100.00%</b>

Int Payment Freq				
Int Payment Freq	Outstanding Principal	%	Number	%
Monthly	[•]	[•]%	[•]	[•]%
Quarterly	[•]	[•]%	[•]	[•]%
Yearly	[•]	[•]%	[•]	[•]%
TwiceAYear	[•]	[•]%	[•]	[•]%
UNKNOWN	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

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	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	<b>[•]</b>	<b>100.00%</b>	<b>[•]</b>	<b>[•]%</b>

Arrears				
Arrears	Outstanding Principal	%	Number	%
Current	[•]	[•]%	[•]	[•]%
02 > 0 and <= 30	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	<b>[•]</b>	<b>100.00%</b>	<b>[•]</b>	<b>100.00%</b>

Redemption Type				
Redemption Type	Outstanding Principal	%	Number	%
Annuity	[•]	[•]%	[•]	[•]%
Linear	[•]	[•]%	[•]	[•]%
Bullet	[•]	[•]%	[•]	[•]%
Other	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	<b>[•]</b>	<b>100.00%</b>	<b>[•]</b>	<b>100.00%</b>

Origination Year				
Origination Year	Outstanding Principal	%	Number	%
2000	[•]	[•]%	[•]	[•]%
2001	[•]	[•]%	[•]	[•]%
2002	[•]	[•]%	[•]	[•]%
2003	[•]	[•]%	[•]	[•]%
2004	[•]	[•]%	[•]	[•]%
2005	[•]	[•]%	[•]	[•]%
2006	[•]	[•]%	[•]	[•]%
2007	[•]	[•]%	[•]	[•]%
2008	[•]	[•]%	[•]	[•]%
2009	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	<b>[•]</b>	<b>100.00%</b>	<b>[•]</b>	<b>100.00%</b>

Remaining Maturity (years)					
Remaining (years)	Maturity	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	[●]	[●]%	[●]	[●]%
<b>TOTAL</b>	[●]	<b>100.00%</b>	[●]	<b>100.00%</b>

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	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

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	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

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	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

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	[•]	[•]%	[•]	[•]%
No Collateral	[•]	[•]%	[•]	[•]%
<b>TOTAL</b>	[•]	<b>100.00%</b>	[•]	<b>100.00%</b>

<b>Collaterals</b>			
Mortgage mandate	[•]	[•]	[•]%
Aval & related guarantee	[•]	[•]	[•]%
Mortgage	[•]	[•]	[•]%
Other mandate	[•]	[•]	[•]%
Floating charge	[•]	[•]	[•]%
Other pledge	[•]	[•]	[•]%
Security pledge	[•]	[•]	[•]%
Cash pledge	[•]	[•]	[•]%
<b>TOTAL</b>	[•]	[•]	<b>100.00%</b>

## End of Final Terms

## ISSUANCE TESTS

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:

### 1.1 All Classes of Notes

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

- (a) no Event of Default shall have occurred which is continuing;
- (b) no Enforcement Notice has been served on the Issuer by the Security Agent;
- (c) no Trigger Event shall have occurred; and
- (d) 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.

## 1.2 For the Class A Notes of any Series

On the Issue Date for that Series of Notes:

- (a) the Class A Available Subordinated Amount must be equal to or greater than the Class A Required Subordinated Amount;
- (b) the Class B Available Subordinated Amount must be equal to or greater than the Class B Required Subordinated Amount;
- (c) the Class C Available Subordinated Amount must be equal to or greater than the Class C Required Subordinated Amount;
- (d) the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount;
- (e) the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;
- (f) the Class F Available Subordinated Amount must be equal to or greater than the Class F Required Subordinated Amount; and
- (g) there may be no debit balance on the Class A Principal Deficiency Ledger on the previous Note Payment Date.

1.2.1 *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).

1.2.2 *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.*

1.2.3 *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).

1.2.4 *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.*

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

A x 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).

1.2.6 *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.*

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

A x 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).

1.2.8 *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.*

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

A x 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).

1.2.10 *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.*

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

A x 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).

1.2.12 *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.*

### 1.3 **For the Class B Notes of any Series**

On the Issue Date for that Series of Notes:

- (i) the Class B Available Subordinated Amount must be equal to or greater than the Class B Required Subordinated Amount;
- (ii) the Class C Available Subordinated Amount must be equal to or greater than the Class C Required Subordinated Amount;
- (iii) the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount;
- (iv) the Class E Available Subordinated Amount must be equal to or greater than the Class E Required Subordinated Amount;

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

#### **1.4 For the Class C Notes of any Series**

On the Issue Date for that Series of Notes:

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

#### **1.5 For the Class D Notes of any Series**

On the Issue Date for that Series of Notes:

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

#### **1.6 For the Class E Notes of any Series**

On the Issue Date for that Series of Notes:

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

#### **1.7 For the Class F Notes of any Series**



On the Issue Date for that Series of Notes:

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

- 1.8 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.

## **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.

## SUBSCRIPTION AND SALE

### Dealers

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 BNP Paribas Fortis SA/NV 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.

### General

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

See Section "*Transfer and Holding Restrictions*" on page 209.

Each Dealer appointed in respect of the initial distribution of certain Notes, will represent and agree that it has not and will not sell any Notes to parties who are not Eligible Holders. No Dealer will have any obligation in this respect after the initial distribution.

## Series-0 Notes

Notes of Series-0 are intended to be issued to (i) BNP Paribas Fortis SA/NV and/or any direct or indirect subsidiary of BNP Paribas Fortis SA/NV, and/or (ii) any entity of the BNP Paribas group.

It is anticipated that a substantial part of the Notes to be issued under the Programme will be Series-0 Notes.

## European Economic Area – Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of EUWA; or
  - (ii) a customer within the meaning of the provisions of the UK FSMA 2000 and any rules or regulations made under the UK Financial Services and Markets Act 2000 ("**UK FSMA 2000**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

- (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **MiFID II product governance / target market**

The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **Prohibition of sales to consumers in Belgium**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and it will not offer or sell the Notes to, any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) in Belgium.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the UK FSMA 2000 by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK FSMA 2000) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the UK FSMA 2000 does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the UK FSMA 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in certain transactions exempt from, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer or sell Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and each Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation whose headquarter is located in Japan, including a branch, agency or office in Japan of a non-resident) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an

exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; 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 SFO and any rules made under the SFO.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the 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 any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant Insert 2018-12 A13a-6 ICMA Primary Market Handbook person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- 1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- 2. where no consideration is or will be given for the transfer;
- 3. where the transfer is by operation of law; or
- 4. as specified in Section 276(7) of the SFA; or
- 5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## **Switzerland**

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes in Switzerland. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Federal Financial Services Act ("**FinSA**") and no application has or will be made to admit the Pandbrieven to trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.



## TRANSFER AND HOLDING RESTRICTIONS

### Eligible Holders

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

- (a) qualifying investors (*in aanmerking komende beleggers / investisseurs éligibles*) within the meaning of Article 5, §3/1 of the Belgian Act of 3 August 2012 on institutions for collective investment that satisfy the criteria of directive 2009/65/EC and on institutions for investment in receivables (*Wet betreffende de instellingen voor collectieve belegging die voldoen aan de criteria van richtlijn 2009/65/EG en de instellingen voor belegging in schuldvorderingen / Loi relative aux organismes de placement collectif qui répondent aux conditions de la Directive 2009/65/CE et aux organismes de placement en créances*), as amended from time to time (the "**UCITS Act**") ("**Qualifying Investors**") that are acting for their own account (in accordance with Article 271/1 of the UCITS Act); 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.

The categories of "Qualifying Investors" are defined in the UCITS Act as:

- (a) 'qualified investors' as defined in Article 2(e) of the Prospectus Regulation; or
- (b) any other person (other than a private individual) that opted in to be considered as a Qualifying Investor and is registered on the list of Qualifying Investors held by the FSMA (note that this opt-in does not relate to the opt-in to be treated as a professional client under MiFID).

In the event that the Issuer becomes aware that particular 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 held by Eligible Holders. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer and any third party.

### Excluded Holders

Notes may not be acquired by a Belgian or foreign transferee being a resident of or having an establishment in, or acting, for the purposes of the Notes, through a bank account held in a tax haven jurisdiction as referred to in Article 307, §1/2 of the BITC 1992 ("**Excluded Holders**").

## TAXATION OF THE NOTES 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 and the possible impact of any regional, local or national laws, taking into account their own particular circumstances.*

*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.*

*For the purpose of the below summary, a Belgian resident is (a) a legal entity subject to Belgian corporate income tax (i.e. a company that has its main establishment or its seat of effective management or control in Belgium and that is not excluded from corporate income tax) or (b) a legal entity subject to Belgian income tax on legal entities (i.e. an entity other than a legal entity subject to corporate income tax, having its main establishment or its seat of effective management or control in Belgium). A Belgian non-resident is any person that is not a Belgian resident.*

*For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° of the BITC 1992) in case of a sale of the Notes between two interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period. "Fixed income securities" are defined as bonds, specific debt certificates issued by banks ('kasbon'/'bon de caisse') and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.*

### 1. 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.

## 2. BELGIAN TAX

### 2.1 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 30 per cent. Both Belgian domestic tax law and applicable tax treaties may provide for a lower or zero rate subject to certain conditions and formalities being complied with.

The holding of the Notes in the Clearing System permits investors to collect interest on their Notes free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Notes are held by certain types of investors (the "**Tax Eligible Investors**", see below) in an exempt securities account ("**X-account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the Clearing System of the National Bank of Belgium (*Nationale Bank van België/Banque Nationale de Belgique*) (the "**NBB**").

"**Tax Eligible Investors**" are those persons referred to in Article 4 of the Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax (*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*) 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 BITC 1992;
- (b) without prejudice to Article 262, 1° and 5° of the BITC 1992, institutions, associations and companies provided for in Article 2, § 3 of the Belgian law of 9 July 1975 on the control of insurance companies (other than those referred to in (a) and (c));
- (c) state regulated institutions for social security, or institutions assimilated therewith, provided for in Article 105, 2° of the Royal Decree implementing the BITC 1992;
- (d) non-resident savers provided for in Article 105, 5° of the same Decree;
- (e) investment funds provided for in Article 115 of the same Decree;
- (f) companies, associations and other tax payers provided for in article 227, 2° of the 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 of the BITC 1992;
- (g) the Belgian State with respect to its investments which are exempt from withholding tax in accordance with Article 265 of the BITC 1992;
- (h) investment funds organised 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
- (i) Belgian resident companies, not provided for under (a), whose sole or principal activity consists in the granting of credits and loans.

Tax Eligible Investors do not include, *inter alios*, Belgian resident investors who are individuals and Belgian 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-Tax Eligible Investors in a non-exempt securities account (N-account). All payments of interest on such Notes will be made subject to deduction of withholding at the rate of 30 per cent. This withholding tax is withheld by the NBB from the interest payment and paid to the tax authorities.

Transfers of Notes between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

- (a) A transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferring non-Tax Eligible Investor to the NBB of withholding tax on the accrued interest calculated from the last interest payment date up to the transfer date.
- (b) A transfer from an X-account (or N-account) to an N-account gives rise to the refund by the NBB to the transferee non-Tax Eligible Investor of withholding tax on the accrued interest calculated from the last interest payment date up to the transfer date.
- (c) Transfers of Notes between two X-accounts do not give rise to any adjustment on account of withholding tax.

Upon opening an X-Account with the Clearing System or a Clearing System Participant, a Tax Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance and send it to the participant to the Clearing System where this account is kept. There are no ongoing certification requirements for Tax 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 during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary in respect of the Notes that such intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that such clients are Tax 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 a Tax Eligible Investor and (b) the relevant client holding its Notes through the intermediary is also a Tax Eligible Investor. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These reporting and certification requirements do not apply to Notes held by Tax Eligible Investors through Euroclear or LuxCSD in their capacity as Participants to the Clearing System, or their sub-participants outside of Belgium, provided that Euroclear or LuxCSD or their sub-participants only hold X-Accounts and are able to identify the Noteholders for whom they hold Notes in such account. The Tax Eligible Investors will need to confirm their status as Tax Eligible Investor (as defined in Article 4 of the Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax (*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*) in the account agreement to be concluded with Euroclear or LuxCSD. Moreover, the contracts concluded by Euroclear or LuxCSD should contain the commitment that all of their clients-accountholders qualify as Eligible Investors.

In the event of any changes made in the laws or regulations governing the exemption for Tax Eligible Investors, neither the Issuer nor any other person will be obliged to make any additional payments 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.

## **2.2 Belgian income tax**

### *2.2.1 Belgian resident corporations*

Interest on the Notes received by a corporate Noteholder who is a Belgian resident for tax purposes, i.e. who is subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*) is taxable at the ordinary corporate income tax rate of, in principle, 25 per cent. As an exception, small and medium-sized companies are taxable at a reduced corporate income tax rate of 20 per cent. on the first EUR 100,000 of their taxable base, subject to a number of conditions. Any capital gains realised on the Notes will be subject to the same corporate income tax rate. Any capital loss on the Notes should in principle be tax deductible.

Any withholding tax retained by, or on behalf of, the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable.

Other tax rules apply to investment companies within the meaning of article 185*bis* of the BITC.

### *2.2.2 Belgian resident legal entities*

Belgian resident legal entities which are subject to Belgian income tax on legal entities (*rechtspersonenbelasting/impôt des personnes morales*) and which do not qualify as Tax Eligible Investors and/or which do not hold the Notes through an X-account in the Clearing System are subject to a withholding tax of 30% on any interest payments received under the Notes. Such withholding tax then generally constitutes the final taxation in the hands of the relevant beneficiaries.

Belgian legal entities which qualify as Tax Eligible Investors and which hold the Notes through an X-account in the Clearing System, and which consequently have received gross income interest free of Belgian withholding tax will have to declare the interest and pay the applicable Belgian withholding tax to the Belgian Treasury themselves at the rate of 30 per cent. The withholding tax will be the final tax. Any capital gains realised on the Notes will be exempt from the legal entities tax. Capital losses incurred will not be tax deductible.

### *2.2.3 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 qualify as Tax Eligible Investors and hold their Notes in an X-account.

If the Notes are not entered into an X-account by the Tax Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30 per cent., possibly reduced pursuant to Belgian domestic tax law or applicable tax treaties, on the gross amount of the interest.

A non-resident company having allocated the Notes to the exercise of a professional activity in Belgium through a Belgian establishment is subject to in substance the same rules as a Belgian resident corporation (see above).

### 2.3 Tax on stock exchange transactions

The sale and purchase of the Notes on the secondary market executed in Belgium through a financial intermediary will trigger a tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) of 0.12 per cent. with a maximum of EUR 1,300 per party and per transaction. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The acquisition of Notes upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

The scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such case, the tax on stock exchange transactions is due by the ordering private individual or legal entity (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due) unless that individual or entity can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Alternatively, professional intermediaries established outside Belgium have the possibility to appoint a stock exchange tax responsible representative in Belgium, subject to certain conditions and formalities (a "**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be liable towards the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and to comply with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such Stock Exchange Tax Representative has paid the tax on stock exchange transactions, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

The tax on stock exchange transactions will not be payable by exempt persons acting for their own account, including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of

miscellaneous taxes and duties (*Wetboek diverse rechten en taken/Code des droits et taxes divers*).

## 2.4 Tax on Securities Accounts

The law of 17 February 2021 introducing an annual tax on securities accounts has been published in the Belgian Official Gazette on February 25, 2021. The law introduces an indirect tax on securities accounts (the "**Tax on Securities Accounts**") which applies to securities accounts held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held, with a financial intermediary which is incorporated or located in Belgium or abroad. The tax also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary incorporated or located in Belgium, and to non-residents which hold one or more securities accounts through a Belgian establishment. Pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

Belgian resident and non-resident individuals, companies and legal entities will be taxed at a rate of 0.15 per cent. on the average value of qualifying financial instruments held on one or more securities accounts during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. No Tax on Securities Accounts will be due provided that the average value of the qualifying financial instruments on those accounts amounts to less than EUR 1,000,000 during the specific reference period. If, however, the average value of the qualifying financial instruments on those accounts amounts to EUR 1,000,000 or more, the Tax on Securities Accounts will be due on the entire average value of the qualifying financial instruments on those accounts during the specific reference period (and, hence, not only on the part which exceeds the EUR 1,000,000 threshold). However, the amount of the Tax on Securities Accounts is limited to 10 per cent. of the difference between the average value of the qualifying financial instruments on those accounts and EUR 1,000,000.

The financial instruments envisaged include not only shares, bonds and Notes, but also derivatives. Each securities account is assessed separately. When multiple holders hold a securities account, each holder shall be jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the BITC, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (vi) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The law on the Tax on Securities Accounts entered into force on February 26, 2021. The law also provides for certain anti-abuse provisions, retroactively applying as from 30 October 2020: a rebuttable general anti-abuse provision and two irrefutable specific anti-abuse provisions. The latter covers the splitting of a securities account into multiple securities accounts held with the same intermediary and the conversion of taxable financial instruments held on a securities account, into registered financial instruments.

There are various exemptions, such as securities accounts held by specific types of regulated entities for their own account.

It is expected that the value of the Notes will have to be taken into account in determining the value of a securities account.

Prospective investors are strongly advised to follow up and to seek their own professional advice in relation to this annual Tax on Securities Accounts and the possible impact thereof on their own personal tax position.

## 2.5 **Exchange of Information**

### *(i) Common Reporting Standard*

Following recent international developments, the exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 21 January 2022, 115 jurisdictions signed the Multilateral Competent Authority Agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information between EU Member States as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian government has implemented said DAC2, respectively the CRS, per the Law of 16 December 2015.

The Notes are subject to DAC2 and to the Law of 16 December 2015. Therefore, Belgian financial institutions holding Notes for tax residents in another CRS contracting state shall report financial information regarding the Notes (income, gross proceeds, etc.) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

Investors who are in any doubt as to their position should consult their professional advisers.

### *(ii) FATCA (U.S. Foreign Account Tax Compliance Act)*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime with respect to certain payments to any non-U.S. financial institutions (a "foreign financial institution", or FFI (as defined by FATCA)) (i) in a jurisdiction that has not signed an intergovernmental agreement (IGA) or (ii) in a jurisdiction that has not reached agreements in substance and that did not become a Participating FFI by entering into an



agreement with the U.S. Internal Revenue Service (IRS) and is not otherwise exempt from or in deemed compliance with FATCA. The list of approved jurisdictions and jurisdictions that have reached agreements in substance can be consulted on the IRS' website: <http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx>. The information contained on the website of the U.S. Internal Revenue Services ([www.treasury.gov](http://www.treasury.gov)) does not form part of this Information Memorandum and has not been scrutinised or approved by the FSMA.

Pursuant to FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

The new withholding regime was phased in beginning 1 July 2014 for payments from sources within the United States and will thus not apply to foreign passthru payments. In a later phase, it might be possible that withholding would apply to foreign passthru payments. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

In execution of the FATCA legislation, an Intergovernmental Agreement ("**IGA**") was signed on 23 April 2014 between Belgium and the United States and a Belgian law implementing the FATCA legislation was adopted by the Belgian legislator (Wet tot regeling van de mededeling van inlichtingen betreffende financiële rekeningen, door de Belgische financiële instellingen en de FOD Financiën in het kader van automatische uitwisseling van inlichtingen op internationaal niveau en voor belastingdoeleinden/Loi réglant la communication des renseignements relatifs aux comptes financiers, par les institutions financières belges et le SPF Finances, dans le cadre d'un échange automatique de renseignements au niveau international et à des fins fiscales of 16 December 2015). This law implies that Belgian financial institutions holding the Notes for "U.S. accountholders" and for "Non-U.S. owned passive Non Financial Foreign entities" shall report financial information regarding the Notes (income, gross proceeds, etc.) to the Belgian competent authority, who shall communicate the information to the U.S. tax authorities.

FATCA is particularly complex. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a

materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

*(iii) The Proposed Financial Transactions Tax (FTT)*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). On 8 December 2015, Estonia withdrew from the group of states willing to introduce the FTT.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

In 2019, Finance Ministers of the Member States participating in the enhanced cooperation indicated that they were discussing a new FTT proposal based on the French model of the tax and the possible mutualisation of the revenues among the Participating Member States as a contribution to the EU budget. According to the latest draft of this new FTT proposal (submitted by the German government), the FTT would be levied on the acquisition of shares of listed companies which have their head office in a Participating Member State and market capitalisation in excess of EUR 1 billion on 1 December of the preceding year. The tax would be levied on the transfer of ownership when shares of listed public limited companies are acquired. Initial public offerings, market making and intraday trading would not be taxable. The tax rate would be no less than 0.2%. The FTT would be payable to the Participating Member State in whose territory the issuer of a Financial Instrument has established its registered office. According to the latest draft of the new FTT proposal, the FTT would not apply to straight notes.

Like the Commission's Proposal, the latest draft of the new FTT proposal also stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than FTT or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax. For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the timing remains unclear. The FTT proposal may still be abandoned or repealed. Additional EU Member States may decide to participate. Given the lack of certainty surrounding the proposals and their implementation, it is not possible to predict what effect the proposed FTT might have on the business of the Issuer; it could materially adversely affect its business. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## 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 thirty (30) days after the Issue Date and sixty (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.



# INFORMATION RELATING TO CERTAIN TRANSACTION PARTIES

## THE ISSUER

### Name and Status

The Issuer is a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the name Esmée Master Issuer NV/SA, *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, fourth floor, 1000 Brussels, Belgium and it is registered with the Crossroads Bank for Enterprises under 0820.094.121 and its telephone number is +32 2 209 22 00. Its website is at <https://www.bnpparibasfortis.com/investors/securitization/securitization/esmee-master-issuer-n-v---s-a>. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

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 (*Federale Overheidsdienst Financiën/Services Public Fédéral Finances*) (the "**Belgian Federal Public Service Finance**") 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.

### Incorporation

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

A copy of the articles of association (*statuten/statuts*) 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 NV.

### 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.

Sixty one thousand nine hundred (61,900) of the shares of the Issuer are all owned by Stichting Holding Esmée. One hundred (100) shares are owned by Genfinance International NV. 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:

- (a) Brecht Guldemont, resident at Rozenlaan 33, 1700 Dilbeek, Belgium, with national registration number 91.11.05-271.15;
- (b) Irène Florescu, resident at Avenue des Commandants Borlée 1 (Box 4), 1370 Jodoigne, Belgium, with national registration number 66.07.26-532.26; and
- (c) Intertrust Financial Services BV, having its registered office at Marnixlaan 23, 5<sup>th</sup> floor, 1000 Brussels, Belgium, with registration number 0861.696.827, represented by its permanent representative Christophe Tans,

(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.

### **Corporate Purpose and Permitted Activity**

The corporate purpose of the Issuer as set out in article 3 of the Articles of Association (*statuten/statuts*) consists exclusively in the collective investment of financial means, that are exclusively collected with qualifying investors for the purposes 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.

## 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:

- (a) Intertrust (Belgium) NV/SA, registered with the Crossroads Bank for Enterprises under number 0435.177.929 (LPR Brussels), having its registered office at Marnixlaan 23, 5<sup>th</sup> floor, 1000 Brussels, Belgium, represented by its permanent representative Christophe Tans, resident at Gravierstraat 96, 3700 Tongeren, with national registration number 72.12.23 – 205.22; and
- (b) Stichting Holding Esmée, private stichting, having its registered office at Marnixlaan 23, 5<sup>th</sup> floor, 1000 Brussels, Belgium, represented by its permanent representative Irene Florescu, resident at Avenue des Commandants Borlée 1 (Box 4), 1370 Jodoigne, Belgium, with national registration number 66.07.26 – 532.26,

(the **Issuer Directors**).

The current term of office of the Issuer Directors expires after the annual shareholders meeting to be held in 2026.

Companies of which Irene Florescu has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years are:

- (a) in person:
  - (a) B-ARENA NV
  - (b) BASS MASTER ISSUER NV
  - (c) BAYREUTH SA
  - (d) BELALAN BISCHOFSCHEIM LEASEHOLD SA
  - (e) BELGIAN LION NV
  - (f) CAPRESE II SA
  - (g) COSMOTE GLOBAL SOLUTIONS NV
  - (h) CREAMFIN CREDITS NV
  - (i) D SQUARE REAL ESTATE SA FIIS
  - (j) DAVOS SA
  - (k) DEKA REGENT SA
  - (l) ELSINORE SA
  - (m) FIGUERAS SA
  - (n) FLI GROUP BV
  - (o) FPE (BE) HOLDING SRL

- (p) GRANLA SRL
- (q) LA CITY SA
- (r) LOAN INVEST NV
- (s) MARNIX FREEHOLD BV FIIS
- (t) PEGACOSMOS SRL
- (u) PEGALAND SRL
- (v) PEGAMO I SRL
- (w) PEGAMO III SRL
- (x) PEGAPARK SRL
- (y) PEGARE SRL
- (z) PEGASON SRL
- (aa) PEGATRIM SRL
- (bb) PENATES FUNDING NV
- (cc) ROYAL STREET NV
- (dd) SILVER TOWER SA
- (ee) STICHTING BACHELIER - PRIVATE STICHTING
- (ff) STICHTING BUMPER BE - PRIVATE STICHTING
- (gg) STICHTING HOLDING ESMEE - PRIVATE STICHTING
- (hh) STICHTING ICLHB FINANCE - PRIVATE STICHTING
- (ii) STICHTING VESTA - PRIVATE STICHTING
- (jj) THE ONE OFFICE SA
- (kk) WTSS PARC MOUSCRON SA
- (b) as permanent representative of Intertrust Belgium NV:
  - (a) AISELA10 SRL
  - (b) AVOCENT BELGIUM LIMITED SRL
  - (c) BUSCHBERG ASSOCIATES SA
  - (d) CULTURA 2006 FONDATION PRIVEE
  - (e) EUROPEAN FINANCIAL SERVICES ROUND TABLE ASBL
  - (f) FRIBLER BELGIUM HOLDING SRL



- (g) GELASE SA
- (h) GULAG BELGIUM HOLDING SRL
- (i) PASSPORT BELGIUM SA
- (c) as permanent representative of Intertrust Corporate Services NV:
  - (j) LOCH LOMOND FOUNDATION PRIVATE STICHTING
- (d) as permanent representative of Intertrust Financial Services BV:
  - (a) COMMUNITY WASTE HOLDING PRIVATE STICHTING
  - (b) CPIS SA
  - (c) CPIT SA
  - (d) CPIV SA
  - (e) CPIW SA
  - (f) DEXIA SECURED FUNDING BELGIUM NV
  - (g) MERCURIUS FUNDING NV
  - (h) STICHTING HOLDING BASS - PRIVATE STICHTING
  - (i) STICHTING HOLDING BELGIAN LION - PRIVATE STICHTING
  - (j) STICHTING JPA PROPERTIES - PRIVATE STICHTING
- (e) as permanent representative of Stichting Holding Esmee Private Stichting:
  - (a) ESMEE MASTER ISSUER NV

Companies of which Christophe Tans has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years are:

- (a) in person:
  - (a) B-ARENA NV
  - (b) BASS MASTER ISSUER NV
  - (c) BAYREUTH SA
  - (d) BELALAN BISCHOFSCHEIM LEASEHOLD SA
  - (e) BELGIAN LION NV
  - (f) BRUSSELS CV 2 SRL
  - (g) BRUSSELS CV SRL
  - (h) BUMPER BE NV

- (i) CAPRESE II SA
- (j) CARESTOTEL BV
- (k) CENTRAL PARK NV
- (l) COSMOTE GLOBAL SOLUTIONS NV
- (m) CREAFIN CREDITS NV
- (n) CULTURA 2006 FONDATION PRIVEE
- (o) D SQUARE REAL ESTATE SA FIIS
- (p) DAVOS SA
- (q) DEKA REGENT SA
- (r) ELSINORE SA
- (s) FIGUERAS SA
- (t) FLI GROUP BV
- (u) FONDATION HOLDING AUTO ABS BELGIUM LOANS FONDATION PRIVEE
- (v) FOUR-LEAF INVESTMENT NV
- (w) FPE (BE) HOLDING SRL
- (x) GELASE SA
- (y) GRANLA SRL
- (z) HOTEL DEVELOPMENT ANTWERPEN NV
- (aa) HOTEL DEVELOPMENT CORPORATION NV
- (bb) HOTEL OPERATIONS HASSELT BV
- (cc) ICLHB FINANCE NV
- (dd) INTERNATIONAL HOTEL DEVELOPMENT FLANDERS NV
- (ee) LA CITY SA
- (ff) LA LINIERE HOTEL SA
- (gg) LOAN INVEST NV
- (hh) MARNIX GM
- (ii) MERCATORPARK ANTWERP NV
- (jj) PEGACOSMOS SRL
- (kk) PEGALAND SRL

- (ll) PEGAMO I SRL
- (mm) PEGAMO III SRL
- (nn) PEGAPARK SRL
- (oo) PEGARE SRL
- (pp) PEGASON SRL
- (qq) PEGATRIM SRL
- (rr) PENATES FUNDING NV
- (ss) ROYAL STREET NV
- (tt) SILVER TOWER SA
- (uu) STATE GRID INTERNATIONAL DEVELOPMENT BELGIUM LIMITED SRL
- (vv) STICHTING BACHELIER - PRIVATE STICHTING
- (ww) STICHTING BUMPER BE - PRIVATE STICHTING
- (xx) STICHTING HOLDING BELGIAN LION - PRIVATE STICHTING
- (yy) STICHTING ICLHB FINANCE - PRIVATE STICHTING
- (zz) THE ONE OFFICE SA
- (aaa) TREFONDINVEST BV
- (bbb) WTSS PARC MOUSCRON SA
- (b) as permanent representative of Intertrust Belgium NV:
  - (a) AZOLVER BELGIUM BV
  - (b) BUNBEG SRL
  - (c) CLEAR LAKE BV/SRL
  - (d) COMMUNITY WASTE HOLDING - PRIVATE STICHTING
  - (e) CONSOLIDATED MINERALS (BELGIUM) LIMITED SRL
  - (f) CPIS SA
  - (g) CPIT SA
  - (h) CPIV SA
  - (i) CPIW SA
  - (j) CUBE COLD EUROPE BELGIUM BIDCO NV
  - (k) ENERGY STORAGE SOLUTIONS S.L. - BRANCH

- (l) EQUITIX GWC HOLDCO NV
- (m) ESMEE MASTER ISSUER NV
- (n) GCCL (BELGIUM) SERVICES SRL
- (o) HERITAGE FUND SRL
- (p) HHH GLOBAL RUE ROYALE SA
- (q) HUDSON GLOBAL RESOURCES BELGIUM NV
- (r) IMMO WATRO SA
- (s) JPA PROPERTIES BV
- (t) KADANS SCIENCE PARTNER BE SERVICES BV
- (u) KADANS SCIENCE PARTNER BE SERVICES I BV
- (v) KF JAPAN BV
- (w) LOCH LOMOND FOUNDATION - PRIVATE STICHTING
- (x) MONTINDU NV
- (y) PROLOGIS MEXICO HOLDING I (A) BV
- (z) PROLOGIS MEXICO HOLDING II (A) BV
- (aa) PROLOGIS MEXICO HOLDING III (A) BV
- (bb) PROLOGIS MEXICO HOLDING IV (A) BV
- (cc) PROLOGIS MEXICO HOLDING V (A) BV
- (dd) ROBHEIN BEHEER BV
- (ee) ROSPA BELGIUM BV
- (ff) STICHTING JPA PROPERTIES - PRIVATE STICHTING
- (gg) STRATEGIC METALS BV
- (hh) TRONE HOLDING SA
- (ii) WADI INVESTMENT SRL
- (c) as permanent representative of Intertrust Financial Services BV:
  - (a) AUTO ABS BELGIUM LOANS 2019 SA
  - (b) AVOCENT BELGIUM LTD SRL
  - (c) BOETIE BELGIUM HOLDING SRL
  - (d) LONKO BELGIUM HOLDING SRL

- (e) STICHTING HOLDING ESMEE - PRIVATE STICHTING
- (f) STICHTING VESTA - PRIVATE STICHTING
- (d) as permanent representative of Kadans Science Partner BE Services BV:
  - (a) KADANS SCIENCE PARTNER I BE S.COMM.
- (e) as permanent representative of Kadans Science Partner BE Services I BV:
  - (a) WATSON & CRICK HILL S.COMM.
- (f) as permanent representative of Stichting Vesta - Private Stichting:
  - (a) DEXIA SECURED FUNDING BELGIUM NV
  - (b) MERCURIUS FUNDING NV

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.

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 Code of Companies and Associations, the Issuer has in particular confirmed that no audit committee will be installed within its Board of Director 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 7:99, §8, 1° of the Code of Companies and Associations. 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 *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 the 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. The Rating Agencies will be notified by the Issuer Directors in advance of the entering into of such other agreements.

### **Shareholders' Meeting**

The shareholders' meeting has the power to take decisions on matters for which it is competent pursuant to the Code of Companies and Associations. 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 Code of Companies and Associations. 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).

### **Share Transfer Restrictions**

Given the specific purpose of the Issuer and Article 3, 3° and Article 271/1 of the UCITS Act, the shares in the Issuer can only be held by qualifying investors (*in aanmerking komende beleggers / investisseurs éligibles*) within the meaning of Article 5, §3/1 of the UCITS Act. Each transfer in violation of the share transfer restrictions contained in Article 11 of the Articles of Association (*statuten/statuts*) 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 a qualifying investor (*in aanmerking komende belegger / investisseur éligible*) within the meaning of Article 5, §3/1 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 a qualifying investor (*in aanmerking komende belegger / investisseur éligible*) within the meaning of Article 5, §3/1 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.

## **Corporate Governance**

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

## **Capitalisation**

The following table shows the capitalisation of the Issuer as of at the date of this Base Prospectus.

### ***Share Capital***

Issuer Share Capital: EUR 62,000

### ***Borrowings***

Class A Notes:	EUR 7,550,000,000
Class B Notes:	EUR 1,750,000,000
Class C Notes:	EUR 400,000,000
Class D Notes:	EUR 300,000,000
Class E Notes:	EUR 120,000,000
Class F Notes:	EUR 120,000,000
Class G Notes:	EUR 110,000,000

## **Auditors**

On 31 May 2021, the general meeting of shareholders of the Issuer appointed PwC Bedrijfsrevisoren BV, incorporated under Belgian law with registered office at Culliganlaan 5, 1831 Machelen, Belgium and member of the *Instituut der Bedrijfsrevisoren* as statutory auditor of the Issuer.

## **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 25 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 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.

### **Accounting Year**

The Issuer's accounting year ends on 31 December of each year.

### **Litigation**

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.

### **Financial Information concerning the Issuer**

Since the date of its incorporation, the Issuer has not commenced operations other than the Programme (including a first issuance of notes on 2 December 2009).

Pursuant to Article 30 of the Articles of Association, 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 the 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.



Audited financial statements for the two most recent accounting years relate to year started on 1 January 2020 and ended on 31 December 2020, on 1 January 2021 and ended on 31 December 2021. The Issuer's Auditor has confirmed that the annual accounts for such accounting years provide a true and fair view as of respectively 31 December 2019, 31 December 2020 and 31 December 2021 in accordance with the accounting standards applicable in Belgium. The audited financial statements of the Issuer for the financial years 2020 and 2021 are available at <https://www.bnpparibasfortis.com/investors/securitization/securitization/esmee-master-issuer-n-v---s-a> and are incorporated by reference into this Base Prospectus (see *Documents incorporated by reference* on page 239). Other information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

### **Significant events after balance sheet date**

There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last published audited financial statements, except for the following significant events.

Since the close of the Issuer's financial year on 31 December 2021, the world witnessed a sudden and sharp deterioration in geopolitical relations regarding Ukraine, followed by an invasion of Ukraine by Russia and economic sanctions imposed by governments from across around the world. The overall impact on financial markets and the business environment is significantly negative and the long-term consequences on the global economy, and more particularly on the European and Belgian economies, are still uncertain. The Issuer is (i) monitoring the situation closely and applies the sanctions against Russia imposed by governments worldwide and (ii) evaluating the impact of this expanding crisis on its customers.

## BNP PARIBAS FORTIS SA/NV

### General information

BNP Paribas Fortis SA/NV ("BNPPF") is the Arranger, Dealer, Seller, Pool Servicer, Interest Swap Counterparty, GIC Provider, Domiciliary Agent and Reference Agent. See "*Transaction parties*" on page 10 for references to the relevant sections in this Base Prospectus for a description of each of those capacities.

BNPPF a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. BNPPF is registered in the Register of Legal Entities of Brussels under the number 0403.199.702. The Legal Entity Identifier of BNPPF is: KGCEPHLVVKVRZYO1T647. BNPPF was incorporated in Belgium on 5 December 1934. BNPPF has been established for an indefinite period.

In Belgium, BNPPF is subject to supervision by the ECB, the prudential authority of the NBB and the market authority of the Belgian FSMA.

As stated in article 3 of its articles of association, BNPPF's purpose is to undertake all and any business consistent with its status as a credit institution. It may also carry out any other operations or transactions that are directly or indirectly connected with its objects or conducive to their attainment. BNPPF may hold interests in partnerships and companies within the limits of the law relating to credit institutions.

BNPPF's registered office is located at rue Montagne du Parc 3, 1000 Brussels, Belgium where its headquarters are based (telephone number: +322 433 4131 (for French speakers)/+322 433 3134 (for Dutch speakers)).

The websites of BNPPF are: [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be) and [www.bnpparibasfortis.com](http://www.bnpparibasfortis.com). The information on these websites does not form part of this Base Prospectus, unless that information is incorporated by reference herein.

The BNPPF 2021 Annual Report, the BNPPF 2020 Annual Report, the BNPPF 2021 Pillar 3 Disclosure and the BNPPF 2020 Pillar 3 Disclosure are available on <https://www.bnpparibasfortis.com/investors/financial-reports>.

### Business overview

BNPPF offers a comprehensive package of financial services through its own channels and via other partners to private, professional and wealthy clients in the Belgian market, as well as in Luxembourg and Turkey. BNPPF also provides corporations and public and financial institutions with customised solutions, for which it can draw on BNPP's know-how and international network. In the insurance sector, BNPPF works closely with the Belgian market leader AG Insurance, in which it owns a 25 per cent. stake. BNPPF employs around 10,532 people (full-time equivalents) in Belgium.

BNPPF has built up a strong presence in the retail and private banking market, operating through a variety of distribution channels. In Belgium the company delivers universal banking and insurance services and solutions to its retail customers. In other countries, the product offer is tailored to specific customer segments. Private Banking offers integrated and international asset and liability management solutions to high net worth individuals in Belgium, their businesses and their advisers.

BNPPF also offers financial services to companies and institutional clients and provides integrated solutions to enterprise and entrepreneur. Corporate Banking fulfils the financial needs of corporate and midcap enterprises, public entities and local authorities through an integrated international network of business centres.

Within BNPPF, the self-employed, liberal professions and companies with a turnover of up to EUR 7.5 million are served within *Ondernemersbank/La Banque des Entrepreneurs*. Companies with a turnover between EUR 7.5 million and EUR 250 million are served within Commercial Banking. BNPPF is a leading player within the Belgian entrepreneurial market. Within *Ondernemersbank/La Banque des Entrepreneurs*, it currently serves more than 430,000 professional customers and granted more than 5 billion professional loans in 2021.

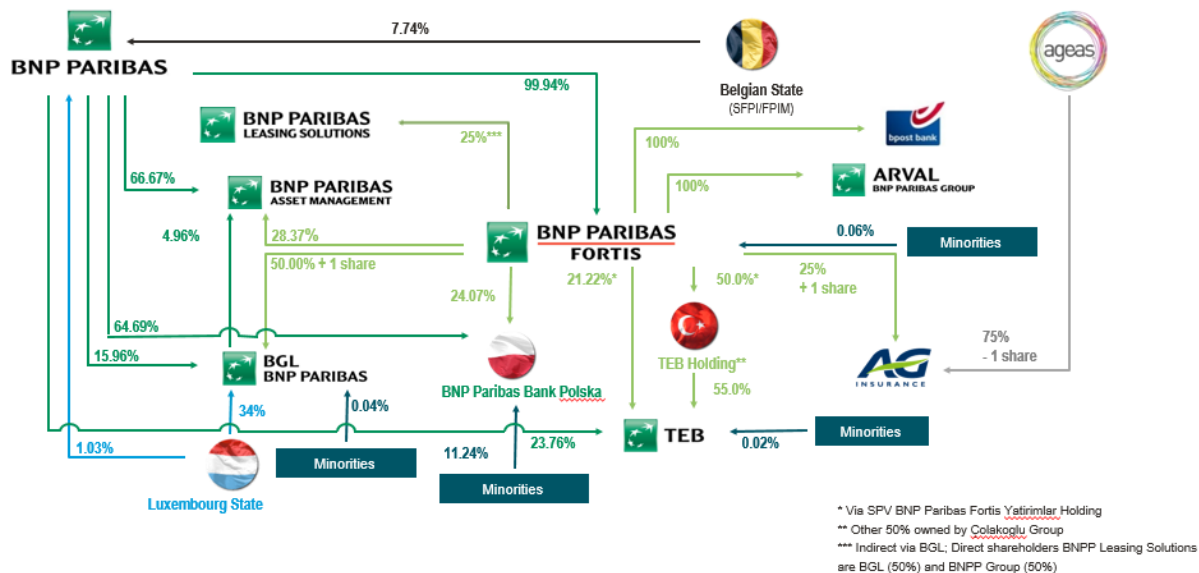
BNPPF is part of the BNP Paribas group (the "**BNP Paribas Group**") (of which BNP Paribas SA ("**BNPP**") is the parent company), a leading bank in Europe with an international reach. It operates in 65 countries and has almost 190,000 employees, including nearly 145,000 in Europe. The BNP Paribas Group has key positions in its three main activities: Commercial, Personal Banking & Services (bringing together all of the BNP Paribas Group's retail activities and specialised business lines), Investment & Protection Services (including specialised businesses offering a wide range of savings, investment and protection services) and Corporate & Institutional Banking (offering tailored financial solutions for corporate and institutional clients). The BNP Paribas Group helps all its clients (individuals, community associations, entrepreneurs, small and medium enterprises ("**SMEs**"), corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance.

In Europe, the BNP Paribas Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNPP is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey and in Eastern Europe. Its retail and commercial banking activities in the United States conducted through its subsidiary Bank of the West, Inc. will be sold to BMO Financial Group in a transaction expected to close in the course of 2022. In its Corporate & Institutional Banking and Investment & Protection Services, BNPP also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

At 31 December 2021, the BNP Paribas Group had consolidated assets of EUR 2,624.4 billion (compared to EUR 2,488.5 billion at 31 December 2020), consolidated loans and receivables due from customers of EUR 814 billion (compared to EUR 809.5 billion at 31 December 2020), consolidated items due to customers of EUR 957.7 billion (compared to EUR 941 billion at 31 December 2020) and shareholders' equity (the BNP Paribas Group share including income for 2021) of EUR 117.9 billion (compared to EUR 112.8 billion at 31 December 2020). Pre-tax net income for the year ended 31 December 2021 was EUR 13.64 billion (compared to EUR 9.82 billion for the year ended 31 December 2020). Net income, attributable to equity holders, for the year ended 31 December 2021 was EUR 9.49 billion (compared to EUR 7.07 billion for the year ended 31 December 2020).

### Simplified legal structure chart:

## BNP PARIBAS FORTIS: SIMPLIFIED LEGAL STRUCTURE



BNP Paribas SA has a stake of 99.94 per cent. in BNPPF. The remaining shares (0.06 per cent.) are held by the public. The SFPI/FPIM has a stake of 7.74 per cent. in BNPP's capital. BNPPF holds stakes in a range of subsidiaries (subsidiaries are those companies whose financial and operating policies BNPPF, directly or indirectly, has the power to govern so as to obtain benefits from its activities), the most important of which are:

<b>Name of subsidiary</b>	<b>Country of incorporation or residence</b>	<b>Proportion of ownership interest held and, if different, proportion of voting power held (directly and indirectly)</b>
Bpost Bank N.V./S.A.	Belgium	100%
BGL BNP Paribas S.A.	Luxembourg	50 % + 1 share
Türk Ekonomi Bankası A.S. (" <b>TEB</b> ") (*)	Turkey	48.72%
TEB Holdings A.S. (a joint venture with the Colacoglu Group which holds 55 % of TEB's share capital) (*)	Turkey	50 %
Arval Service Lease S.A.	France	100 %
AG Insurance	Belgium	25 % + 1 share
BNP Paribas Bank Polska	Poland	24.07 %
BNP Paribas Asset Management Holding	France	30.90 %

(\*) *Participation via SPV BNP Paribas Fortis Yatirimlar Holding A.S. (99.99% owned by BNPPF)*

## STICHTING SECURITY AGENT ESMÉE

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 Basisweg 10, 1032 AP Amsterdam, the Netherlands.

Stichting Security Agent Esmée acts as Security Agent. 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 Basisweg 10, 1032 AP Amsterdam, the Netherlands. The directors of Intertrust (Netherlands) B.V are Marci Matilde Vermeulen - Atikian, Marcelo Abraham Delfos, Berend Gerrit Dinkla - Vente, Patricia Frances 't Hart - van Rooijen and Sebastianus Bernardus Louis Evers. 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.

For more information on the role and liabilities of the Security Agent, see Condition 15 and *Security for the Issuer's obligations*, on page 112.

## INFORMATION RELATING TO THIS BASE PROSPECTUS

### DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and form part of this Base Prospectus:

- The Issuer's audited annual accounts for the financial year ended 31 December 2020 including the notes thereto and the audit report prepared in connection therewith.
- The Issuer's audited annual accounts for the financial year ended 31 December 2021 including the notes thereto and the audit report prepared in connection therewith.

See "*Where more information can be found*" on page 241 below for information on where copies of the documents containing the information incorporated by reference can be obtained.

The documents incorporated by reference into this Base Prospectus may contain further references or hyperlinks to other documents or websites. Such further references or hyperlinks are not incorporated by reference and do not form part of this Base Prospectus, and have not been scrutinised or approved by the FSMA. In case there is only reference to certain parts of a document in the above mentioned documents, the non-incorporated parts, to the extent they are not explained elsewhere in the Base Prospectus, are not relevant for investors.

## **SUPPLEMENTS TO THIS BASE PROSPECTUS**

### **Obligation to publish a supplement**

Every significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect 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 on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to this Base Prospectus without undue delay, in accordance with Article 23 of the Prospectus Regulation.

The obligation to supplement this Base Prospectus shall no longer apply after the expiry of the validity period of this Base Prospectus as specified on the front cover of this Base Prospectus.

### **Where the supplement will be published**

Following approval by the FSMA, the supplement shall be published in accordance with at least the same arrangements as were applied when this Base Prospectus was published. See "*Where more information can be found*" on page 241 below for information on where copies of any supplements can be obtained.



## WHERE MORE INFORMATION CAN BE FOUND

### The website of the Issuer

The following documents and information can be obtained from the website

<https://www.bnpparibasfortis.com/investors/securitization/securitization/esmee-master-issuer-n-v---s-a>

1. This Base Prospectus.
2. All documents containing information incorporated by reference into this Base Prospectus as set out in "*Documents incorporated by reference*" on page 239 above.
3. Any supplements to this Base Prospectus published from time to time by the Issuer after approval by the FSMA, as set out in "*Supplements to this Base Prospectus*" on page 240 above (including any documents containing information that may be incorporated by reference into those supplements).
4. The Final Terms for each Series and Tranche of Notes that is admitted to trading on a regulated market in the European Economic Area.
5. The up to date Articles of Association of the Issuer.
6. Rating Reports.
7. Quarterly Investor Reports.
8. Monthly Investor Reports.

Except for points (1.) to (4.), the documents listed above are not incorporated by reference and do not form part of this Base Prospectus, and have not been scrutinised or approved by the FSMA.

Any other information on or linked to by the website <https://www.bnpparibasfortis.com/investors/securitization/securitization/esmee-master-issuer-n-v---s-a> does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

### The Securitisation Repository

As from the Programme and the Notes becoming subject to the Securitisation Regulation, the Issuer will make available the following information to investors, potential investors and the relevant competent authorities by means of a securitisation repository in accordance with Article 7(1) of the Securitisation Regulation:

- (a) information on the underlying exposures on a quarterly basis, in accordance with Article 7(1)(a) of the Securitisation Regulation;
- (b) this Base Prospectus, together with any supplements and any Final Terms;
- (c) the Relevant Documents;
- (d) the Quarterly Investor Reports and the Monthly Investor Reports; and
- (e) any inside information relating to the Notes that the Originator or the Issuer is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council (29) on insider dealing and market manipulation.

The information in points (b) and (c) shall be made available before pricing at least in draft or initial form. The final documentation under points (b) and (c) shall be made available to investors at the latest 15 days after closing of the transaction under this Base Prospectus (As from the Programme and the Notes becoming subject to the Securitisation Regulation).

The securitisation repository is expected to be European Data Warehouse, available at <https://eurodw.eu/?lang=nl>, or any other website that may be notified by the Issuer from time to time, provided that such replacement website conforms to the requirements set out in Article 7(2) of the Securitisation Regulation. Except for any potential overlap with "*Documents incorporated by reference*" referred to on page 239 above, any information on or linked to by the website <https://eurodw.eu/?lang=nl> does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

### **The website of Euronext Brussels**

The information referred to in paragraphs 1 to 5 above (as applicable) will also be published on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)) in relation to Notes that are admitted to trading on the regulated market of Euronext Brussels. The information contained on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

### **Copies of the Base Prospectus on a durable medium on request**

Any potential investor in Notes admitted to trading on a regulated market in the European Economic Area, can request a copy of the Base Prospectus on a durable medium (including an electronic copy by e-mail or a copy printed on paper) to be delivered free of charge to that potential investor. Delivery shall be limited to jurisdictions in which the offer of the Notes to the public is made or where admission to trading on a regulated market is taking place. Such requests can be made by e-mail to the Domiciliary Agent at [docsecurities.mbc@bnpparibasfortis.com](mailto:docsecurities.mbc@bnpparibasfortis.com).

### **Quarterly Investor Reports and Monthly Investor Reports**

The Administrator will prepare the Quarterly Investor Report to be addressed to the Security Agent, the Rating Agencies and the Domiciliary Agent on or about each Note Payment Date.

In addition to the Quarterly Investor Report, the Monthly Investor Report will be sent by the Administrator to the Investors on the third Business Day following the Monthly Payment Date.

The Investor Reports will be made available for inspection by the Administrator on the website <https://www.intertrustgroup-fgreporting.com> and will be made available upon request free of charge to any person at the office of the Domiciliary Agent. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

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.

The Monthly Investor Reports will include, among other things, information on the SME Loans and payments in arrears, loan-to-value analysis in respect of the SME Loans and recent values on the portfolio, will be made available, from the date of this Base Prospectus as long as any Series and Class (or Sub-class) of Notes issued by the Issuer remain outstanding (including during the period while the prospectus is valid and the Notes are listed), and can be accessed via the following website:

<https://www.bnpparibasfortis.com/investors/securitization/securitization/esmee-master-issuer-n-v---s-a>

The information provided in such reports will be updated monthly. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

All defined terms used in the Monthly Investor Reports have the meanings given to them in this Base Prospectus, unless otherwise defined in such Monthly Investor Report.

### **Reporting under the Securitisation Regulation**

As from the Programme and the Notes becoming subject to the Securitisation Regulation, the Administrator will procure the publication of a Quarterly Investor Report, which will include:

- (a) the information required by Article 7(1)(e) of the Securitisation Regulation; and
- (b) certain loan-by-loan information in relation to the SME Loans in respect of the relevant Note Collection Period prior to pricing of any Series of Notes upon request, to the extent required by and in accordance with Article 7(1)(a) of the Securitisation Regulation.

As from the Programme and the Notes becoming subject to the Securitisation Regulation, the Administrator will also procure:

- (a) the publication of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation without delay;
- (b) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to be made available to potential investors before pricing. Those data shall cover a period of at least five years;
- (c) that the information required by Article 7(1)(a) of the Securitisation Regulation is made available to potential investors before pricing upon request, and that the information required by Article 7(1)(b) to (d) is made available before pricing at least in draft or initial form;
- (d) a liability cash flow model which precisely represents the contractual relationship between the underlying SME Loans and the payments flowing between the originator, investors, other third parties and the Issuer to be made available before pricing to potential investors and, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request,

in each case by means of the securitisation repository mentioned above.

### **Verification of data**

As from the Programme and the Notes becoming subject to the Securitisation Regulation, prior to the issuance of any Notes, the Seller may cause a sample of the SME Loans that will be sold to the Issuer to be subject to external verification by one or more appropriate and independent third parties (such as a review of a representative sample of SME Loans based on agreed upon procedures) for the purposes of Article 22(2) of the Securitisation Regulation, the details of which shall be set out in the applicable Final Terms.

### **Liability cashflow model**

The Administrator will make available a liability cashflow model, either directly or indirectly through one or more entities which provide such liability cashflow models to investors generally, which precisely

represents the contractual relationship between the SME Loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer, (i) prior to pricing of the Notes, to potential investors and (ii) on an on-going basis, to Noteholders and to potential investors in the notes upon request. Such liability cashflow model will be available on Bloomberg. The information on Bloomberg is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

### **Post-issuance information**

The Issuer will publish the following post-issuance information:

1. Quarterly Investment Reports
2. Monthly Investment Reports

### **Other information**

No person is or has been authorised to give any information or to make any representation other than those contained in the documents referred to above in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger.

## RESPONSIBILITY STATEMENT

### **The Issuer**

The Issuer is responsible for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the Issuer's knowledge, the information contained in this Base Prospectus, is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

### **The Dealers and the Arranger**

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

### **BNP Paribas Fortis SA/NV as Seller, Originator, Pool Servicer, Domiciliary Agent, Listing Agent, Reference Agent, the GIC Provider and the Interest Swap Counterparty**

BNP Paribas Fortis SA/NV as Seller, Pool Servicer, Domiciliary Agent, Listing Agent, Reference Agent, the GIC Provider and the Interest Swap Counterparty accepts responsibility solely for the following sections of this Base Prospectus:

Section "*SME Loan underwriting and servicing*" on page 69 and following;

Section "*Overview of the Belgian SME Loan market*" on page 78 and following;

Section "*BNP Paribas Fortis SA/NV*" on page 234 and following.

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 import 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.

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