

BELGIAN LION NV/SA,
acting through its COMPARTMENT BELGIAN LION SME III
(Institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge)
 (a Belgian limited liability company (*naamloze vennootschap / société anonyme*))

<u>Class of Notes</u>	<u>Initial Principal Amount</u>	<u>Issue Price</u>	<u>Interest Rate per annum</u>	<u>Expected Ratings (Fitch/ DBRS)</u>	<u>First Optional Redemption Date</u>	<u>Final Maturity Date</u>
Class A1 Notes	€2,000,000,000	100%	Three-Month EURIBOR + 0.45 per cent. Margin (capped to 2.5 per cent.)	AAA(sf) / AAA(sf)	November 2023	10 December 2046
Class A2 Notes	€4,833,750,000	100%	Fixed Rate of 0.70 per cent.	AAA(sf) / AAA(sf)	November 2023	10 December 2046
Class B Notes	€2,463,750,000	100%	Fixed Rate of 2.00 per cent	Not rated	November 2023	10 December 2046

Belgian Lion NV/SA, *Institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge* (the **Issuing Company**), acting through its Compartment Belgian Lion SME III (the **Issuer**), will issue the Class A1 Notes, the Class A2 Notes and the Class B Notes (the **Notes**) on or about 12 December 2018 (the **Closing Date**), subject to certain conditions precedent as described in the Subscription Agreement (as defined below).

Application has been made to admit the Class A1 Notes and the Class A2 Notes (the **Class A Notes**) to trading on Euronext Brussels, the regulated market operated by Euronext Brussels SA/NV (**Euronext Brussels**).

The Notes may only be subscribed for, purchased or held by Eligible Holders (as defined in this Prospectus), which requires *inter alia* that:

- (1) they are a Qualifying Investor (*in aanmerking komende beleggers/investisseur éligible*) within the meaning of Article 5, §3/1 of the UCITS Act (as defined below) (see Annex 2 to this Prospectus for a list of Qualifying Investors);
- (2) they are not retail clients (as defined in the Markets in Financial Instruments Directive 2014/65/EU (as amended) (**MiFID II**)); and
- (3) they are not consumers (*consumenten/consommateurs*) within the meaning of the Belgian Economic Law Code (*Wetboek Economisch Recht/Code de droit économique*) of 28 February 2013 (as amended) (the **Economic Law Code**).

Prospective investors are referred to Section 16 (**Subscription and Sale**) for further information regarding selling and holding restrictions.

The Notes have been allocated to and will solely be the obligations of the Issuer, i.e. Compartment Belgian Lion SME III of the Issuing Company. The Notes will not be obligations or responsibilities of, and will not be guaranteed by, any other entity or person (including any other party to the Transaction Documents) or any other compartment of the Issuing Company. Furthermore, no person or entity in whatever capacity (i) has assumed or will accept any liability whatsoever to the holders of the Notes in respect of any failure by the Issuer to pay any amounts due under the Notes, or (ii) is or will be under any obligation whatsoever to provide additional funds to the Issuer (except for the limited circumstances described in this Prospectus).

It is a condition to the issue that the Class A Notes, on issue, be assigned a rating of AAAsf by Fitch Rating Inc. (**Fitch**) and a rating of AAAsf by DBRS Ratings Limited (**DBRS**, and together with Fitch, the **Rating Agencies**). As of the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered in accordance with Regulation (EC) No 1060/2009 (the **CRA Regulation**), published on the European Securities and Markets Authority's website. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

The Notes will be issued in the form of dematerialised notes under the Belgian Company Code (*Wetboek van Vennootschappen / Code des Sociétés*) (the **Company Code**). The Notes will be represented exclusively by book entries in the records of the X/N securities settlement system operated by the National Bank of Belgium (the **Securities Settlement System**) or any successor thereto.

This document comprises a listing prospectus (the **Prospectus**) for the purposes of the Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market (the **Prospectus Act**), which implemented Directive 2003/71/EC as amended (the **Prospectus Directive**). This Prospectus is published exclusively for the admission to trading of the Class A Notes on Euronext Brussels. This Prospectus is not published in connection with, and may not be used for and does not constitute an offer of the Notes to the public, an offer to sell, or the solicitation of an offer to buy, any of the Notes. The Notes may not be offered other than in the circumstances set out in Article 3, paragraph 2 of the Prospectus Act and article 3.2 of the Prospectus Directive.

This Prospectus has been approved by the Belgian Financial Services and Markets Authority (the **FSMA**) in its capacity as competent authority under the Prospectus Act. The approval by the FSMA does not imply any approval of the appropriateness of the merits of the Notes, nor of the situation of the Issuer.

Given the complexity of the terms and conditions of the Notes, an investment in the Notes is suitable only for experienced and financially sophisticated investors who understand and are in a position to evaluate the merits and risks inherent thereto and who have sufficient resources to be able to bear any losses which may result from such investment. For a discussion of certain risks that should be considered in connection with an investment in any of the Notes, see **Section 2 (Risk Factors)**.

Manager and Arranger
ING Belgium NV/SA



The date of this Prospectus is 11 December 2018.

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SECTION 1

IMPORTANT INFORMATION

1.1 Selling and holding restrictions

1.1.1 Eligible Holders Only

The Notes offered by the Issuer may only be subscribed, purchased or held by investors that satisfy each of the following criteria (**Eligible Holders**):

- (a) they are 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**) (a list of Qualifying Investors is attached as Annex 2 to this Prospectus);
- (b) they have not registered to be treated as non-professional investors in accordance with Annex A, (I), second indent, of the Royal Decree of 19 December 2017 concerning further rules for implementation of the directive on markets in financial instruments;
- (c) they are not retail clients (as defined in the MiFID II);
- (d) they are not consumers (*consumenten/consommateurs*) within the meaning of the Economic Law Code; and
- (e) they are holders of an exempt securities account (X-Account) with the Securities Settlement System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

Any acquisition of a Note by, or transfer of a Note to, a person who is not an Eligible Holder shall be void and not binding on the Issuer and the Security Agent. If a Noteholder ceases to be an Eligible Holder, it is obliged to report this to the Issuer and it must promptly transfer the Notes it holds to a person that qualifies as an Eligible Holder. Each payment of interest on Notes of which the Issuer becomes aware that they are held by a holder that does not qualify as a Qualifying Investor, will be suspended.

1.1.2 No Excluded Holder

The Notes may not be acquired by an Excluded Holder.

An **Excluded Holder** means an investor that satisfies any of the following criteria:

- (a) a Belgian or foreign transferee who is not subject to income tax or who is, as far as interest income is concerned, subject to a tax regime that is deemed by the Belgian tax authorities to be significantly more advantageous than the common Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, §1, 11° of the Belgian Income Tax Code 1992 (**BITC 1992**));
- (b) a Belgian or foreign transferee (i) that qualifies as an “affiliated company” (within the meaning of Article 11 of the Belgian Company Code) of the Issuer, save where such

transferee also qualifies as a “financial institution” referred to in Article 56, §2, 2° of the BITC 1992, or (ii) that qualifies as an “undertaking associated” (*entreprise associée/geassocieerde ondernemingen*) with the Issuer and/or a Borrower (within the meaning of Article 2, §1, 16° of the BITC 1992, when applicable) or (iii) which is part, with the Issuer and/or a Borrower, of the same undertaking (*même entreprise/dezelfde onderneming*) (within the meaning of Article 2, §1, 16° of the BITC 1992, when applicable);

- (c) a foreign transferee being a resident of or having an establishment in a tax haven jurisdiction as referred to in Article 307, §1/2, first to third indent of the BITC1992; or
- (d) a Belgian or foreign transferee acting, for the purposes of the Notes, through a bank account held with a credit institution located or having a permanent establishment in a tax haven jurisdiction as referred to in Article 307, §1/2, first to third indent of the Belgian Income Tax Code of 1992.

1.1.3 General

This Prospectus does not constitute an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus is set out in Section 16 (*Subscription and Sale of the Notes*).

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 Prospectus in accordance with applicable laws and regulations. Neither this Prospectus nor any other information supplied constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any Notes.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption from the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for the offer of Notes.

1.1.4 United States

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

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

1.2 MiFID II Product Governance and the PRIIPS Regulation

The Notes issued will not be placed with “retail investors” in the European Economic Area. 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 2016/97/EU, 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 Directive. Consequently, no key information document required by regulation (EU) no 1286/2014 (the **PRIIPS Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Solely for the purposes of each manufacturer's 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 MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

1.3 Responsibility Statements

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

The Seller accepts responsibility solely for the information contained in Sections 11, 12 and 14 of this Prospectus. To the best of the knowledge and belief of the Seller (having taken all reasonable care to ensure that such is the case), the information contained in Sections 11, 12 and 14 of this Prospectus is in accordance with the facts, is not misleading and is true, accurate and complete, 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 Servicer is responsible solely for the information contained in Section 13 and 19.2 of this Prospectus. To the best of the knowledge and belief of the Servicer (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts, is not misleading and is true, accurate and complete, 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 Servicer is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading.

The Security Agent is responsible solely for the information contained in Sections 8 and 19.3 of this Prospectus. To the best of the knowledge and belief of the Security Agent (having taken all reasonable care to ensure that such is the case) the information contained in this section is in accordance with the facts, is not misleading and is true, accurate and complete, and does not omit anything likely to affect the import of such information. Any information in this section and any other information from third-parties identified as such in this section has been accurately reproduced and as far as the Security

Agent is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading.

1.4 Representations about the Notes

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

1.5 Risk retention

In accordance with articles 405 to 409 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**), articles 254 and 256 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (the **Solvency II Regulation**) and articles 51 and 52 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU (the **AIFM Regulation**) as well as the implementing regulations as amended or supplemented from time to time and including any guidance or any technical standards published in relation thereto (the **EU Risk Retention Rules**), the Seller undertakes to retain a material net economic interest of not less than 5 per cent. in the securitisation transaction contemplated in this Prospectus and in the Transaction Documents (the **Transaction**) for as long as the Class A Notes have not been redeemed in full.

As at the Closing Date, such interest will in accordance with Article 405 paragraph (1) sub-paragraph (d) of the CRR, article 254 paragraph (2) sub-paragraph (d) of the Solvency II Regulation and Article 51 paragraph (1) sub-paragraph (d) of the AIFM Regulation be comprised of an interest in all the Class B Notes. Any breach or change in the manner in which this interest is held shall be notified to investors as set out below.

The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period when the Class A Notes are outstanding to the Issuer and the Security Agent in the SME receivables purchase agreement (**SRPA**), and to the Arranger, the Manager and the Issuer in the Subscription Agreement. The SRPA and the Subscription Agreement includes a representation and warranty of the Seller as to its compliance with the requirements set forth in articles 408 and 409 of the CRR, article 52 (a) up to and including (d) of the AIFM Regulation, and articles 254 and 256 paragraph (3) sub (a) up to and including (c) and sub (e) of the Solvency II Regulation.

In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make available materially relevant data with a view to complying with Article 409 of the CRR, articles 254 and 256 of the Solvency II Regulation and Article 51 and 52 of the AIFM Regulation, which can be obtained from the Seller upon request. After the Closing Date, the Issuer will prepare Monthly Investor Reports wherein relevant information with regard to the SME Loans

will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller. These Monthly Investor Reports will contain a glossary of the defined terms used in such report. Such information can be obtained from the website www.ing.be/investor-relations.

For the avoidance of doubt, none of the Issuer, the Seller, the Arranger, the Administrator or the Manager makes any representation as to the accuracy or suitability of any financial model which may be used by a prospective investor in connection with its investment decision. Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the EU Risk Retention Rules and none of the Issuer, the Seller, the Servicer, the Administrator, the Arranger or the Manager makes any representation that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with the implementing provisions in respect of EU Risk Retention Rules in its relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

1.6 Benchmark Regulation

Amounts payable under the Securities are calculated by reference to EURIBOR, which is provided by the European Money Markets Institute. As at the date of this Prospectus, the European Money Markets Institute do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds. As far as the Issuer is aware, the European Money Markets Institute is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence) under that Regulation.

1.7 Financial Condition of the Issuer

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

The Arranger, the Manager and the Seller expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial conditions and affairs of the Issuer and should review, amongst other things, the most recent financial statements of the Issuer for the purposes of making its own appraisal of the creditworthiness of the Issuer and when deciding whether or not to purchase any Notes or to hold any Notes during the life of the Notes.

1.8 Related or additional information

The deed of incorporation and the by-laws (*statuten/statuts*) of Belgian Lion NV/SA, *Institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge* will be available at the specified offices of the Domiciliary Agent and the registered office of the Issuer and will be available on the website: www.ing.be/investor-relations¹.

Every significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted

¹ Please note that this document is not incorporated by reference in this Prospectus.

between the time when this Prospectus is approved and the time when trading on a regulated market begins, shall be mentioned in a supplement to this Prospectus.

Such a supplement, if any, shall be approved in the same way and published in accordance with at least the same arrangements as the publication of this Prospectus.

1.9 Cancellation of the Offer

The Manager shall be entitled to cancel its obligations to subscribe to the Notes in certain circumstances by notice to the Issuer, the Seller and the Security Agent at any time on or before the Closing Date. As a consequence of such cancellation, the issue of the Notes and all acceptances and sales shall be cancelled automatically and the Issuer and Manager shall be released and discharged from their obligations and liabilities in connection with the issue and the sale of the Notes.

1.10 Contents of the Prospectus

The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

1.11 Currency

Unless otherwise stated, references to **€**, **EUR** or **euro** are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

1.12 Compartments

Belgian Lion NV/SA, *institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge*, consists of several subdivisions (each subdivision a **Compartment**) (see *Sections 2.3 and 6.6* below). In this Prospectus the term “Issuer” shall generally refer only to Belgian Lion NV/SA, *institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge*, acting through and for the account of its Compartment Belgian Lion SME III, unless where the context requires, such term may refer to the entire company as such, but in each case without prejudice to the limitation of recourse set out in *Section 5.5.4* below.

1.13 Capitalised Terms

Capitalised terms that are not defined in the body of the Prospectus shall have the meaning given to them in the Conditions of the Notes attached as Annex 1 to this Prospectus.

SECTION 2

RISK FACTORS

An investment in the Notes involves a degree of risk. The risk factors described below represent the principal risks inherent in the transaction for Noteholders. The inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus mitigate some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payments to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all. Prospective Noteholders should read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decisions and consult their professional advisers. The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential impact on the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes.

2.1 Relevance of the Issuer's status as a VBS

The Issuer is set up as an "institutional company for investment in receivables" (*institutionele vennootschap voor belegging in schuldvorderingen/société d'investissement en créances institutionnelle*) under the UCITS Act (a **VBS**). The regulatory status of a VBS inter alia depends on the securities it issues being acquired and held at all times by Qualifying Investors only, acting for their own account.

In order to facilitate securitisation transactions, a VBS benefits from certain special rules for the assignment of receivables and from a special tax regime (see Section 6.18 (*Belgian tax position of the Issuer*) below). The status of the Issuer as a VBS is in particular a requirement for the absence of corporate tax on the revenues of the Issuer and for an exemption of VAT on certain expenses of the Issuer.

The loss of the status of the Issuer as a VBS would impact adversely on the Issuer's ability to satisfy its payment obligations to the Noteholders.

Article 271/6, §2 of the UCITS Act provides expressly that a listing on a regulated market accessible to the public (such as Euronext Brussels) and/or the acquisition of securities (including shares) of an institutional VBS by investors that are not Qualifying Investors outside the control of the VBS, would not adversely affect the status of an investment vehicle as an Institutional VBS, provided that:

- (a) the VBS has taken "adequate measures" to guarantee that the investors of the VBS are Qualifying Investors; and
- (b) the VBS does not contribute to the fact that securities are held by investors that are not Qualifying Investors and does not promote in any way the holding of its securities by investors that are not Qualifying Investors.

The Royal Decree of 15 September 2006 relating to some measures on institutional companies for collective investment in receivables (*Arrêté royal portant certaines mesures d'exécution relatives aux organismes de placement collectif en créances institutionnels / Koninklijk besluit houdende bepaalde uitvoeringsmaatregelen voor de institutionele instellingen voor collectieve belegging in schuldvorderingen*) (the **2006 Royal Decree VBS**) sets out the circumstances and conditions in which a VBS will be deemed to have taken such "adequate measures".

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

- (a) in respect of the shares of the Issuer:
 - (i) the shares of the Issuer (and the Issuing Company) are registered shares; and
 - (ii) the by-laws of the Issuing Company contain transfer restrictions stating that its shares can only be transferred to Qualifying Investors acting for their own account, with the sole exception, if the case arises, of shares which in accordance with Article 271/6, §2 of the UCITS Act, would be held by the Seller as credit enhancement; and
 - (iii) the by-laws of the Issuing Company provide that the Issuing Company will refuse the registration (in its share register) of the prospective purchase of shares, if it becomes aware that the prospective purchaser is not a Qualifying Investor acting for its own account (with the sole exception, if the case arises, of shares which in accordance with Article 271/6, §2 of the UCITS Act, would be held by the Seller as credit enhancement); and
 - (iv) the by-laws of the Issuing Company provide that the Issuing Company will suspend the payment of dividends in relation to its shares of which it becomes aware that these are held by a person who is not a Qualifying Investor acting for its own account (with the sole exception, if the case arises, of shares which in accordance with Article 271/6, §2 of the UCITS Act, would be held by the Seller as credit enhancement); and
- (b) in respect of the Notes:
 - (i) the Notes will have the selling and holding restrictions described in Condition 1.4 (*Selling, Holding and Transfer Restrictions - Only Eligible Holders*); and
 - (ii) the Manager will undertake pursuant to the Subscription Agreement in respect of primary sales of the Notes, to sell the Notes solely to Qualifying Investors acting for their own account; and
 - (iii) the Notes are issued in dematerialised form and will be included in the Securities Settlement System operated by the National Bank of Belgium; and
 - (iv) the nominal value of each individual Note is EUR 250,000 upon issuance; and
 - (v) in the event that the Issuer becomes aware that Notes are held by investors other than Qualifying Investors acting for their own account in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and are held by Qualifying Investors acting for their own account; and
 - (vi) the Conditions of the Notes, the by-laws of the Issuing Company, the Prospectus and any other document issued by the Issuer in relation to the issue and initial placing of the Notes will state that the Notes can only be acquired, held by and transferred to Qualifying Investors acting for their own account; and
 - (vii) all notices, notifications or other documents issued by the Issuer (or a person acting for its account) and relating to transactions with the Notes or the trading of the Notes on Euronext Brussels will state that the Notes can only be acquired, held by and transferred to Qualifying Investors acting for their own account; and

- (viii) the Conditions provide that the Notes may only be held by persons that are holders of an X-Account with the Securities Settlement System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

By implementing these measures, the Issuer has complied with the conditions set out in the 2006 Royal Decree VBS. Without prejudice to the obligation of the Issuer not to contribute or to promote the holding of the Notes by investors other than Qualifying Investors, the measures guarantee to the Issuer, provided that it complies with these measures, that its status as Institutional VBS will not be challenged as a result of the admission to trading of the Notes on Euronext Brussels or if it would appear that Notes are held by investors other than Qualifying Investors. The Issuer has undertaken in the Transaction Documents to comply at all times with the requirements set out in the 2006 Royal Decree VBS in order to qualify and remain qualified as an Institutional VBS.

2.2 Liabilities under the Notes

The Notes will be solely obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including (without limitation), any of the Transaction Parties (other than the Issuer). Furthermore, none of the Transaction Parties (other than the Issuer) or any other person, in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

2.3 Compartments - Limited recourse nature of the Notes

The Issuing Company consists of separate subdivisions, each a Compartment, and each such Compartment, legally constitutes a separate group of assets to which corresponding liabilities are allocated (see Section 6.6 (*Compartments*) below).

The Notes are issued by the Issuer, i.e. the Issuing Company acting through its Compartment Belgian Lion SME III.

Article 271/11, § 4 of the UCITS Act has the effect that:

- (a) the rights of the shareholders and the creditors, which have arisen in respect of a particular compartment or in relation to the creation, operation or liquidation of such compartment, only have recourse to the assets of such compartment. Similarly, the creditors in relation to liabilities allocated or relating to other compartments of the same VBS only have recourse against the assets of the compartment to which their rights or claims have been allocated or relate;
- (b) in case of the dissolution and liquidation (*ontbinding en vereffening / dissolution et liquidation*) of a compartment the rules on the dissolution and liquidation of companies must be applied *mutatis mutandis*. Each compartment must be liquidated separately and such liquidation does not entail the liquidation of any other compartment. Only the liquidation of the last compartment will entail the liquidation of the VBS; and
- (c) the Belgian law rules on judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*) and bankruptcy (*faillissement / faillite*) are to be applied separately for each compartment and a judicial reorganisation or bankruptcy of a compartment does not as a matter of law entail the judicial reorganisation or the bankruptcy to the other compartments or of the VBS.

All obligations of the Issuer to the Noteholders and the other Secured Parties have been allocated exclusively to Compartment Belgian Lion SME III of the Issuing Company and the Noteholders and the other Secured Parties only have recourse to the assets of Compartment Belgian Lion SME III.

Article 271/11, § 2 of the UCITS Act provides that the articles of association of the VBS determine the allocation of costs to the VBS and each compartment. However, when no clear allocation of liabilities (including costs and expenses) to compartments of the Issuing Company has been made in a particular contract entered into by the VBS, it is unclear under Belgian law whether in such case the relevant creditor would have recourse to all compartments of the Issuing Company. A similar uncertainty exists in relation to creditors whose claims are not based on a contractual relationship (e.g. social security authorities or creditors with claims in tort) and cannot be clearly allocated to a particular compartment. However, the parliamentary works to the predecessor of the UCITS Act (whose provisions have been incorporated in the UCITS Act) and legal writers suggest that, in the absence of clear allocation, the relevant creditor may claim against all compartments and the investors of these compartments would only have a liability claim against the directors of the VBS. Consequently and from that perspective, the liabilities of one compartment of the Issuing Company may affect the liabilities of its other compartments.

In this respect, the by-laws of the Issuing Company provide that the costs and expenses, which cannot be allocated to a compartment, will be allocated to all compartments *pro rata* the outstanding balance of the receivables of each compartment.

The obligations of the Issuer under the Notes are limited recourse obligations and the ability of the Issuer to meet its obligations to pay principal of, and interest on, the Notes will be dependent on the receipt by it of funds under the SME Receivables, the proceeds of the sale of any SME Receivables and the receipt by it of interest in respect of the balances standing to the credit of the Issuer Accounts. See further under *Section 5- Credit Structure*, below.

Security for the payment of principal and interest on the Notes will be given by the Issuer to the Secured Parties, including the Security Agent acting in its own name, as representative of the Noteholders of the Notes and the other Secured Parties) pursuant to the Pledge Agreement (see further Section 7). If the Security granted pursuant to the Pledge Agreement is enforced and the proceeds of such enforcement are insufficient, after payment of all other claims ranking in priority to amounts due under the Notes, to repay in full all principal and to pay in full all interest and other amounts due in respect of the Notes, then, as the Issuer has no other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. Enforcement of the Security (based on assets belonging to Compartment Belgian Lion SME III of the Issuing Company) by the Security Agent pursuant to the terms of the Pledge Agreement and the Notes is the only remedy available to Noteholders for the purpose of recovering amounts owed in respect of the Notes and may be insufficient.

2.4 Insolvency of the Issuer

The Issuer is a compartment of the Issuing Company. The Issuing Company 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 Issuing Company or the Issuer will not be declared insolvent.

However, limitations on the corporate purpose of the Issuing Company and the Issuer are included in the articles of association, so that their 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 Issuing Company and the Issuer are 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 Transaction Documents, to the extent only that they are necessary to

realise the corporate purposes as described above. The Issuing Company and the Issuer are not allowed to have employees.

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

2.5 Limited capitalisation of the Issuer

The Issuer is a compartment of the Issuing Company, which was incorporated under Belgian law as a limited liability company (*naamloze vennootschap / société anonyme*) with a share capital of EUR 62,000, of which EUR 1,000 is allocated to Compartment Belgian Lion SME III.

In addition, the main shareholder is a Belgian *stichting / fondation* which has been capitalised for the purpose of its shareholding in the Issuing Company. There is no assurance that the shareholder will be in a position to recapitalise the Issuing Company, if the Issuing Company's share capital falls below the minimum legal share capital.

2.6 Risks inherent to the Notes

By acquiring the Notes, the Noteholders shall be deemed to have knowledge of, accept and be bound by, the Conditions. The Issuer or the Domiciliary Agent will not have any responsibility for the proper performance by the Securities Settlement System or the Securities Settlement Participants of their obligations under their respective rules, operating procedures and calculation methods.

2.6.1 Subordination – the Class B Notes bear a greater risk of non-payment than the higher ranking Class A Notes

The subordination of the Class B Notes to the Class A Notes in terms of payment and security is designed to provide credit enhancement to the Class A Notes. If, upon default by the Borrowers, the Issuer does not receive the full amount due from such Borrowers under and in respect of the relevant SME Receivables, Noteholders may receive an amount that is less than what is due and payable by the Issuer in respect of the Principal Amount Outstanding and/or interest owed in respect of the Notes prior to such occurrence. Any losses on the SME Receivables will be allocated as described in *Section 5 – Credit Structure*, below.

2.6.2 Declining value of the Collateral

The security for the Notes created under the Pledge Agreement may be affected by, among other things, a decline in the value of the Collateral given as security for the Notes. No assurance can be given that values of the Collateral 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 may result in losses to the Noteholders if any of the relevant security rights over the Collateral are required to be enforced.

2.6.3 Credit risk

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the Notes will be dependent on the receipt by it of, among other things, funds under the SME Receivables. There is a risk of loss on principal and interest on the Notes due to losses on principal and interest on the SME Receivables. This risk is addressed and mitigated by:

- (a) in the case of the Class A Notes, the subordinated ranking of the Class B Notes;
- (b) the share capital of the Issuer;

- (c) funds standing to the credit of the Transaction Account; and
- (d) in the case of the Class A Notes, funds available under the Liquidity Facility.

The risk regarding the payments on the SME Loans is influenced by, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and other similar factors.

2.6.4 Liquidity Risk

There is a risk that interest and/or principal on the underlying SME Receivables is not received (or transferred into the Transaction Account) on a timely basis thus causing temporary liquidity problems to the Issuer. In respect of payment of interest on the Class A Notes, this risk is addressed and mitigated by the funds drawn under the Liquidity Facility.

The maximum amount available to be drawn in aggregate under the Liquidity Facility is an amount equal to 1.5% of the Principal Amount Outstanding of the Notes on the Closing Date, which may not be sufficient at any given time to meet the Issuer's payment obligations in full. The Liquidity Facility has a term of 364 days. If the Liquidity Facility Provider does not renew the Liquidity Facility this however constitutes a Standby LF Drawing Event as a result of which the Issuer may fully draw the available amount under the Liquidity Facility and credit this amount to a newly opened sub-account of the Transaction Account.

2.6.5 Prepayment Risk

The ability of the Issuer to meet its obligations in full to pay principal on each of the Notes on the maturity of each Class of Notes will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments) in respect of the SME Receivables and the net proceeds upon enforcement of the Loan Security relating to an SME Receivable and the potential repurchase by the Seller of the SME Receivables.

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, 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 is 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.

Furthermore, 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 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 Civil Code, but that credit facilities would not be captured, is under pressure.

2.6.6 Maturity Risk

The ability of the Issuer to redeem all the Notes in full/or to pay all amounts due to the Noteholders on the Optional Redemption Date, or on the Final Redemption Date will depend on whether the value of the SME Receivables sold or otherwise realised is sufficient to redeem the Notes and on its ability to find a purchaser for the SME Receivables.

2.6.7 Interest Rate Risk

The Issuer will receive, amongst other things, interest payments pursuant to the SME Receivables calculated by reference to fixed interest rates (subject to reset from time to time, as the case may be) or floating interest rates. Class A1 Notes will bear a floating rate of interest based on three-month EURIBOR plus a margin (effectively floored at zero). Class A2 Notes and Class B Notes will bear fixed interest rate. Consequently, the Issuer may be exposed to an interest rate risk if, for example, the interest rate on the SME Receivables and the Notes would not evolve in the same way or at the same pace. This risk is limited by the fact that the interest rate of the Class A1 Notes is capped to 2.5%. In addition, the weighted average interest rate of all SME loans in the current portfolio amount shall be at least 1 per cent.

2.6.8 Optional Redemption of all Notes

There is no guarantee that the Issuer will exercise its right to redeem the Notes on the First Optional Redemption Date or on any later Optional Redemption Date. The exercise of such option will, *inter alia*, depend on whether or not the Issuer has sufficient funds available to redeem the Notes, for example, through a sale or other realisation of SME Loans still outstanding at that time and on its ability to find a purchaser for the SME Loans.

2.6.9 Commingling Risk

The Issuer's ability to make payments in respect of the Notes and to pay its operating and administrative expenses depends on funds being received from the Borrowers into the Collection Accounts and such funds subsequently being swept on a monthly basis by the Servicer to the Issuer's Transaction Account. 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 Collection Accounts at such time. This risk is mitigated by (i) a monthly sweep of the cash representing the collection of moneys received in the related Monthly Collection Period in respect of the SME Loans by the Servicer on behalf of the Issuer from the Collection Accounts to the Transaction Account (meaning that collections will be held in the Collection Account for a maximum period of 2 calendar months and ten (10) calendar days before being swept to the Transaction Account of the Issuer), (ii) an undertaking of the Seller to (at its own discretion) *either* (a) shorten the maximum period during which amounts will be held in the Collection Accounts before being swept into the Transaction Account to two (2) Business Days or (b) constitute a reserve in a Reserve Account (See *Section 5.2.1 – Seller Cash Collection* and *Section 10.8 – Reserve Amount* below) after the occurrence of a downgrade of the credit ratings of the Seller below the Required Minimum Ratings and (iii) a rating trigger on the long-term credit rating of the Seller according to which a downgrade below BBB- by Fitch or below BBB(low) (or such rating is withdrawn) by DBRS constitutes a Notification Event.

2.6.10 Weighted Average Life of the Notes

The Weighted Average Life of the Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the estimate and assumption in *Section 4* will prove in any way to be correct. The estimated Weighted Average Life must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

2.6.11 No Gross-Up for Taxes

If withholding of, or deduction for, or on 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 (or any sub-division therein or thereof), 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.

2.6.12 Reliance on third parties

Counterparties to the Issuer may not perform or may be prevented from performing their obligations under the Transaction Documents due to, *inter alia*, a force majeure event out of their control which may result in the Issuer not being able to meet its obligations under the Notes and the Transaction Documents to which it is a party.

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

Pursuant to the terms of the Pledge Agreement, the Security Agent may agree without the consent of the Noteholders and the other Secured Parties, to (i) any modification of any of the provisions of the Pledge Agreement, the Notes or any other Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Pledge Agreement, the Notes or any other Transaction 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 the other Secured Parties.

The Security Agent shall have regard to the general interests of the Noteholders as a whole, or where applicable of the Noteholders of a Class of Notes, but shall not have regard to any interests arising from circumstances particular to individual Noteholders or the consequences of any such exercise for individual Noteholders. Accordingly, a conflict of interest may arise to the extent that the interests of a particular Noteholder are not aligned with those of the Noteholders generally.

2.6.14 Rating of the Class A Notes

The ratings address timely payment of interest and ultimate repayment of principal at the Final Redemption Date in accordance with the Conditions of the Class A Notes.

The ratings expected to be assigned to the Class A Notes by the Rating Agencies are based on the value and cash flow generating ability of the SME Receivables and other relevant structural features of the Transaction, including, *inter alia*, the short-term and long-term unsecured and unsubordinated debt rating of the other parties involved in the Transaction, , and reflect only the views of the Rating Agencies.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies judgement, circumstances so warrant.

Any rating agency other than the Rating Agencies could seek to rate the Class A Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such unsolicited ratings could have an adverse effect on the value of the Class A Notes. For the avoidance of doubt, any references to “ratings” or “rating” in this Prospectus are to ratings assigned by the Rating Agencies only. Future events and/or circumstances relating to the SME Receivables and/or the SME Loans and/or the Belgian market for SME loans, in general could have an adverse effect on the rating of the Class A Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. A rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. There is no assurance that a revision or withdrawal of rating will at all times be made in a timely manner.

2.6.15 Value of the Notes and Limited Liquidity of the Notes

Prior to this offering, there has been no public secondary market for the Notes and there can be no assurance that the issue price of the Notes will correspond with the price at which the Notes will be traded after the offering of the Notes. Furthermore, there can be no assurance that active trading in the Notes will commence or continue after the offering. A lack of trading in the Notes could adversely affect the price of the Notes, as well as the Noteholders’ ability to sell the Notes.

There is not at present, any active and/or liquid market for any Class of Notes. There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. The Manager has not entered into an obligation to establish and/or maintain a secondary market in the Notes.

A decrease in liquidity of the Notes may cause an increase in the volatility associated with the price of the Notes. Investors may not be able to sell their Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

2.6.16 Suspension of the interest payment for investors that are not Qualifying Investors

Investors should be aware that they may lose their right to receive interests on their Notes if they are no longer considered as Qualifying Investors acting for their own account. In the event that the Issuer becomes aware that particular Notes are held by investors other than Qualifying Investors acting for their own account in breach of the requirements, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and held by Qualifying Investors acting for their own account. Any transfers of Notes effected in breach of the above requirement will be unenforceable vis-à-vis the Issuer.

2.6.17 Events of Default and Enforcement

Noteholders should be aware that they will not have individual rights to trigger an enforcement of the Notes or to take enforcement action against the Issuer or the Collateral. Upon the occurrence of certain specified events of default (including payment default, insolvency events and loss of status as institutional VBS having an adverse effect on the Transaction), the Security Agent may, and shall if so requested in writing by the Noteholders holding not less than twenty-five (25) per cent. in aggregate Principal Amount Outstanding of the highest ranking Class of Notes outstanding or by an Extraordinary Resolution of the holders of the highest ranking Class of Notes outstanding, serve an Enforcement Notice. In the event that the Issuer were to breach other contractual obligations not amounting to an Event of Default, the Noteholders will however not have a right to accelerate the Notes under the Conditions or the Transaction Documents.

2.6.18 Risk of early redemption as a result of the option for an Option Redemption Call, a Clean-Up Call, the Optional Redemption in case of Change of Law or for Tax Reasons or as a result of a redemption in case of Regulatory Change

The Issuer will have the option to redeem the Notes in case of Change of Law, for tax reasons or in case the aggregate Principal Amount Outstanding of the Notes is less than 10 per cent of the aggregate Principal Amount Outstanding of the Notes on the Closing Date and the Issuer shall redeem the Notes in case the Seller exercises the option to repurchase to SME Loans in case of a Regulatory Change, on any Quarterly Payment Date, whether or not falling before or after the First Optional Redemption Date, in accordance with the Conditions. If the Issuer exercises any of such options, the Notes may be redeemed prior to the First Optional Redemption Date. The Issuer will redeem the Notes in case the Seller exercises its right to repurchase the Loans. The Issuer will give notice to the Noteholders in accordance with the Conditions.

2.6.19 The performance of the Notes may be adversely affected by the recent conditions in the global financial markets

Market concerns over the direct and indirect exposure of European banks and insurers to the sovereign debt of several EU Member States since 2010 have resulted in a widening of credit spreads and increased costs of funding for some European financial institutions. The sovereign debt crisis has also highlighted issues relating to the strength of the banking sector in Europe and the Euro. In addition, risks and ongoing concerns about the crisis in the Italian banking sector and its potential spill-over effect into other Member States, deterioration of the political situation in Turkey, as well as the possible default by one or more Member States could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European and other financial institutions, including the Issuer. Additionally, the possibility of capital market volatility spreading through a highly integrated and interdependent banking system remains elevated. In the event of any default or similar event with respect to a sovereign issuer, some financial institutions may suffer significant losses, following which they would require additional capital, and such capital may not be available. Market disruptions in Europe related to sovereign debt and the banking sector continue to be a threat to global capital markets and remain a challenge to global financial stability. In the event of any default or similar event with respect to a sovereign issuer, some financial institutions may suffer significant losses, following which they would require additional capital, that may not be available. Market and economic disruptions stemming from the crisis in Europe also have affected, and may continue to affect, consumer confidence levels and spending, bankruptcy rates, levels of incurrence of, and default on, consumer debt and home prices, among other factors. There can be no assurance that market disruptions in Europe, including the increased cost of funding for certain government and financial institutions, will not spread, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilise the affected countries and markets in Europe or elsewhere. To the extent uncertainty regarding the economic recovery continues to negatively impact consumer confidence and consumer credit factors, the Issuer's business and results of operations could be significantly and adversely impacted. Additionally extreme prolonged market events, such as the recent global credit crisis, could cause the Issuer to incur significant losses and may lead to USD funding shortages for EU banks. On 23 June 2016, in a referendum the UK expressed its wish to leave the European Union. This outcome was unexpected by the financial markets and led to strong declines in the stock markets as well as a depreciation of the euro and especially the sterling against the US dollar. How the exit of the UK from the European Union will work out, in which time frame, and which economic sectors will be impacted, is for the time being unknown. This again increases uncertainty and volatility. In other EU Member States similar discussions may arise in respect of a departure from the European Union in the future.

These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market's anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of counterparties of the Issuer to the Transaction Documents, and the timely payment of amounts due under the SME Receivables. Failure to perform obligations under the Transaction Documents or the SME Receivables may adversely affect the performance of the Notes. These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

2.6.20 Noteholders may have exposure on the Security Agent

Any proceeds received by the Security Agent are, in the case of the bankruptcy (*faillissement*) or (preliminary) suspension of payments (*surseance van betaling*) of the Security Agent, not separated from the Security Agent's other assets. The Secured Creditors therefore have a credit risk on the Security Agent. This credit risk has been mitigated by setting the Security Agent up as a bankruptcy remote entity, however there remains a risk that the Security Agent is declared bankrupt or is subjected to (preliminary) suspension of payments and as a consequence the Noteholders may not receive (full) payment from the Security Agent in case the Security is enforced.

2.7 True Sale of SME Receivables and the Security

2.7.1 True Sale of SME Receivables

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

The sale shall have the following characteristics:

- (a) the Issuer shall have no recourse to the Seller except that (i) the Seller may be required to repurchase SME Receivables in relation to which there is a breach of representation, warranty and Eligibility Criteria at the time of the transfer of the SME Receivables; and (ii) the Seller may be required to indemnify the Issuer for all costs, loss and damages incurred as a consequence of such breach; and
- (b) the sale will be for the Current Balance of the relevant SME Loans including accrued interest and default interest.

For further details on the SRPA, see *Section 10*, below.

2.7.2 No notification of the Sale and Pledge

Article 1690 of the Belgian Civil Code (*Belgisch Burgerlijk Wetboek / Code Civil Belge*) will apply to the transfer of the SME Receivables. Between the Seller and the Issuer, as well as against third parties (other than the Borrowers) the SME Receivables are transferred on the Closing Date (or, in respect of any New SME Loan, on the relevant SME Purchase Date) without the need for Borrowers' involvement. The sale of the SME Receivables to the Issuer and the pledge of the SME Receivables to the Noteholders and the other Secured Parties will not be notified to the Borrowers or third party providers of additional collateral until the occurrence of a Notification Event.

Until such notice to the Borrowers and third party providers of collateral:

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

The SRPA provides that upon the occurrence of certain Notification Events, including the giving of a notice by the Security Agent under Condition 9 (*Events of Default*) declaring that the Notes are immediately due and repayable (an **Enforcement Notice**), the Issuer or the Security Agent will require the Seller to give notice to the Borrowers or any other debtor of any assigned right or collateral (as described in *Section 10.3.4*, below). If the Seller fails to comply with any such request of the Security Agent forthwith upon (a) receipt of such Enforcement Notice or (b) the occurrence of a termination event under the Servicing Agreement, the Issuer and the Security Agent shall (at the expense of the Seller) be entitled to give such notice(s).

2.8 No Searches and Investigations

None of the Issuer or the Security Agent have made or caused to be made or will make or cause to be made, any enquiries, investigations or searches to verify the details of the SME Receivables, the SME Loans or the Loan Security, or to establish the creditworthiness of any Borrower, or any other enquiries, investigations or searches which a prudent purchaser of the SME Loans would ordinarily make, and each will rely instead on the representations and warranties given by the Seller in the SRPA. These representations and warranties will be given in relation to the SME Receivables, SME Loans, Loan 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, SME Loan and/or the Loan Security relating thereto and the Seller has not remedied this within five (5) Business Days after being notified thereof in writing by the Issuer or it cannot be remedied, the Seller shall (at the direction of the Issuer or the Security Agent) on or before the Quarterly Payment Date immediately following expiry of the five (5) Business Day period mentioned above, indemnify the Issuer for all damages, loss and costs caused by the breach of representation or warranty; and the Seller will be required to repurchase the rights in respect of the relevant SME Loans and Loan Security. The rights in respect of the relevant SME Loans and the Loan Security will be repurchased for an aggregate amount equal to the aggregate of the Current Balance of the SME Loan(s) in respect of which the rights are repurchased plus accrued interest thereon and reasonable *pro rata* costs up to (but excluding) the date of completion of the repurchase. Such repurchase will be subject to the conditions set out below under *Section 10.3.1* below.

2.9 Allocation of unsecured debts

Part of the Portfolio consists of (and may constitute) SME Loans that have been originated under a revolving credit facility (*kredietopening/ouverture de crédit*) (a **Credit Facility**). The Standard SME Loan Documentation provides that debts other than SME Loans may be allocated by the Seller to the Credit Facility that has been granted to the Borrower to the extent such Credit Facility is not fully drawn down. Such right to “allocate” (*imputatie/imputation*) other debts is intended to allow the Seller to enforce different types of loan security that has been created to secure the Credit Facility (in particular, but not only, registered Mortgages) also for such other debts owing by the Borrower to the Seller.

Where a Credit Facility under which SME Receivables are transferred to the Issuer is secured by a registered Mortgage that only secures the Credit Facility and not the debt (prior to allocation) which the Seller would allocate to the secured Credit Facility after the transfer date of the SME Receivables (the **Transfer Date**), the question may arise as to the priority between the Issuer and the Seller upon enforcement of such Mortgage. If for the purpose of the enforcement the allocated debt is deemed to have come into existence prior to the relevant Transfer Date, it would by operation of law rank equally as the SME Receivables transferred to the Issuer. If the date that is taken into account is the date on which the SME Loan (related to the SME Receivables) is allocated to the Credit Facility by the Seller, then such debt would rank in priority behind the SME Receivables owned by the Issuer. In the Transaction Documents the Seller and the Issuer shall however agree that, in respect of any SME

Receivables, all loans or other debts which are secured by the same Loan Security and all loans and other obligations originated under or included (*geimputeerd/imputé*) in the same Credit Facility are subordinated to the SME Receivables in relation to all sums received out of the enforcement of the Shared Security Interest (as for the effectiveness of such subordination in respect of a Mortgagee, see however *Section 2.17* below).

2.10 Non-Fully Drawn Loans and set-off related to Credit Facilities

Where under a Credit Facility a Borrower has been granted certain unconditional rights to borrow further advances and the Seller would fail to advance such further drawdowns duly requested by a Borrower, there is a risk that the Borrower would reduce the payments due in respect of the amounts already drawn down under the SME Loan up to the amount of damages or loss he has incurred as a consequence of such default by the Seller.

Part of the Portfolio purchased on the Closing Date will (or, on an SME Purchase Date, may) consist of SME Loans that on the Closing Date (or, on the relevant SME Purchase Date) will not be fully drawn down (*Non-Fully Drawn Loans*). In respect of such SME Loans the SME Receivables purchased by the Issuer will comprise both the parts already drawn down on the Closing Date (or, on the relevant SME Purchase Date) and the rights relating to the future draw downs (*Further Drawdowns*).

Under Belgian law the distinction between “existing” (*bestaande/existantes*) receivables and “future” (*toekomstige/futures*) receivables is relevant. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt, has entered into liquidation or a judicial reorganisation. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments (emergency regulations) of the assignor/pledgor. The Issuer has been advised that the rights related to the Further Drawdowns will come into existence only when and to the extent the amounts of the Further Drawdowns are paid out to the Borrower. Thus the Future Drawdowns will be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the amounts of the Further Drawdown is not paid out or if it is paid out on or after the date on which the Seller is declared bankrupt or has become subject to emergency regulations. For the mitigation of this risk, see *Credit Structure — Further Drawdown Account* below).

2.11 Roll Over Term Loan

Part of the Portfolio purchased on the Closing Date will (or, on an SME Purchase Date, may) consist of SME Loans that on the Closing Date (or, on the relevant SME Purchase Date) qualify as Roll Over Term Loans (see *Section 10.2.2(b)*). In respect of such Roll Over Term Loans the SME Receivables purchased by the Issuer will comprise all advances outstanding under such Roll Over Term Loan on the relevant Cut-off Date, including, without limitation, all rights and title in respect of the extension of any such advances that would result from a roll-over in accordance with the provisions of the relevant Loan Documents.

The distinction between “existing” (*bestaande/existantes*) receivables and “future” (*toekomstige/futures*) receivables (see *Section 2.10 – Non-Fully Drawn Loans and set-off related to Credit Facilities* - above) is also relevant in respect of Roll Over Term Loans. As in many jurisdictions, under Belgian law there are no generally accepted criteria which can in all circumstances be used to distinguish between existing and future receivables; since any receivable is a mere intangible, its existence will ultimately depend on how the contractual relationship between the debtor and creditor is to be construed. Under Belgian contract law, the main rule of construction is that a court needs to establish the true intent of the parties. In respect of the Roll Over Term Loan, the question is whether the rights related to amounts advanced following an extension thereof on a roll-

over date, are to be regarded as existing or future receivables. The Issuer has been advised that on the basis of the factual information provided by the Seller as to the mechanics of the Roll Over Term Loans, the better analysis seems to be that the Borrower and the Seller in substance view a Roll Over Term Loan as a term loan with a floating interest (reset upon each roll-over) that is to be amortized over a specific longer term. This is supported by (i) the Standard SME Loan Documentation, which provides that the repayment obligations of the Borrower under a Roll Over Term Loan typically follow a contractually agreed amortization schedule and (ii) that – according to the information provided by the Seller - the rollover in respect of amounts outstanding under a Roll Over Term Loan is in first instance a technical and operational feature managed within the systems of the Seller (as a rule each roll-over happens automatically) without a specific obligation for the Borrower to have funds available to actually repay the advance on each roll-over date (i.e. in economic reality the debt continues to exist). In the absence of clear case law, the better view should be that the true intent of the parties to a Roll Over Term Loan typically is to have a term loan with floating interest rate and interest periods matching the roll-over periods and thus a characterization as an existing receivable rather than as a future receivable.

The set-off risk in respect of a Roll Over Term Loan is comparable to the set-off risk related to the Non-Fully Drawn Loans (see Section 2.10 – *Non-Fully Drawn Loans and set-off related to Credit Facilities* - above) to the extent that the Seller would no longer be able to roll-over the amount advanced under such Loan: i.e. instead of rolling over the advance the Borrower would be required to actually repay the full amount of the advance on the roll-over date. If such accelerated full repayment would need to occur, the Borrower could try to claim that the damage caused thereby, could be set-off against its payments due under the Roll Over Term Loan. Such risk is however mitigated by the notice to be provided upon the occurrence of a Notification Event in which the Issuer, as legal owner of such SME Loan, would expressly allow the Borrower not to (p)repay, but instead continue the SME Loan on the basis of the initially agreed amortization schedule.

2.12 Set-Off

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

In addition, the provisions of the Belgian Law of 3 August 2012 on diverse measures to facilitate the mobilisation of claims in the financial sector (the *Mobilisation Act*) have now further reduced the risk that amounts receivable under the SME Receivables and the Loan Security are reduced on the basis of set-off rights. The Issuer (and the Secured Parties) will no longer be subject to set-off risk: (a) following notification of the assignment of the SME Receivables (and/or the Loan Security) to the assigned debtors (or acknowledgement thereof by the assigned debtors), to the extent the conditions for set-off are only satisfied after such notification (or acknowledgment); and (b) regardless of any notification or acknowledgement of the assignment, following the start of insolvency proceedings or the occurrence of a situation of concurrence of creditors (*samenloop / concours*) in relation to the Seller, to the extent the conditions for set-off are only satisfied following or as a result of such insolvency proceedings or concurrence of creditors.

2.13 Defense of non-performance

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

However, pursuant to the Mobilisation Act, the assigned debtor cannot invoke the defence of non-performance (a) following notification of the assignment of the SME Receivable (and/or the Loan Security) to the assigned debtors (or acknowledgement thereof by the assigned debtor), to the extent the conditions for defence of non-performance are only satisfied after such notification (or acknowledgment); and (b) regardless of any notification or acknowledgement of the assignment, following the start of insolvency proceedings or the occurrence of a situation of concurrence of creditors (*samenloop/concours*) in relation to the Seller, to the extent the conditions for defense of non-performance are only satisfied following or as a result of such insolvency proceedings or concurrence of creditors.

2.14 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 and the other obligations of the Secured Parties, the Security Agent, acting in its own name, as representative of the Noteholders and the other Secured Parties and/or as agent of the Secured Parties (other than the Noteholders) (as applicable), 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 realize the SME Receivables as soon as possible in accordance with the provisions of the Financial Collateral Law (and to realize those other pledged assets not governed by the Financial Collateral Law, in accordance with the provisions of the Belgian civil code). The Secured Parties will have a first ranking claim over the proceeds of any such sale. Other than claims under the SRPA in relation to a material breach of a warranty and a right to be indemnified for all damages, loss and costs caused by such breach and a right of action for damages in relation to a breach of the Servicing Agreement, the Issuer and the Security Agent will have no other recourse to the Seller.

In addition to the other methods for enforcement permitted by law, Article 271/12, §2 of the UCITS Act also permits all Noteholders (acting together) to request the president of the commercial court (*ondernemingsrechtbank/tribunal de l'entreprise*) to attribute to them the pledged assets in payment of an amount estimated by an expert. In accordance with the terms of the Pledge Agreement, only the Security Agent shall be permitted to exercise these rights.

The terms on which the Security will be held will provide that upon enforcement, certain payments (including *inter alia* all amounts payable to the Security Agent, the Servicer, the GIC Provider, the Liquidity Facility Provider, the Administrator, the Corporate Services Provider and the Accounting Services Provider by way of fees, costs and expenses) will be made in priority to payments of interest

and principal on the Notes. All such payments which rank in priority to the Notes and all payments of interest and principal on the Notes will rank ahead of all amounts then owing to the Seller under the SRPA.

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 SME Receivables 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 for loans to small and medium sized enterprises in Belgium. 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.

The enforcement rights of creditors are stayed during bankruptcy proceedings. The Secured Parties will be entitled to enforce their security, but only after the verification of claims submitted in the bankrupt estate has been completed and the liquidator (*curator/curateur*) and the supervising judge have drawn up a record of all liabilities. This normally implies a stay of enforcement of about two (2) months, but the liquidator may ask the court to suspend individual enforcement for a maximum period of one year from the date of the bankruptcy judgement. This stay of enforcement does not apply, however, to the enforcement of a pledge over a bank account and over bank receivables (*bankvorderingen/créances bancaires*) and would not be applicable to the Issuer Accounts and the SME Receivables in accordance with the provisions of the Financial Collateral Law.

2.15 Foreclosure of the Loan Security

Without prejudice to the information set out in *Section 13 (Servicing of the SME Receivables)* below, in case of the procedures set out in Schedule 1 to the Servicing Agreement (***Foreclosure Procedures***), the sale proceeds of the sale of the Loan Security may not entirely cover the outstanding amount under such SME Loan. Subject to the availability of credit enhancement, there is a risk that a shortfall will affect the Issuer's ability to make the payments due to the Noteholders. Moreover, if action is taken by a third party creditor against a Borrower prior to the Servicer following the sale of the SME Receivables to the Issuer, the Seller will not control the Foreclosure Procedures but rather will become subjected to any prior foreclosure procedures initiated by a third party creditor prior to the institution of Foreclosure Procedures by the Servicer.

2.16 Conversion of business pledges registered at the Mortgage Registrar

The Law of 11 July 2013 amending the Belgian Civil Code in respect of the real security rights on movable assets has, effective 1 January 2018, updated the Belgian legal framework for vesting security interests over movable assets (the ***Law on Movable Security Interests***). This Law on Movable Security Interests has, amongst others, introduced the possibility in the Belgian Civil Code to create pledge over movable assets which can be made effective against third parties by registration of the pledge in a national register (the ***National Pledge Register***). Article 7, second paragraph of the Title XVII, Book III of the Belgian Civil Code thereby allows for the vesting of a pledge over a business, which unless otherwise provided in the pledge agreement, all assets forming part of the business. The third paragraph of this article 7 allows for the vesting of a pledge over the exploitation of a farm, which unless otherwise provided in the pledge agreement, includes all assets serving the exploitation of the farm.

The Law on Movable Security Interests has at the same time abolished the possibility to vest a pledge over business (*pand handelszaak / gage sur fonds de commerce*) in accordance with the Belgian Act of 25 October 1919 on the pledge over a business (*Wet van 25 oktober 1919 betreffende het in pand geven van een handelszaak, het endossement van de factuur, de aanvaarding en de keuring van de rechtstreeks voor het verbruik gedane leveringen/ Loi du 25 Octobre 1919 sur la mise en gage du fonds de commerce l'escompte et le gage de la facture ainsi que l'agrégation et l'expertise des*

fournitures faites directement à la consommation) and the possibility to vest a farmer's lien under the Belgian Act of 15 April 1884 on farmers' loans (*landbouwenning/prêts agricoles*).

The transitional provisions of the Law on Movable Security Interests provide that the creditor that has registered a business pledge or farmer's lien prior the entry into force of the Law on Movable Security Interests on 1 January 2018 will continue to have the benefit of its security interest in the same rank provided it registers such security interest in the National Pledge Register within a period of twelve (12) months following the entry force of the Movable Security Interests. The Seller has to date finalized the registration in the National Pledge Register of all business pledges and farmer's liens securing an SME Receivable in the portfolio..

2.17 Shared Security Interests

The Loan Security securing an SME Loan may include, *inter alia*, Mortgages, business pledges (*pand handelszaak / gage sur fonds de commerce*) which were either granted under the Belgian Act of 25 October 1919 on the pledge over a business (*Wet van 25 oktober 1919 betreffende het in pand geven van een handelszaak, het endossement van de factuur, de aanvaarding en de keuring van de rechtstreeks voor het verbruik gedane leveringen/ Loi du 25 Octobre 1919 sur la mise en gage du fonds de commerce l'escompte et le gage de la facture ainsi que l'agrégation et l'expertise des fournitures faites directement à la consommation*) and timely registered in the National Pledge in accordance with the Law on Movable Security Interests or granted under article 7, paragraph 2 of Title XVII of Book III of the Belgian Civil Code (***Business Pledges***), farmers' liens which were either granted under the Belgian Act of 15 April 1884 on farmers' loans (*landbouwenning/prêts agricoles*) and timely registered in the National Pledge in accordance with the Law on Movable Security Interests or granted under Article 7, alinea 3 of Title XVII of Book III of the Belgian Civil Code (***Farmers' Liens***), and joint and several guarantees.

Such Loan Security does not necessarily only secure the SME Loan, but often also secures (i) in case the SME Loan constitutes a term advance under a Credit Facility, all advances made and other obligations included (*geïmputeerd/imputé*) from time to time under such Credit Facility (see also Section 2.9 above), or (ii) in many cases, all other amounts which the Borrower owes or in the future may owe to the Seller (***All Sums Security Interests***).

As a consequence of the sale of an SME Receivable to the Issuer, the Issuer and the Seller may thus share the benefit of the Loan Security (***Shared Security Interests***) since it may secure both the SME Receivable owing to the Issuer and other loans or obligations owing to the Seller.

To mitigate any competing claims in respect of any SME Loan secured by Shared Security Interests, the SRPA provides that all loans or other debts which are secured by the same Loan Security and all loans and other obligations originated under or included (*geïmputeerd/imputé*) in the same Credit Facility are subordinated to the SME Receivables in relation to all sums received out of the enforcement of the Shared Security Interest.

2.18 Mortgage Mandates

Certain SME Loans secured over real property are not secured by an actual registered Mortgage, but only by a Mortgage Mandate. A Mortgage Mandate does not constitute an actual security which creates a priority right of payment out of the proceeds of a sale of the mortgaged real property (*onroerend goed / bien immobilier*), but would first need to be converted into a Mortgage.

The ***Mortgage Mandate*** is an irrevocable power of attorney granted by a Borrower or a third party provider of Related Security to certain attorneys enabling them to create a Mortgage as security for the SME Loan, or, as the case may be, for other existing or future loans or all other sums owed by the Borrower to the Seller at any stage. The 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. The Mortgage that is recorded first at the Mortgage Registrar will rank first. Mortgages recorded on the same day will rank *pari passu*. When a Mortgage Mandate is transformed into a Mortgage, stamp duties (*registratierechten/droits d'enregistrement*) and other costs will be payable, which, in the absence of payment by the Borrower, will have to be advanced by the Servicer and recovered from the Borrower.

Investors should be aware that the Borrower or the third party provider of Loan Security that has granted a Mortgage Mandate, may grant (i) a mortgage to a third party that will rank ahead of the Mortgage to be created pursuant to the conversion of the Mortgage Mandate or (ii) a mortgage mandate to a third party that may be converted ahead of the Mortgage Mandate granted to the Seller, although this would generally constitute a breach of the contractual obligations of the Borrower or the third party provider of Loan Security.

In addition, it may not be possible to create an enforceable Mortgage by means of converting a Mortgage Mandate in certain circumstances, such as for example and without limitation, where a conservatory or an executory attachment of the real property covered by the Mortgage Mandate has been filed by a third party creditor of the Borrower or, as the case may be, of the third party collateral provider as against such third party, where the Borrower or the third party collateral provider is the subject of insolvency proceedings (or converts the mandate to secure pre-existing debts during the so-called “suspect period” prior to insolvency, which is a period which can be set up to six months prior to insolvency, or even longer in certain case, where it is deemed by the court to already be in a situation of cessation of payments) or collective debt settlement proceedings or where the Borrower or the third party collateral provider dies before the conversion.

2.19 Business Pledge Mandates

Certain SME Receivables are secured by a Business Pledge Mandate. Like the Mortgage Mandate, a Business Pledge Mandate does not constitute an actual security which creates a priority right of payment out of the proceeds of a sale of the pledged business (*handelszaak / fonds de commerce*), but would first need to be converted into a Business Pledge. The ***Business Pledge Mandate*** is an irrevocable power of attorney granted by a Borrower or a third party provider of Loan Security to certain attorneys enabling them to create a Business Pledge 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. Similar as is the case for a Mortgage Mandate (see Section 2.18 above in respect of the registration in the Mortgage Register), a Business Pledge will only become enforceable against third parties upon registration of the Business Pledge in the National Pledge Register in accordance with Title XVII of Book III of the Belgian Civil Code. Until such time, the Business Pledge to be granted in accordance with the Business Pledge Mandate is subject to similar limitations as discussed in *Section 2.18* respect of the Mortgage Mandate.

2.20 Intercreditor Agreements

The SME Loans may include loans in respect of which the Seller has entered into intercreditor agreements with other lenders. Such intercreditor agreements may include provisions pursuant to which (a) the enforcement proceeds of Related Security relating to the SME Loan may need to be shared with other lenders and/or the Seller will take part of the benefit of security interests provided by the Borrower to such other lenders and/or the Seller's right of payment under such SME Loan may be subordinated to those of other lender and/or (b) the Seller has agreed to consult with other lenders in respect of decisions and actions in relation to the SME Loan and the Related Security relating to the SME Loan and/or making such decisions or actions dependent on the prior notification or the consent of (a majority of the) other lenders. The Seller will represent that any intercreditor agreements will not restrict the assignment of any of the SME Loans and the Collateral relating thereto.

2.21 Preferred Creditors under Belgian Law

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

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

In addition, pursuant to the Conditions, the claims of certain creditors will rank senior to the claims of the Noteholders by virtue of the relevant priority of payment referred to therein. See further Condition 2 (*Statut, Security and Priority*).

2.22 The characteristics of the SME Loans may change from time to time

There is no guarantee that the characteristics of any SME Loan related to SME Receivables assigned to the Issuer after the Closing Date will have the same characteristics as the SME Loans as of the first purchase, in particular, such 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.

This risk related to the characteristics of the new SME Loans is however mitigated by the fact that such SME Loans will comply with the Eligibility Criteria as set forth in sub-section 10.2.2 - *Eligibility Criteria*.

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

Payments on the SME Loans are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and similar factors. Other factors such as loss of earnings may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their SME Loans. The ultimate effect of this could be to delay or reduce the payments on the Notes or to increase the rate of repayment of the Notes.

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

The security for the Notes created under the Pledge Agreement may be affected by, among other things, a decline in the value of the mortgaged assets and/or the pledged business and/or the encumbered exploitation securing the SME Loans. 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.

2.25 Tax treatment of interest payments by the Borrowers under the SME Loans under article 198, §1, 11° of the BITC 1992

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

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

whereby the tax deduction is disallowed to the extent that the debt to equity ratio as referred to under (b) (the *Debt to Equity Ratio*) exceeds 5 to 1 (article 198, §1, 11° of the BITC 1992).

As set out below (see *Section 6.18*), a VBS such as the Issuer is subject to corporation tax at the current ordinary rate of 29.58 per cent, but its tax base is limited to certain specific items. The Issuer can only be taxed on any disallowed expenses (other than excess borrowing costs within the meaning of Article 198/1 of the BITC 1992) and any abnormal or gratuitous benefits received. Interest payments which the Issuer receives on the SME Loans are therefore not included in its tax base.

Based on a strict reading of article 198, §1, 11° of the BITC 1992 and in the absence of case law and/or commentaries by the tax administration formally discarding the application of this article for interest payments made to a VBS, it cannot be excluded that the Issuer might be considered as an entity which is subject to a taxation regime which is considerably more advantageous than the regular income tax regime for Belgian corporate residents and that interest payments made to the Issuer under SME Loans are not tax deductible for the Borrowers in respect of which, and to the extent that, the 5 to 1 debt equity ratio is exceeded. The Issuer has however been advised that:

- (a) the application of article 198, §1, 11° of the BITC 1992 in the case of a securitization transaction with the Issuer would lead to inequitable results given that the Borrower who loses the tax deduction, was not involved with and, before being notified thereof, was even not aware of, the transfer of its Loan to a VBS;
- (b) from the set-up of the credit structure of the Transaction under which all Interest Available Amounts are immediately distributed on a quarterly basis in accordance with the relevant Priority of Payments (see *Section 5* below) in line with the specific purpose of the Issuer, which is to provide funding to the Seller through the securitization of SME Loans, it follows that in principle the accounting result of the Issuer should be zero. To the extent the Issuer would have been taxed under the regular corporate income tax regime, its taxable result should therefore in principle also have been zero. A convincing argument could therefore be made that in respect of the income derived from the interest payments received under the SME Loans, the Issuer is not subject to an income tax regime that is considerably more advantageous than the regular income tax regime for Belgian corporate residents and that even under a strict reading, article 198, §1, 11° of the BITC 1992 should not be applied to interest payments made to a VBS; and

- (c) on 21 May 2015, the Seller and the Issuing Company obtained a tax ruling in respect of a securitisation transaction of a similar portfolio of SME receivables transferred to Compartment SME II of the Issuing Company confirming *inter alia* that following the transfer of the SME receivables to Compartment SME II, the deduction of interest payments is not disallowed under Article 198, §1, 11° of the BITC 1992. Tax rulings are strictly binding and enforceable towards the Belgian tax administration for the facts, transactions and parties described therein, and their validity may among others be affected by any changes in the relevant legal provisions. However, the motivation developed and the conclusion reached in the tax ruling obtained by the Seller and the Issuing Company on 21 May 2015 support the technical analysis based on which an SME Loan originally granted by a “financial institution” as referred to in Article 56, §2, 2° of the BITC 1992 (such as ING Belgium) should continue to be concerned by the specific exemption provided in Article 198, §1, 11° of the BITC 1992. It means that the tax deductibility of interest payments should not be disallowed according to Article 198, §1, 11° of the BITC 1992 in respect of a loan granted by a financial institution which loan receivable has been transferred in the context of a securitisation transaction.

On the basis of the above considerations, a challenge of the deduction of interest payments on the SME Loans by the tax administration on the basis of article 198, §1, 11° of the BITC 1992 should be very unlikely. Prior to the date the Borrower is being notified of the assignment of the SME Loans, this conclusion is further supported by the fact that the Borrower continues to make all payments under its SME Loan to, and is only able to validly discharge its obligations by payment to, its initial creditor (i.e. ING) and not to the Issuer.

However, in the event article 198, §1, 11° of the BITC 1992 would be invoked successfully by the tax administration, as a result of which the Borrower might incur a loss due to the reduced deductibility of its interest payments, the Borrower might want to hold the Seller liable for its loss and might refuse to pay an amount under its SME Loan corresponding to its loss. This unlikely risk is, however, further mitigated by the fact that under the SRPA and the Servicing Agreement the Seller will agree to indemnify the Issuer for any such reduction in payment resulting from the Seller being found liable for the loss of the Borrower and the Borrower refusing to pay a corresponding amount under its SME Loan.

2.26 Tax treatment of interest payments by the Borrowers under the SME Loans under article 198, §1, 10°/1 to 10°/3 of the BITC 1992 (once applicable)

The legislator recently added new provisions in respect of anti-hybrid tax (Article 198, §1, 10°/1 to 10°/3 of the BITC 1992) which will enter into force on 1 January 2019, as further explained in a public individual advanced decision concerning a different financial market transaction (Nr. 2018.0521 dd. 24.07.2018). The Notes should not qualify as a structured arrangement within the meaning of this anti-hybrid tax legislation since the terms of the Notes do not integrate any value derived from an hybrid effect neither have been issued in view of generating an hybrid effect. In the unlikely event that the SME Loans were considered as being stapled with the Notes for the purposes of the anti-hybrid tax legislation, interest payments by the Borrowers under the SME Loans should not constitute disallowed expenses on this basis.

2.27 Change in law and/or regulatory, accounting and/or administrative procedures

The structure of the transaction described in this Prospectus and, *inter alia*, the issue of the Notes and the ratings which are assigned to them are based on law, tax rules, tax or accounting rules, regulations, guidelines, rates and procedures, and administrative practice in effect at the date of this Prospectus. No assurance can be given that there will be no change to such law, tax or accounting rules, regulations, guidelines, rates, procedures or administrative practice after the date of this Prospectus

which change might have an adverse impact on the Notes and the expected payments of interest and repayment of principal in respect of the Notes.

This risk is partly mitigated by the existence of the Optional Redemption for Tax Reasons, the Optional Redemption in case of Change of Law or the redemption in case of Regulatory Change (See Conditions 5.5 to 5.7 including 5.6).

It should be further noted that on 12 December 2017, the European Parliament and the Council of the European Union adopted the Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (the *STS Regulation*). The STS Regulation intends to harmonise and include due diligence, risk retention and transparency rules together with a clear set of criteria to identify simple, transparent and standardised securitisations (STS). Amendments have been made to the CRR to introduce a preferential capital regime for positions held in STS securitisations by credit institutions and investment firms. Noteholders should be aware that the provisions of the STS Regulation have not specifically been taken into account when establishing the terms of the Notes or the Transaction in general. No assurance can be given that the transaction will be designated as an “STS securitisation” under the STS Regulation at any point in the future and it is impossible for the Issuer to predict how these changes may in the future impact investors in the Notes, whether directly or indirectly. The Notes are however not intended to comply with the STS Regulation.

2.28 Data Protection

To the extent the transfer of SME Loans entails the transfer or processing of personal data in relation to the Borrowers, the transfer of SME Loans by the Seller to the Issuer in connection with the Transaction includes a processing of personal data under the European General Data Protection Regulation (*GDPR*), and other privacy and data protection laws or regulations applicable in Belgium (herein the *Applicable Privacy Laws*).

GDPR permits the processing of personal data under several permissibility grounds, including (a) the prior consent of the data subject, (b) the necessity to process the personal data in order to execute an agreement to which a data subject is a party or take steps at the request of the data subject prior to entering into a contract, and (c) the necessity to process the personal data for legitimate interests of the controller of the processing (insofar as these interests are not outweighed by the legitimate interests of the data subject). It seems reasonable to take the view that the processing and transfer of data relating to the SME Loans by the Seller to the Issuer is permitted under the latter two grounds, so that the prior consent of the Borrowers must not be obtained.

Without further regulatory guidance or consultation with competent data protection authorities, there is however no complete certainty whether this is sufficient to fully comply with the Applicable Privacy Laws.

In accordance with the provisions of the SRPA, the Seller, the Issuer and the Security Agent have agreed that, prior to a Notification event, data in relation to the SME Receivables will be transferred to the Issuer or the Security Agent only if and so far as needed to identify the SME Loans in respect of which the SME Receivables are transferred and taking into account the data minimisation principle and using pseudonymisation techniques where possible. In accordance with the provisions of the Pledge Agreement, the Issuer, the Security Agent and the other Secured Parties have also agreed that, prior to the occurrence of notification event, data in relation to the SME Receivables will be transferred to the Issuer, the Security Agent and/or the other Secured Parties only if and so far as needed to identify the SME Loans in respect of which the SME Receivables are pledged and taking into account the data minimisation principle and using pseudonymisation techniques where possible.

The Seller shall deliver to a custodian (the *Custodian*) from time to time an updated list of assigned SME Receivables including personal data needed to be able to contact the relevant Borrowers and which shall be held by the Custodian in strict confidentiality and subject to the provisions of a Deposit Agreement and the Applicable Privacy Laws. In accordance with the provisions of the Deposit Agreement, the Custodian shall only be entitled to deliver the lists of SME Receivables to the Issuer or the Security Agent following the occurrence of a Notification Event at the instruction of the Issuer or the Security Agent, as the case may be. In accordance with the provisions of respectively the SRPA and the Pledge Agreement, the Issuer, the Security Agent and the other Secured Parties have agreed that at any time they will refrain from obtaining access to or otherwise process (i) personal data of Borrowers or (ii) the lists of SME Receivables other than at the time of notification of the Borrowers upon the occurrence of a Notification Event.

Based on the above arrangement, it can be argued that the Servicer will in first instance remain the data controller in the framework of the Transaction and the Custodian the data processor in respect of the personal data of the Borrowers. Following the occurrence of a Notification Event, the Issuer and/or the Security Agent will need to comply with the obligations under the Applicable Privacy Laws.

The practical application of the provisions of Applicable Privacy Laws to transactions such as the Transaction is not always fully clear. The breach of the obligations under the Applicable Privacy Laws may however give rise to criminal and civil liability claims for compensation to the Borrowers, severe administrative fines and penalties as well as other sanctions which, if imposed, could have a severe impact on capacity and operations of the Issuer, as the case may be, to repay the Liquidity Facility and/or the Notes.

2.29 Reliance on ING Belgium NV /SA

The ability of the Issuer to duly perform its obligations under the Notes will depend to a large extent on the due performance by other transaction parties of their obligations and duties under the Transaction Documents. Thus the Issuer will in particular be dependent on ING Belgium NV/SA as GIC Provider, Servicer, Corporate Services Provider, Accounting Services Provider, Calculation Agent Liquidity Facility Provider and Domiciliary Agent. This risk is mitigated by rating triggers on ING Belgium NV/SA under the relevant Transaction Documents.

2.30 Conflicts of interest

ING Belgium NV/SA is acting in a number of capacities (as GIC Provider, Liquidity Facility Provider, Servicer, Domiciliary Agent, Calculation Agent, and Listing Agent) in connection with the Transactions described herein. In acting in such capacities in connection with such transactions, ING Belgium NV/SA shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than expressly provided with respect to each such capacity.

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

2.31 Limited provision of information

Except if required by law, the Issuer will not be under any obligation to disclose to the Noteholders any financial information in relation to the SME Loans. The Issuer will not have any obligation to keep any Noteholder or any other person informed as to matters arising in relation to the SME Loans,

except for the information provided in the Investor Report produced by the Administrator and which will be made available as set out in *Section 22 - General Information*.

2.32 Force Majeure

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

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

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

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

2.34 Eurosystem collateral

The European Central Bank does not provide any pre-issuance advice regarding the eligibility of assets as Eurosystem collateral. The Eurosystem does only provide counterparties with advice regarding the eligibility of assets as Eurosystem collateral if such assets are submitted to it as collateral. No representations or warranties are therefore given by the Issuer, the Manager or any affiliated person as to whether the Notes will be accepted as eligible collateral within the Eurosystem and none of the Issuer and the Manager nor any affiliated person will have any liability or obligation in relation thereto if the Notes are at any time deemed ineligible for such purposes.

2.35 Legal investment considerations and implementation of regulatory changes that may restrict certain investments, may result in increased regulatory capital requirements or may affect the liquidity of the Notes

In Europe, the U.S. 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 capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby, amongst other things, affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Manager, the Arranger or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

2.36 EU Risk Retention Rules

Investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund manager, investment firms, insurance and reinsurance undertakings and UCITS funds. Such requirements may restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Servicer), please see the following statement.

Pursuant to the EU Risk Retention Rules, the Seller (as originator) undertakes to retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. of the nominal value of the securitised exposures (i.e. the Purchased Receivables) under the Transaction for as long as the Notes have not been redeemed in full.

As at the Closing Date, such interest will be comprised of the entire Class B Notes. Any change in the manner in which this interest is held shall be notified to investors via the Quarterly Investor Report. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period wherein the Class A Notes are outstanding to the Issuer and the Security Agent in the SRPA. In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make available materially relevant data with a view to complying with Article 405 of the CRR, Articles 254 and 256 of the Solvency II Regulation and Articles 51 and 52 of the AIFM Regulation, which can be obtained from the Seller upon request. After the Closing Date, the Issuer will prepare Quarterly Investor Reports wherein relevant information with regard to the SME Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller as confirmed to the Issuer for each Quarterly Investor Report.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the EU Risk Retention Rules and none of the Issuer, the Seller, the Servicer, the Back-up Servicer, the Security Agent, the Issuer Directors, the Calculation Agent, the Arranger, the Manager or any other Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that it complies with the implementing provisions in respect of EU Risk Retention Rules in its relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Seller, the Arranger, the Servicer and the Manager makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

2.37 Basel III and Solvency II

The Basel Committee on Banking Supervision (the *Basel Committee*) approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as *Basel III*). In particular, 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). It is intended that Member States will implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019) and the Net Stable Funding Ratio from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The European authorities have indicated that they support Basel III in general. The capital rules of Basel III have been implemented through a directive and a regulation adopted on 26 June 2013 by the Council of the European Union (collectively referred to as *CRD IV*), which replaced the directives 2006/48/EC and 2006/49/EC, as amended by directive 2009/111/EC. CRD IV entered into force on 1 January 2014, with full implementation by January 2019; however, CRD IV allows individual Member States to implement a stricter definition and/or level of capital more quickly than is envisaged under Basel III. On 23 November 2016, the European Commission proposed some further changes to the capital requirements rules, known as “CRD V”, which will implement the so-called “Basel IV” package. Under these proposals, the leverage ratio and the net stable funding ratio will become binding. Further changes are also proposed to the measurement of certain risks, including market risk and operational risk. Once implemented, these changes are expected to generally result in an increase of the capital requirements. In addition, changes to regulatory capital requirements for insurance and reinsurance undertakings have been made by the implementation of the Solvency II Framework.

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 the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

2.38 Common Reporting Standard

Following recent international developments, the exchange of information will be governed by the broader Common Reporting Standard (*CRS*).

On 7 August 2018, 103 jurisdictions had 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. About 100 jurisdictions have committed to exchange information as from 2018.

Under CRS, financial institutions resident in a CRS country would be 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 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 Directive 2014/107/EU, respectively the Common Reporting Standard, per the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

As a result of the Law of 16 December 2015, the mandatory exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States, (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date determined by Royal Decree.

In a Royal Decree of 14 June 2017 (as amended), it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of eighteen foreign jurisdictions, and as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions and as from 2019 (for the 2018 financial year) for another jurisdiction. The Notes are subject to DAC2 and to the Law of 16 December 2015. Under this Directive and Law, Belgian financial institutions holding the Notes for tax residents in another CRS contracting state, shall report financial information regarding the Notes (income, gross proceeds, ...) 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.

2.39 The proposed financial transaction tax

On 14 February 2013, the EU Commission has adopted a proposal for a directive on a common financial transaction tax (the *Financial Transaction Tax* or *FTT*). The intention is for the Financial Transaction Tax to be implemented via an enhanced cooperation procedure in 11 participating EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT (the *participating Member States*).

The proposed Financial Transaction Tax has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt. The Financial Transaction Tax shall, not apply to (inter alia) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

Under the Commission proposal, the Financial Transaction Tax could apply in certain circumstances to persons both within and outside the participating Member States. Generally, pursuant to the proposed directive, the Financial Transaction Tax will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a participating Member State and there is a financial institution established or deemed established in a participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction.

The rates of the Financial Transaction Tax shall be fixed by each participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The Financial Transaction Tax shall be payable by each financial institution established or deemed established in a participating Member State if it is either a party to the financial transaction, or acting in the name of a party to the transaction or if the transaction has been carried out on its account. Where the Financial Transaction Tax due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the Financial Transaction Tax due.

Investors should therefore note, in particular, that any sale, purchase or exchange of Notes may be subject to the Financial Transaction Tax at a minimum rate of 0.1% provided the abovementioned prerequisites are met. The investor may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Notes.

Joint statements issued by the participating Member States indicate an intention to implement the Financial Transaction Tax progressively, such that it would initially apply to shares and certain derivatives. The Financial Transaction Tax, as initially implemented on this basis, may therefore not apply to dealings in the Notes. However, the Financial Transaction Tax proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. The proposed Financial Transaction Tax may still be abandoned or repealed.

Investors should consult their own tax advisors in relation to the consequences of the Financial Transaction Tax associated with subscribing for, purchasing, holding and disposal of the Notes.

2.40 U.S. Foreign Account Tax Compliance withholding may affect payments on the Notes

Under sections 1471-1474 of the United States Internal Revenue Code of 1986 enacted by the United States as part of the HIRE Act in March 2010 (commonly referred to as Foreign Account Tax Compliance Act (*FATCA*)), payments may be subject to withholding if the payment is either US source, or a foreign pass thru payment. Belgium has concluded an agreement with the United States of America to Improve International Tax Compliance and to Implement FATCA, a so-called IGA. Under this agreement, parties are committed to work together, along with other jurisdictions that have concluded an IGA, to develop a practical and effective alternative approach to achieve the FATCA objectives of foreign pass thru payment and gross proceeds withholding that minimises burden. The Issuer is established and resident in Belgium and therefore benefits from this IGA.

If an amount in respect of FATCA withholding tax were to be deducted or withheld from any payments on the Notes, neither the Issuer nor any paying agent would be required to pay any additional amounts as a result of the deduction or withholding of such tax. As a result, investors who are non-US financial institutions (*FFI*) that have not entered into an FFI agreement (or otherwise established an exemption from withholding under FATCA), investors that hold Notes through such FFIs or investors that are not FFIs but have failed to provide required information or waivers to an FFI may be subject to withholding tax for which no additional amount will be paid by the Issuer. Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Securities.

2.41 The Belgian bank recovery and resolution regime

Directive 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the *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 *NRA*s), 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 the Credit Institutions Supervision Law. Under the Belgian bank recovery and resolution regime, the supervisory and resolution authorities (which include the National Resolution Authority) are able to take a number of measures in respect of any credit institution it supervises if deficiencies in such credit institution's operations are not remedied. Such measures include: the appointment of a special commissioner whose consent is required for all or some of the decisions taken by all the institution's corporate bodies; the imposition of additional requirements in terms of solvency, liquidity, risk concentration and the imposition of other limitations; the complete or partial suspension or prohibition of the institution's activities; the revocation of the institution's licence; and the right to impose the reservation of distributable profits, or the suspension of dividend distributions or interest payments to holders of additional Tier 1 capital instruments.

The Credit Institutions Supervision Law allows the NRA to take resolution actions. Such powers include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for that purpose which is

wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to a bridge institution or one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down. The Credit Institutions Supervision Law grants a “bail in” power to the NRA.

It should be noted that (i) certain elements of the Credit Institutions Supervision Law 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 Law 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 Law may be influenced by the recent 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.

Finally, it should be noted that certain of the European initiatives (in particular the prohibition on proprietary trading) to be transposed into Belgian law pursuant to the Credit Institutions Supervision Law are still in draft form, or subject to political discussion, at the European level. Whilst the Credit Institutions Supervision Law contains powers to allow the government to conform the Credit Institutions Supervision Law to developments at a European level in certain areas through a royal decree, it cannot be ruled out that there will be differences between the regulatory regime promulgated by the relevant European directives and the regulatory regime of the Credit Institutions Supervision Law.

Although the exercise of powers by the National Bank of Belgium under the Credit Institutions Supervision Law could not affect the transfer of legal title to the SME Loans to the Issuer, there is a risk that such exercise of powers could adversely affect the proper performance by each of the Originator, the Seller and the Servicer of its payment and other obligations to the Issuer and enforcement thereof against the such parties under the Transaction Documents.

The Issuer itself is not an institution subject to the provisions of the BRRD or the transposed rules in the Credit Institution Supervision Law. The Notes issued by the Issuer are not subject to bail-in.

2.42 Reference Rates and Benchmark

EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" (the *Benchmarks*) are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. In June 2016, the European Union adopted a Regulation (the *BMR*) on indices (such as EURIBOR) used in the European Union as benchmarks in financial contracts. The BMR became effective as of 1 January 2018. It provides that administrators of benchmarks in the European Union generally must be authorised by or registered with regulators no later than 1 January 2020, and that they must comply with a code of conduct designed primarily to ensure reliability of input data, governing issues such as conflicts of interest, internal controls and benchmark methodologies. Benchmark administrators in the United Kingdom will be required to comply with the BMR so long as the United Kingdom remains part of the European Union (and possibly thereafter, depending on the terms of withdrawal), and will also be required to comply with U.K. national requirements.

In March 2017, the European Money Markets Institute (*EMMI*) published a position paper setting out the legal grounds for certain proposed reforms to EURIBOR. The proposed reforms seek to clarify the EURIBOR specification, to align the current methodology with the BMR, the IOSCO Principles (i.e., nineteen principles which are to apply to Benchmarks used in financial markets as published by the Board of the International Organisation of Securities Commissions in July 2013) and other regulatory

recommendations and to adapt the methodology to better reflect current market conditions. EMMI is more specifically aiming to evolve the current quote based methodology to a transaction based methodology in order to better reflect the underlying interest that it intends to measure and adapt to the prevailing market conditions. In particular, it is contemplated that it will be anchored on actual market transaction input data whenever available, and on other funding sources if transaction data are insufficient. In a statement published in January 2018, EMMI indicated that it aims to launch the hybrid methodology for EURIBOR by the fourth quarter of 2019 at the latest, in accordance with the transitional period provided for by the BMR. On 29 March 2018, EMMI launched its first stakeholder consultation on the hybrid methodology. The consultation closed on 15 May 2018 and is followed by an in-depth testing of the proposed methodology under live conditions from May to August 2018.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that EURIBOR becomes unavailable or a Benchmark Event otherwise occurs, including the possibility that the rate of interest could then be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. For example, this may result in the effective application of a fixed rate for the Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

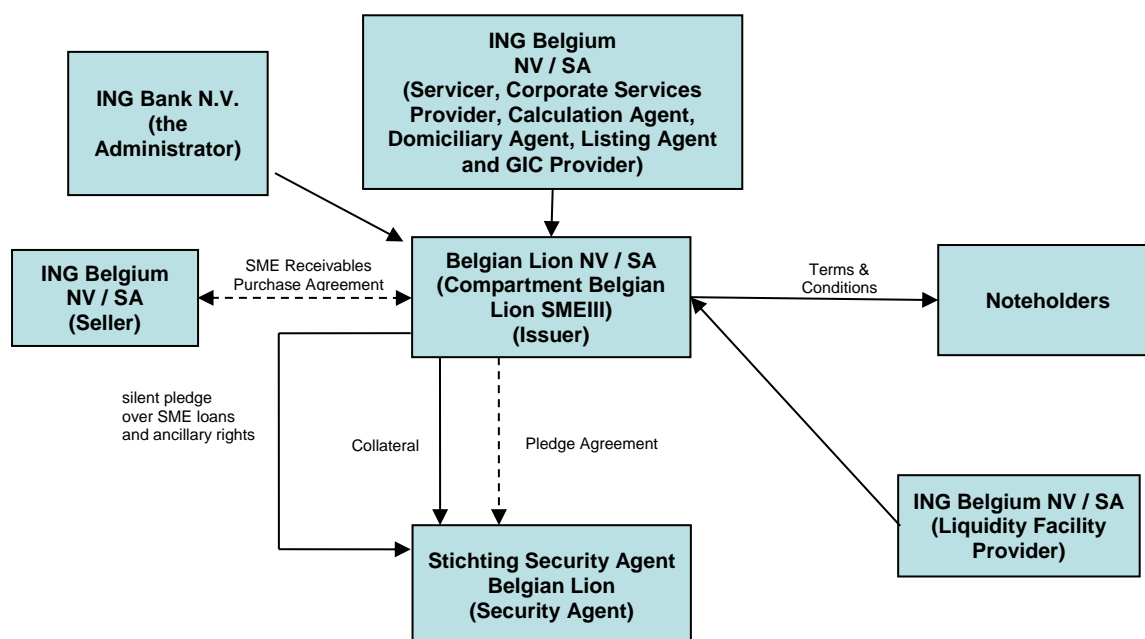
Any such consequences could have a material adverse effect on the trading market for, liquidity of, value of and return on the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under such Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, or in respect of, such Notes. Investors should consider these matters when making their investment decision with respect to the Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the SME Loans and the Notes due to applicable fall-back 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 obligations under the Notes.

SECTION 3

OVERVIEW OF THE TRANSACTION AND STRUCTURE DIAGRAM

The following is an overview of the principal features of the Transaction described in this Prospectus including the issue of the Notes. The information in this section does not purport to be complete. This overview should be read as an introduction to and in conjunction with, and is qualified in its entirety by reference, to the detailed information appearing elsewhere in this Prospectus. Prospective Noteholders are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Prospectus, the Conditions and the Transaction Documents referred to therein in making any decision whether or not to invest in any Notes.



On or about 7 December 2018 the Issuer will enter into a SME Receivables purchase agreement (the **SRPA**) with the Seller and the Security Agent. Pursuant to the SRPA, the Seller will sell and assign to the Issuer legal title to the SME Receivables. The SME Receivables consist of any and all rights of the Seller against certain borrowers under SME Loans originated by the Seller. The initial purchase price for the SME Receivables amounts to 100% of the Outstanding Principal Amount of the SME Receivables on the Cut-Off Date (which will be equal to an amount of approximately, EUR 9,297,500,000). The transfer of legal title to the Initial Portfolio of SME Receivables will take place on 12 December 2018 or on such later date as may be agreed between the Issuer, the Seller and the Manager (the **Closing Date**). Additionally, the Issuer may on a monthly basis purchase additional SME Receivables to the extent offered to it and to the extent that sufficient funds are available, until the Mandatory Amortisation Date of the Notes. See Section 12 (*The Seller*) and Section 10 (*SME Receivables Purchase Agreement*).

ING Belgium NV/SA will be appointed by the Issuer as the servicer of the SME Loans (the **Servicer**). The Servicer will *inter alia* collect payments of principal, interest and other amounts in respect of the SME Loans and transfer such amounts on a monthly basis to the Issuer's Transaction Account. Upon the occurrence of certain triggers in respect of the Servicer, a Back-Up Servicer may be appointed and the Servicer may ultimately be replaced. See Section 13 (*Servicing of the SME Receivables*).

To fund the initial purchase price of the SME Receivables, the Issuer will issue the Notes on the Closing Date. See Section 4 (*Overview of the features of the Notes*).

On each Quarterly Payment Date, the Issuer will pay the Noteholders interest and principal in accordance with and subject to the Interest Priority of Payments and the Principal Priority of Payments. See Section 5 (*Credit Structure*).

The ability of the Issuer to meet its obligations under the Notes will depend primarily upon the receipt by it of principal and interest from the Borrowers under the SME Receivables and its receipt of funds under the Liquidity Facility. See Section 2 (*Risk Factors*).

The Issuer will grant security over *inter alia* the SME Receivables, the Issuer Accounts and its receivables under the other Transaction Documents (the **Security**). See Section 7 (*Issuer Security*).

Stichting Security Agent Belgian Lion (the **Security Agent**) will be appointed (i) as representative of the Noteholders, in accordance with Article 271/12, §1 first to seventh indent of the UCITS Act, (ii) as representative of the Secured Parties (which includes the Noteholders) in accordance with Article 5 of the Financial Collateral Law, (iii) as representative (*vertegenwoordiger / représentant*) of the Secured Parties in accordance with Article 3 of Title XVII (*Real security on movable assets*) of Book III of the Belgian Civil Code (*Burgerlijk Wetboek / Code civil*) and (iv) as irrevocable agent (*lasthebber / mandataire*) of the Secured Parties (other than the Noteholders). See Section 8 (*The Security Agent*).

Upon the occurrence of an Event of Default under the Notes, the Security Agent may give notice to the Issuer that the amounts outstanding under the Notes are immediately due and payable and may enforce the Security. The Security Agent will apply the amounts recovered upon enforcement of the Security in accordance with the Post-Enforcement Priority of Payments. See Condition 2.6.

The Issuer will enter into various other Transaction Documents in relation to the Transaction. See Section 19 (*Related Party Transactions – Material Contracts*).

SECTION 4

OVERVIEW OF THE FEATURES OF THE NOTES

	Class A Notes		Class B Notes
	Class A1 Notes	Class A2 Notes	
Principal amount	EUR 2,000,000,000	EUR 4,833,750,000	EUR 2,463,750,000
Issue Price	100%		100%
Credit Enhancement	subordination of Class B Notes		Nil
Interest Rate per annum	Three-Month EURIBOR + 0.45 per cent. Margin per cent. p.a.	Fixed Rate of 0.70 per cent. p.a.	Fixed Rate of 2.00 per cent. p.a.
Interest Accrual	Act/360		Act/360
Quarterly Payment Dates	Interest will be payable quarterly in arrears on the 10 th day of February, May, August and November of each year (or the first following Business Day if such day is not a Business Day), commencing on the Quarterly Payment Date falling on 11 February 2019.		
Principal payments	No scheduled amortisation. On the Quarterly Payment Date falling in November 2021 (the Mandatory Amortisation Date) and on any Quarterly Payment Date thereafter, full sequential amortisation of the Notes (in order of seniority whereby, as far as Class A Notes are concerned, prior to enforcement, redemption of the Class A2 Notes will be subordinated to redemption of the Class A1 Notes) based on the Principal Available Amount. Prior to the Mandatory Amortisation Date, the Issuer has the option (but not the obligation, save as provided in Condition (b)) to apply Principal Available Amount on each Quarterly Payment Date towards redemption of the Notes in accordance with the Principal Priority of Payments.		
Prepayments	Notes may be subject to voluntary and mandatory prepayment on any Quarterly Payment Date as described herein, with prepayments applied to the Notes in sequential order starting with the most senior Class of Notes then outstanding.		
Optional Redemption Date	The Quarterly Payment Date falling in November 2023 (First Optional Redemption Date) and any Quarterly Payment Date thereafter.		
Weighted Average Life	4.23 years, assuming the Optional Redemption Call is exercised on the First Optional Redemption Date.		
Denomination	EUR 250,000		EUR 250,000
Form	The Notes will be issued in the form of dematerialised notes under the Company Code and will be represented exclusively by book entries in the records of the Securities Settlement System operated by the National Bank of Belgium.		
Listing	Application has been made to Euronext Brussels for the Class A Notes to be admitted to the official list for trading on its regulated market.		Not Listed
Expected Rating	Fitch: AAA(sf) DBRS: AAA(sf)		Not Rated
ISIN	BE0002624055	BE0002625060	BE0002626076
Common Code	191945719	191945786	191945808

See Section 20 (*Terms and Conditions of the Notes*) for further details.

SECTION 5

CREDIT STRUCTURE

5.1 Interest and interest rates on the SME Loans

5.1.1 Interest and interest rates

The SME Receivables sold and assigned to the Issuer at the Closing Date and the New SME Receivables which may be sold and assigned to the Issuer thereafter up to the Mandatory Amortisation Date bear either:

- (a) a fixed rate interest for the entire term of the SME Loan (in certain cases, subject to reset from time to time on dates agreed with the Borrower); or
- (a) a floating rate of interest.

Interest rates vary between individual SME Loans. The actual amount of revenue received by the Issuer under the SME Receivables will vary during the life of the Notes as a result of the level of delinquencies, defaults, repurchases, repayments and prepayments in respect of the 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 possible variations in certain costs and expenses of the Issuer and fluctuations in EURIBOR in respect of the A1 Notes. The eventual effect of such variations could lead to drawings, and the replenishment of such drawings, under the Liquidity Facility and non-payment of certain items under the Interest Priority of Payments.

5.1.2 Prepayment Penalties and default interest

In accordance with the contractual terms included in the SME Loan Documents certain prepayment penalties (*wederbeleggingsvergoeding/indemnité de remplacement*) may be due on certain SME Loans in the event of a voluntary prepayment of principal on the SME Loans prior to their scheduled due date (the **Prepayment Penalties**). Furthermore, the contractual terms of the SME Loan Documents may provide for default interest (*nalatigheidsinterest/intérêt moratoire*) to be applicable in respect of arrears on the SME Loans.

5.2 Cash Collection

5.2.1 Seller Cash Collection

Until a Notification Event, all payments made by Borrowers will be credited to an account in the name of the Seller held with ING which is administered by the Servicer, and any account replacing such account in accordance with the Transaction Documents (the **Collection Accounts**).

The Servicer, on behalf of the Seller, shall procure that on or prior to the tenth (10th) calendar day of each month (or the first following Business Day if such day is not a Business Day) (the **Monthly Sweep Date**), all amounts of principal, interest, prepayment penalties and default interest received by the Seller in respect of the SME Receivables during the related Monthly Collection Period are swept to the Transaction Account.

If at any time the ratings of ING fall below the Required Minimum Ratings, the Seller shall (i) within 30 calendar days as of such downgrade, ensure that the maximum period during which amounts will be held in the Collection Accounts before being swept into the Transaction Account will be two (2) Business Days or (ii) as soon as reasonably possible, but no later than 30 calendar days as of the occurrence of such downgrade, open the Reserve Account and constitute a Reserve Amount (See

Section 10.8 –Reserve Amount below). The choice between (i) and (ii) is left to the discretion of the Seller.

5.2.2 Collection Period

In respect of any relevant Quarterly Payment Date, the period from (and including) the first (1st) calendar day of the month prior to the month in which the immediately preceding Quarterly Payment Date fell to (but excluding) the first (1st) calendar day of the month prior to the month in which such relevant Quarterly Payment Date falls shall be the **Collection Period**, except for the first Collection Period which shall be, in relation to interest receipts, the period from (and including) 1 October 2018 to (but excluding) 1 January 2019 and, in relation to principal receipts, the period from (and including) 1 October 2018 to (but excluding) 1 January 2019.

In respect of any relevant Monthly Sweep Date, the period from (and excluding) the last Business Day of the month falling two (2) calendar months prior to the calendar month in which the immediately preceding Monthly Sweep Date fell to (but including) the last Business Day of the month falling two (2) calendar months prior to the calendar month in which such relevant Monthly Sweep Date falls shall be the **Monthly Collection Period** except for the first Monthly Collection Period which shall be the period from (and including) 1 October 2018 to (and including) 30 November 2018.

5.3 The Issuer Accounts

The Transaction Account, the Further Drawdown Account, the Expenses Account, the Reserve Account and the Share Capital Account (together the **Issuer Accounts**) will be held at the GIC Provider. The interest rate applicable to the Issuer Accounts is floored at zero.

5.3.1 The Share Capital Account

The **Share Capital Account** means the bank account of the Issuer in which (i) the share capital portion allocated to Compartment Belgian Lion SME III and (ii) the interests accrued on the Share Capital Account are held.

5.3.2 The Transaction Account

The Issuer will maintain with the GIC Provider the transaction account (the **Transaction Account**) into which in addition to any interest accrued on the Transaction Account, the Servicer, on behalf of the Issuer, shall credit all amounts received:

- (a) in respect of the SME Receivables;
- (b) from the Liquidity Facility Provider as a Liquidity Facility Drawing under the Liquidity Facility;
- (c) from any of the other parties to the Transaction Documents; and
- (d) as retained interest for non-Eligible Holders.

Prior to an Enforcement Event, payments will be made from the Transaction Account during each Interest Period on the Quarterly Payment Date in accordance with the Interest Priority of Payments and the Principal Priority of Payments as set out in Condition 2.

5.3.3 The Further Drawdown Account

On the Closing Date the Issuer will also deposit part of the proceeds of the Notes in an account maintained with the GIC Provider (the **Further Drawdown Account**) for an amount corresponding to the aggregate Undrawn Amounts in relation to the Non-Fully Drawn Loans. Thereafter, in the event

of a purchase of New SME Receivables in respect of a Non-Fully Drawn Loan, the Issuer shall apply part of the Replenishment Available Amount corresponding to the Undrawn Amount of such SME Loan in order to fund the Further Drawdown Account. The Further Drawdown Account will be debited on each Monthly Sweep Date (until fully depleted) (i) for payments for the benefit of the Seller upon Undrawn Amounts being paid out to or on behalf of the Borrowers; and (ii) for an amount equal to the Undrawn Amounts in respect of which the Seller has no further obligation to make payments to the relevant Borrowers, which will then be credited to the Transaction Account. The amount under (ii) will form part of the Principal Available Amount.

For this purpose an *Undrawn Amount* in relation to an SME Loan, means such part of an SME Loan that has not been drawn down by the relevant Borrower on the relevant Cut-off Date.

Upon the occurrence of certain events (including any insolvency procedure) with respect to the Seller, the Issuer shall have no further obligation to the Seller to pay the remaining part of the relevant Undrawn Amount.

5.3.4 Expenses Account

On the first Quarterly Payment Date, the Issuer will deposit an amount up to EUR 50,000.00 in accordance with item (iv) of the Interest Priority of Payments, in an account maintained with the GIC Provider (the *Expenses Account*).

Provided no Enforcement Notice has been given, any amounts standing to the credit of the Expenses Account will be used by the Issuer to pay any Expenses that fall due and payable on a date other than a Quarterly Payment Date.

If and to the extent that the Interest Available Amount on any Quarterly Payment Date exceeds the aggregate amount applied in satisfaction of items (i) up to and including (iii) of the Interest Priority of Payments, such amount will be credited to the Expenses Account until the balance standing to the credit thereof equals the Expenses Account Target Level (as defined below).

If and to the extent that the Interest Available Amount (which would remain available after satisfaction of items (i) up to and including (iii) of the Interest Priority of Payments) exceeds the amount required to deposit in, or replenish, the Expenses Account up to the Expenses Account Closing Date Level, such excess amount will be used as part of the Interest Available Amount towards satisfaction of items (v) up to and including (xii) of the Interest Priority of Payments.

On the Quarterly Payment Date on which all Notes have been redeemed in accordance with the Conditions, the Expenses Account Target Level becomes zero and the remaining balance standing to the credit of the Reserve Account will be transferred to the Transaction Account as Expenses Account Excess and form part of the Interest Available Amount on such date.

The *Expenses Account Excess* means the balance standing to the credit of the Expenses Account after redemption of the Notes in accordance with the Conditions.

Expenses Account Target Level means an amount equal to EUR 50,000 or, upon redemption of the Notes in accordance with the Conditions, zero.

5.4 Substitution of GIC Provider

If at any time (i) the short-term IDR of the GIC Provider is assigned a rating of less than the Fitch Required Minimum Short Term Rating or such rating is withdrawn and the long-term IDR of the GIC Provider is assigned a rating of less than the Fitch Required Minimum Long Term Rating or such rating is withdrawn or (ii) in case the GIC Provider is ever publicly assigned a long term Critical Obligation Rating (*COR*) by DBRS (or, assigned a private rating by DBRS), such rating of the GIC

Provider is less than the DBRS Required Minimum Rating by DBRS, then the GIC Provider (thereby assisted by the Issuer) shall within thirty (30) (or sixty (60) days in case only a downgrade of the Fitch rating set out under (i) occurs) calendar days (A) transfer the balance of the relevant Transaction Accounts to an alternative bank with the Required Minimum Ratings, or (B) find a third party with the Required Minimum Ratings to guarantee the obligations of the GIC Provider.

Fitch Required Minimum Short Term Rating means F1.

Fitch Required Minimum Long Term Rating means A.

DBRS Required Minimum Rating means A, determined as the higher of (i) one notch below the COR (if assigned) or (ii) the issuer rating.

Required Minimum Ratings means (i) the Fitch Required Minimum Short Term Rating or the Fitch Required Minimum Long Term Rating and (ii) the DBRS Required Minimum Rating.

5.5 Subordination

5.5.1 Class A Notes

The Class A Notes will be senior to the Class B Notes.

Within the Class A Notes, the Class A2 Notes will be subordinated to the Class A1 Notes to the extent that prior to enforcement, no payment of principal by the Issuer on the Class A2 Notes will be made whilst any Class A1 Note remains outstanding.

In respect of:

- (a) payments of interest prior to enforcement; and
- (b) any amount due in respect of the Class A Notes in case of enforcement,

the Class A1 Notes and the Class A2 Notes shall however rank *pari passu* without any preference or priority among themselves.

5.5.2 Subordination of Class B Notes

The Class B Notes will be subordinated to the Class A Notes as follows:

- (a) no payment of principal by the Issuer on the Class B Notes will be made whilst any Class A Note remains outstanding;
- (b) interest on the Class B Notes will only be paid in accordance with the Interest Priority of Payments; and
- (c) in case of enforcement of the Security by the Security Agent of any amount due in respect of the Class B Notes, any amounts due in respect of the Class A Notes will rank in priority to any amounts due in respect of the Class B Notes, in accordance with the Post-enforcement Priority of Payments.

5.5.3 General subordination

In the event of insolvency (which term includes bankruptcy (*faillissement / faillite*), winding-up (*vereffening / liquidation*)) and judicial reorganization (*gerechtelijk reorganisatie / réorganisation judiciaire*) of the Issuer, any amount due or overdue in respect of the Class B Notes will:

- (a) rank lower in priority in point of payment and security than any amount due or overdue in respect of the Class A Notes; and
- (b) shall only become payable after any amounts due in respect of any Class A Notes have been paid in full.

5.5.4 Limited Recourse – Compartments

To the extent that Principal Available Amount and Interest Available Amount are insufficient to repay any principal and accrued interest outstanding on any Class of Notes on the Final Redemption Date, any amount of the Principal Amount Outstanding of, and accrued interest on, such Notes in excess of the amount available for redemption or payment at such time, will cease to be payable by the Issuer.

Obligations of the Issuer to the Noteholders and all other Secured Parties are allocated exclusively to Compartment Belgian Lion SME III and the recourse for such obligations is limited so that only the assets of Compartment Belgian Lion SME III subject to the relevant Security will be available to meet the claims of the Noteholders and the other Secured Parties. Any claim remaining unsatisfied after the realisation of the Security and the application of the proceeds thereof in accordance with the Post-enforcement Priority of Payments shall be extinguished and all unpaid liabilities and obligations of the Issuer acting through its Compartment Belgian Lion SME III will cease to be payable by the Issuer. Except as otherwise provided by Conditions 11 (*Enforcement of Notes – Limited Recourse and Non-Petition*) and 12 (*The Security Agent*), none of the Noteholders or any other Secured Party shall be entitled to initiate proceedings or, in case of the Secured Parties, take any steps to enforce any relevant Security. See *Section 2.3* and Condition 11 (*Enforcement of Notes – Limited Recourse and Non-Petition*) below.

5.6 Principal Deficiency

5.6.1 Principal Deficiency Ledgers

Principal deficiency ledgers will be established on behalf of the Issuer by the Administrator in respect of the Class A Notes (*Class A Principal Deficiency Ledger*), and the Class B Notes (*Class B Principal Deficiency Ledger*), and together with the Class A Principal Deficiency Ledger, the *Principal Deficiency Ledgers*) in order to record any Realised Losses incurred on the SME Receivables.

5.6.2 Allocation

Any Realised Losses will, on the relevant Quarterly Calculation Date, be debited to the Principal Deficiency Ledgers sequentially as follows:

- (a) *first*, to the Class B Principal Deficiency Ledger up to an amount equal to the aggregate Principal Amount Outstanding of the Class B Notes, and if there is sufficient Interest Available Amount then any debit balance on Class B Principal Deficiency Ledger shall be reduced by crediting such funds at item (x) of the Interest Priority of Payments; and
- (b) *second*, to the Class A Principal Deficiency Ledger up to an amount equal to the aggregate Principal Amount Outstanding of the Class A Notes, and if there is sufficient Interest Available Amount then any debit balance on Class A Principal Deficiency Ledger shall be reduced by crediting such funds at item (vii) of the Interest Priority of Payments.

Any debit balance recorded on the respective Principal Deficiency Ledgers shall be a *Class A Principal Deficiency* and a *Class B Principal Deficiency*, each a *Principal Deficiency*, as applicable and as the context requires.

Realised Losses means in relation to a Foreclosed SME Loan and in respect of any Quarterly Calculation Date, the positive amount by which:

- (a) the Current Balance of such Foreclosed Loan as of the relevant Cut-Off Date; exceeds
- (b) the aggregate of all Principal Repayments or Net Proceeds relating to principal amounts received by the Issuer since the relevant Cut-Off Date.

A SME Loan which is in arrears or in default and in respect of which the Servicer has undertaken and completed applicable Foreclosure Procedures (a **Foreclosed Loan**, shall, to the extent a residual debt remains outstanding, be sold to Fiduciaire van het Krediet/Fiduciaire du Crédit NV/SA, an ING collection agency, in order to collect the residual debt.

Principal Repayments means in relation to an SME Loan, any amounts of repayments and prepayments of principal under or in respect of the relevant SME Loan other than any Recoveries (it being understood that, in respect of a Roll Over Term Loan, the roll-over of an advance will not constitute a repayment of principal for the entire amount rolled-over, but only for an amount equal to the positive amount by which the advance before exceeds the advance after the roll-over).

5.6.3 Calculation of Principal Available Amount and Interest Available Amount

The Quarterly Calculation Date shall be, in relation to any Quarterly Payment Date, the third Business Day preceding the relevant Quarterly Payment Date (the **Quarterly Calculation Date**). On each Quarterly Calculation Date the Administrator will calculate the amount of the Interest Available Amount and the Principal Available Amount which will be available to the Issuer in the Transaction Account on the following Quarterly Payment Date to satisfy its obligations under the Notes.

The Interest Available Amount shall be calculated by reference to the payment from amounts received by the Issuer during the previous Collection Period.

The Principal Available Amount shall be calculated by reference to principal amounts and other amounts received by the Issuer during the previous Collection Period.

5.7 Liquidity Facility

In order to reduce the risk of temporary payment shortfalls of interest to the Noteholders of the Class A Notes, on or before the Closing Date the Issuer will enter into the Liquidity Facility Agreement pursuant to which a liquidity facility will be established and maintained up to an amount equal to the 1.5% of the aggregate of the Principal Amount Outstanding of all the Notes calculated as on the Closing Date (the **Commitment**).

Utilisation and Term

On any Quarterly Payment Date (other than on any Quarterly Payment Date on which the Notes are redeemed in full) the Issuer will be entitled to make drawings under the Liquidity Facility up to an amount equal to the Commitment reduced by amounts already drawn and not yet repaid under such facility (the **Available Liquidity Facility**).

The Liquidity Facility Agreement will be for a term of 364 days. The term of the Liquidity Facility Agreement is extendable with the prior agreement (acting in its sole discretion) of the Liquidity Facility Provider.

The Liquidity Facility Agreement may be terminated (whereby commitments are cancelled and amounts drawn become due and payable) by the Liquidity Facility Provider upon the occurrence of certain events of default in respect of the Issuer (including the occurrence of an Event of Default and

the giving of an Enforcement Notice). The Liquidity Facility Agreement may on the other hand also be terminated by the Issuer in case of a default (including insolvency) of the Liquidity Facility Provider.

5.7.1 Availability and LF Revolving Drawing

Without prejudice to Section 5.7.3 below, the Issuer, or the Administrator on behalf of the Issuer, shall only request a liquidity drawing (a **LF Revolving Drawing**) on any Quarterly Calculation Date if, and to the extent that, after the application of Interest Available Amount, there is expected to be a Liquidity Shortfall on the immediately succeeding Quarterly Payment Date in an amount equal to the lesser of:

- (a) the Liquidity Shortfall which has been determined by the Administrator to occur on the Quarterly Payment Date relating to such Quarterly Calculation Date; and
- (b) the Available Liquidity Facility;

to reduce or, as applicable, eliminate such Liquidity Shortfall.

Liquidity Shortfall means, in respect of any Quarterly Payment Date, the greater of:

- (a) zero; and
- (b) an amount equal to:
 - (i) the aggregate sum of all amounts due and payable on such Quarterly Payment Date under items (i) to (v) (inclusive) of the Interest Priority of Payments (as set out in Condition 2.3); less
 - (ii) the aggregate sum of the Interest Available Amount exclusive of any amounts available under the Liquidity Facility Agreement that is available on such date to satisfy all the payment obligations specified in sub-paragraph (i) above.

Drawings under the Liquidity Facility will be credited to the Transaction Account and recorded as a credit entry on the ledger kept to monitor at any time the level of the amounts drawn under the Liquidity Facility (the **Liquidity Ledger**).

Any liquidity drawing repaid may be redrawn by the Issuer on the same or a later Quarterly Payment Date. Following the delivery of an Enforcement Notice, all principal amounts drawn shall be repaid in accordance with the Post-enforcement Priority of Payments.

As long as no Standby LF Drawing Event has occurred (see below), the amounts drawn under a LF Revolving Drawing will be repaid to the Liquidity Facility Provider on each Quarterly Payment Date in accordance with the Interest Priority of Payments, to the extent that sufficient Interest Available Amount is available on such date.

5.7.2 Minimum Rating Requirements and Standby LF Drawing

If at any time:

- (a) the short term issuer default rating (IDR) of the Liquidity Facility Provider cease to be at least F1 by Fitch and its long-term IDR ceases to be at least A by Fitch; or

- (b) in case the Liquidity Facility Provider is ever publicly assigned a long term COR by DBRS (or, assigned a private rating by DBRS), such rating of the Liquidity Facility Provider ceases to be at least the DBRS Required Minimum Rating; or
- (c) the Liquidity Facility Provider does not renew the Liquidity Facility,

(each such event being referred to as a *Standby LF Drawing Event*),

then the Issuer shall make a drawing of the full amount of the Available Liquidity Facility (the *Standby LF Drawing*). The proceeds of the Standby LF Drawing will be credited to the newly opened sub-account of the Transaction Account and will be recorded as a credit entry on the Liquidity Ledger.

If there is a Liquidity Shortfall and a Standby LF Drawing Event continues to be outstanding, the Issuer may apply any amounts standing to the credit of the Standby LF Drawing account (or an additional Standby LF Drawing, if available for drawdown at such time) to reduce or, as applicable, eliminate such Liquidity Shortfall (such drawings, the *Standby LF Revolving Drawings*). Any Standby Revolving LF Drawing will be recorded as a credit entry on the ledger established to monitor at any time the level of Standby LF Revolving Drawings.

As long as a Standby LF Drawing Event is continuing, the Issuer shall be under no obligation to pay any principal amounts drawn under a Standby LF Drawing (or if applicable, a Standby LF Revolving Drawing) to the Liquidity Facility Provider, unless:

- (a) the Liquidity Facility Provider's ratings are equal to or higher than the Required Minimum Ratings and the Liquidity Facility Provider has not previously refused to renew the Liquidity Facility; or
- (b) the Liquidity Facility Provider is replaced by an appropriate substitute liquidity facility provider with at least the Required Minimum Ratings (which enters into an agreement with the Issuer and the Security Agent substantially on the terms of the Liquidity Facility Agreement); or
- (c) the Notes are redeemed in full prior to or on the Final Redemption Date; or
- (d) an Event of Default or any other termination event set out under the Liquidity Facility Agreement occurs;

in which case the Issuer shall pay the Liquidity Facility Provider all amounts previously drawn and still outstanding under the Liquidity Facility Agreement, including: (i) any Standby LF Drawing; (ii) any Standby LF Revolving Drawing; and (iii) any outstanding LF Revolving Drawings due under the Liquidity Facility Agreement, in accordance with the Interest Priority of Payments.

Following the giving of an Enforcement Notice all principal amounts drawn under the Liquidity Facility shall be repaid in accordance with the Post-enforcement Priority of Payments.

5.7.3 Fees and Interest

On each Quarterly Payment Date, the Issuer will pay to the Liquidity Facility Provider certain costs, fees and expenses and interest (including default interest, as applicable) in respect of any outstanding drawings under the Liquidity Facility Agreement, subject to and in accordance with, and as more particularly set out in, the Liquidity Facility Agreement.

Certain payments of interest by the Issuer to the Liquidity Facility Provider, more particularly, interest payable in respect of Standby LF Drawings, shall be payable on a subordinated basis in respect of all other amounts due and payable by the Issuer to the Liquidity Facility Provider (such amounts ***Subordinated Liquidity Amounts***), subject to and in accordance with the Liquidity Facility Agreement.

5.8 Application of cash flow and Priority of Payments

5.8.1 Payments during any Interest Period

Provided no Enforcement Notice has been given, amounts due and payable by the Issuer in respect of:

- (a) obligations incurred under the Issuer's business to third parties (other than to the Secured Parties as provided for in the Transactions Documents) (the ***Third Party Expenses***); and
- (b) payments to the Servicer of any amount previously credited to the Issuer Accounts in error;

may be paid by the Issuer on a date that is not a Quarterly Payment Date provided:

- (a) as far as the Third Party Expenses are concerned, there are sufficient funds available in, *firstly*, the Expenses Account, or (if no more funds are available in the Expenses Account) in, *secondly*, the Transaction Account; and
- (b) as far as the payments under (b) are concerned, there are sufficient funds available in the Transaction Account.

5.8.2 Interest Available Amount

On each Quarterly Calculation Date, the Administrator will calculate the amount of interest funds which will be available to the Issuer in the Transaction Account on the following Quarterly Payment Date by reference to the applicable Collection Period, and such interest funds (the ***Interest Available Amount***) shall be the sum of the following:

- (a) any interest on the SME Receivables and any Prepayment Penalties and default interest respect of the Receivables received by the Issuer;
- (b) any interest accrued on sums standing to the credit of the Transaction Account, the Expenses Account and the Further Drawdown Account;
- (c) the aggregate amount of the net proceeds of Foreclosure Procedures (other than amounts mentioned at item (f) below) in respect of any SME Receivables (***Net Proceeds***) to the extent such proceeds do not relate to principal;
- (d) the aggregate amount of any amounts received:
 - (i) in respect of a repurchase by the Seller under the SRPA; and
 - (ii) in respect of any other amounts received by the Issuer under the SRPA in connection with the SME Receivables;

in each case, to the extent such amounts do not relate to principal amounts;

- (e) any amounts received in respect of Foreclosed Loans (the ***Recoveries***) to the extent such amount relate to interest;

- (f) on the Final Redemption Date or, if earlier, the Quarterly Payment Date on which the Notes are redeemed in full and any other obligations have been paid in full, the remaining balance standing to the credit of the Transaction Account (if any) which is not included in items (a) up to and including (e) on such Quarterly Payment Date; and
- (g) any amounts (as indemnity for losses of scheduled interest on the SME Loans as a result of Commingling Risk or as a result of Set-Off Risk) to be received from the Reserve Amount in accordance with clause 6.10 of the SRPA, which are to be transferred from the Reserve Account to the Transaction Account,

minus funds deducted from the Transaction Account during the applicable Collection Period in accordance with *Section 5.8.1*.

5.8.3 Interest Deficiency Allocation

Event of Default in respect of failure to pay the interest due under the Class A Notes

Subject to Condition 9 (*Events of Default*), it shall be an Event of Default if on any Quarterly Payment Date, the interest amounts then due and payable under and in respect of the Class A Notes have not been paid in full.

Interest Deficiency Ledger and interest roll-over

An interest deficiency ledger will be established by the Administrator on behalf of the Issuer in respect of the Class B Notes (the ***Class B Interest Deficiency Ledger***), in order to record any shortfalls in the payment of interest on the Class B Notes.

To the extent that on any Quarterly Payment Date, the Interest Available Amount is not sufficient to pay the Accrued Interest in respect of all Class B Notes, the amount of such shortfall (the ***Class B Interest Deficiency***) shall be recorded in the Class B Interest Deficiency Ledger. The balance of the Class B Interest Deficiency Ledger existing on any Quarterly Calculation Date (the ***Class B Interest Deficiency Balance***) shall on the next succeeding Quarterly Payment Date be reduced with the Class B Interest Surplus, if any.

Class B Interest Surplus means, in respect of any Quarterly Calculation Date, the amount of Interest Available Amount, if any, which is available on the next succeeding Quarterly Payment Date after payment of the Accrued Interest on the Class B Notes, in accordance with the Interest Priority of Payments, to reduce the balance of the Class B Interest Deficiency Ledger.

5.8.4 Pre-enforcement Interest Priority of Payments

On each Quarterly Calculation Date, the Administrator shall calculate the Interest Available Amount which is to be applied on the immediately succeeding Quarterly Payment Date.

On each Quarterly Payment Date prior to the issuance of an Enforcement Notice, the Administrator, on behalf of the Issuer, shall apply the Interest Available Amount in making the payments or provisions, in the order of priority described in Condition 2.3.

5.8.5 Pre-enforcement Principal Priority of Payments

On each Quarterly Payment Date prior to the Mandatory Amortisation Date (and provided (i) no Enforcement Notice has been issued and (ii) no Notification Event has occurred), the Issuer may (but is not obliged to), apply the Principal Available Amount (if any) to redeem the Notes (save, in case the Replenishment Available Amount held in the Transaction Account on such date exceeds EUR 500 million, the Issuer shall have the obligation to apply part of the Replenishment Available Amount in

excess of EUR 500 million to redeem the Notes). On each Quarterly Payment Date falling (A)(i) on or after the Mandatory Amortisation Date or (ii) after the occurrence of a Notification Event and (B) prior to the issuance of an Enforcement Notice, the Issuer shall however be obliged to apply the Principal Available Amount (if any) to redeem the Notes. If applied, the Principal Available Amount shall be applied in making the payments or provisions in the order of priority described in Condition 2.5.

On a Quarterly Calculation Date, prior to the issuance of an Enforcement Notice, the Administrator shall calculate the amount of principal funds which will be available to the Issuer in the Transaction Account on the following Quarterly Payment Date to satisfy its obligations under the Notes by reference to the applicable Collection Period (or, in respect of the first Quarterly Calculation Date, by reference to the first Collection Period which for these purposes only will be deemed to have started, as far as the Business Loans are concerned, on 28 September 2018 (inclusive), as far as the Recurring Business Loans are concerned, 28 September 2018 (inclusive), as far as the Investment Credits are concerned, on 28 September 2018 (inclusive) and as far as the Roll Over Term Loans are concerned, on 28 September 2018), and such principal funds (the *Principal Available Amount*) shall be the sum of the following:

- (a) the aggregate amount of any repayment and prepayment of principal amounts under the SME Receivables from any person, whether by set-off or otherwise (but excluding Prepayment Penalties, if any), including, in relation to any Roll Over Term Loan, the aggregate principal amount of all advances under such Roll Over Term Loan for which a roll-over date occurred during the relevant Collection Period expired (regardless of whether such advances were extended by way of a roll-over on such roll-over date);
- (b) the aggregate amount of any Net Proceeds in respect of any SME Receivables, to the extent such proceeds relate to principal amounts;
- (c) the aggregate of any amounts received:
 - (i) in respect of a repurchase of SME Receivables by the Seller under the SRPA; and
 - (ii) in respect of any other amounts received by the Issuer under the SRPA in connection with the SME Receivables;in each case, to the extent such amounts relate to principal amounts;
- (d) any amounts to be credited to the Principal Deficiency Ledgers on the immediately following Quarterly Payment Date pursuant to items (vii) and (x) of the Interest Priority of Payments;
- (e) any Recoveries, to the extent they relate to principal amounts;
- (f) any amounts received from the Further Drawdown Account on the Transaction Account which have not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date;
- (g) any amounts (as indemnity for losses of scheduled principal payments in respect of the SME Receivables as a result of Commingling Risk or as a result of Set-Off Risk) to be received from the Reserve Amount in accordance with clause 6.10 of the SRPA, which are to be transferred from the Reserve Account to the Transaction Account;
- (h) any other Principal Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date;

minus,

- (x) in relation to any Roll Over Term Loan, the aggregate principal amount of all advances resulting from extension of such advances by way of a roll-over that occurred during the relevant Collection Period; and
- (y) on each Quarterly Calculation Date related to a Quarterly Payment Date prior to the Mandatory Amortisation Date, an amount equal to the part of the Replenishment Available Amount applied by the Issuer to the purchase of New SME Receivables on the immediately succeeding Quarterly Payment Date or which the Issuer decides to keep on the Transaction Account with a view to purchase New SME Receivables after that Quarterly Payment Date.

5.8.6 Post-enforcement Priority of Payments

Following the issue of an Enforcement Notice, all monies standing to the credit of the Issuer Accounts and received by the Issuer (or the Security Agent or the Administrator) will be applied in the priority order set out in Condition 2.6.

SECTION 6

THE ISSUER

6.1 Name and status

The Issuer is Belgian Lion NV/SA, an *Institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge*), acting exclusively through its Compartment Belgian Lion SME III.

The Issuing Company is duly incorporated for an unlimited period of time since 10 December 2008 as a limited liability company which has made a solicitation for the public savings (*naamloze vennootschap die een publiek beroep op het spaarwezen doet/société anonyme qui fait appel public à l'épargne*) within the meaning of article 438 of the Company Code.

The Issuing Company's registered office is at Koningsstraat 97, 1000 Brussels, Belgium and is registered with the Crossroad Bank for Enterprises under number 0808.394.535. Its telephone number is +32 2 649 54 46.

The Issuing Company and its Compartment Belgian Lion SME III are duly registered by the Belgian Federal Public Service Finance (the *Federale Overheidsdienst Financiën / Service Public Fédéral Finances*) as an *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge*). The registration cannot be considered as a judgement as to the quality of the transaction, nor on the situation or prospects of the Issuer or the Issuing Company.

The Issuing Company is subject to the rules applicable to *institutionele vennootschappen voor belegging in schuldvorderingen naar Belgisch recht / sociétés d'investissement en créances institutionnelles de droit belge* as set out in the UCITS Act.

The Issuing Company has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.

The Issuing Company complies with the relevant corporate governance requirements of the Company Code.

The Issuing Company has the legal entity identifier number 635400IQIXOSEE7NSK69. The Issuer has the legal entity identifier number 875500MKLQXF3CSFWD84.

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

6.2 Share Capital

The Issuing Company 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.

The Issuing Company's share capital has been allocated as follows:

- (a) EUR 1,000 allocated to compartment Belgian Lion RMBS I
- (b) EUR 1,000 allocated to compartment Belgian Lion SME I

- (c) EUR 1,000 allocated to compartment Belgian Lion SME II
- (d) EUR 1,000 allocated to compartment Belgian Lion RMBS II
- (e) EUR 1,000 allocated to compartment Belgian Lion SME III
- (f) EUR 1,000 allocated to compartment Belgian Lion VI
- (g) EUR 56,000 allocated to compartment Belgian Lion VII

6.3 Shareholders

The shares of the Issuing Company are owned as follows:

- (a) Stichting Holding Belgian Lion, a foundation (*stichting / fondation*) incorporated under the laws of Belgium on 26 November 2008 and having its registered office at 1000 Brussels, at Koningsstraat 97, Belgium and holding 55,800 shares; and
- (b) ING Direct N.V., a limited liability company, under the laws of the Netherlands, with registered office at Hoeksteen 74-87, 2132 MS Hoofddorp, the Netherlands, and holding 6,200 shares.

The directors of Stichting Holding Belgian Lion are (the *Stichting Holding Directors*):

- (c) Mr. Christophe Tans, with business address at Koningsstraat 97, 4th floor, 1000 Brussels;
- (d) Intertrust Financial Management BVBA, with its registered office at Koningsstraat 97, 4th floor, 1000 Brussels, with enterprise number 0861.696.827, having appointed as its permanent representative Mrs. Irene Florescu, with business address at Koningsstraat 97, 4th floor, 1000 Brussels; and
- (e) Mrs. Irene Florescu, with business address at Koningsstraat 97, 4th floor, 1000 Brussels.

Each Stichting Holding Director has entered into a management agreement with Stichting Holding Belgian Lion and the Security Agent (the *Stichting Holding Management Agreements*) pursuant to which each Stichting 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 Transaction Documents or (b) which it knows would or could reasonably result in a downgrade of the ratings assigned to the Class A Notes outstanding.

In addition, each of the Stichting Holding Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuing Company or any of its Compartments (including the Issuer) other than the transaction documents in relation to the Belgian Lion RMBS I Transaction, Belgian Lion RMBS II Transaction, the Belgian Lion SME I Transaction (and the unwinding thereof), the Belgian Lion SME II Transaction (and, prior or on the Closing Date, the unwinding thereof) and the Belgian Lion SME III Transaction to which it is a party, without the prior written consent of the Security Agent and without first having notified the Rating Agencies thereof.

6.4 Auditor

KPMG Bedrijfsrevisoren BV CVBA, incorporated under Belgian law with registered office at Luchthaven Brussel Nationaal 1K, 1930 Zaventem, Belgium and member of the *Instituut der Bedrijfsrevisoren* has been appointed as statutory auditor of the Issuing Company, for accounting years 2016 to and including 2018. The appointment will expire after the general meeting of 2019 approving the annual accounts of accounting year 2018.

From the date of incorporation until 30 June 2016, Ernst & Young Bedrijfsrevisoren was appointed as the Issuing Company's statutory auditor, for accounting years 2008-2009 to and including 2015.

6.5 Corporate purpose and permitted activities

The corporate purpose of the Issuing Company as set out in article 3 of its articles of association consists exclusively in the collective investment of financial means that are exclusively collected with Qualifying Investors, in receivables that are assigned to it by third parties.

The securities issued by the Issuing Company can only be acquired by Qualifying Investors.

The Issuing Company 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 Issuing Company may hold additional or temporary term investment, liquidities and securities. The Issuing Company 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 Issuing Company 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 Issuing Company requires a special majority of 80 percent of the voting rights of the shareholders of the Issuing Company.

The corporate purpose of Compartment Belgian Lion SME III consists exclusively in the collective investment of financial means collected in accordance with the articles of association of the Issuer in a portfolio of selected SME loans.

6.6 Compartments

The articles of association of the Issuing Company authorise the Issuing Company's board of directors to create several Compartments within the meaning of Article 271/11 of the UCITS Act.

The creation of Compartments means that the Issuing Company is internally split into subdivisions and that each such subdivision, a Compartment, legally constitutes a separate group of assets to which corresponding liabilities are allocated.

The liabilities allocated to a Compartment are exclusively backed by the assets of a Compartment.

To date seven Compartments have been created, Compartment Belgian Lion RMBS I, Compartment Belgian Lion SME I, Compartment Belgian Lion SME II, Compartment Belgian Lion RMBS II, Compartment Belgian Lion SME III, Compartment Belgian Lion VI and Compartment Belgian Lion VII, each for the purpose of collective investment of funds collected in accordance with the articles of association of the Issuing Company in a portfolio of selected receivables. Further Compartments may be created.

To date only the first four Compartments and Compartment Belgian Lion SME III have effectively started their activities. As long as the other compartments have not yet been activated, their names and purpose remains subject to change.

The Collateral and all liabilities of the Issuing Company relating to the Notes and the Transaction Documents will be exclusively allocated to Compartment Belgian Lion SME III. Unless expressly provided otherwise, all appointments, rights, title, assignments, obligations, covenants and representations, assets and liabilities, relating to the issue of the Notes and the Transaction Documents are exclusively allocated to Compartment Belgian Lion SME III and will not extend to other transactions or other Compartments of the Issuing Company or any assets of the Issuing Company other than those allocated to Compartment Belgian Lion SME III under the Transaction Documents.

The Issuing Company may enter into further securitisation transactions but will enter into such other securitisation transactions only through other Compartments and on such terms that the debts, liabilities or obligations relating to such transactions will be allocated to such other Compartments and that parties to such transactions will only have recourse to such other Compartments of the Issuing Company and not to the Collateral or to Compartment Belgian Lion SME III.

6.7 Administrative, management and supervisory bodies

6.7.1 Board of Directors

The board of directors of the Issuing Company ensures the management of the Issuing Company and the Issuer. Pursuant to article 18 of its articles of association, the board consists of a minimum of 2 directors and a maximum of 5 directors. The Issuing Company's current board of directors consists of the following persons (the *Issuer Directors*):

- (a) Mr. Christophe Tans, with business address at Koningsstraat 97, 4th floor, 1000 Brussels;
- (b) Mrs. Irene Florescu, with business address at Koningsstraat 97, 4th floor, 1000 Brussels.

The current term of office of the Issuer Directors expires after the annual shareholders meeting to be held in 2023.

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:

- As director/manager in his own name: Abn Amro Lease België N.V., B-Arena N.V., Belgian Lion Nv, Car Park Development Nv, Casino Finance International S.A., Castle Rock Holdings S.P.R.L., Central Park Nv, Citic Capital Future Holdings S.P.R.L., Community Waste Holding Private Stichting, Cosmote Global Solutions Nv, Cultura 2006 Fondation Privee, Evere Real Estate S.P.R.L., Four-Leaf Hotels Nv, Four-Leaf Investment Nv, Granja S.C.R.L., Hotel Development Antwerpen Nv, Hotel Development Corporation Nv, International Hotel Development Flanders Nv, La Linierie Hotel Sa, Gelase S.A., Mercatorpark Antwerp Nv, Newbelco Sa, Mir Bidco Sa, Omega Pharma Invest Nv, Omega Pharma Nv, Penates Funding N.V., Loan Invest N.V., Quantesse Private Stichting, Quintenpark Antwerp Nv, Quintenpark Hotels Nv, Rec De Ii S.P.R.L., Royal Street N.V., Sonnat S.A., Spe III Stevens S.P.R.L., Spe III Volta S.P.R.L., Stichting Bachelier - Private Stichting, Stichting Holding Bass - Private Stichting, Stichting Holding B-Carat I Private Stichting, Stichting Holding Belgian Lion - Private Stichting, Stichting Holding Noor Funding - Private Stichting, Stichting Holding Record Lion - Private Stichting, Stichting Holding Sakia - Private Stichting, Stichting Jpa Properties - Private Stichting, Stichting Vesta - Private Stichting, Wealth Rock Holdings S.P.R.L., Trefoninvest B.V.B.A., Stichting Holding B-Carat Ii Private Stichting, Intertrust Belgium NV, Phidias Management NV, Intertrust Corporate Services NV, Intertrust Services NV, Intertrust Financial Services BVBA, Intertrust Accounting Services CVBA.

- As permanent representative of Phidias Management Nv/Sa: Boetie Belgium Holding S.P.R.L., Canterbury Holding S.A., Dextora N.V., Icap Belco 2007 N.V., North America Power Inc. S.A., Concesiones Carreteras N.V., Lonko Belgium Holding S.P.R.L., New Affinity S.A., Tpg Belgium S.A.,
- As permanent representative of Stichting Vesta Private Stichting: Dexia Secured Funding Belgium N.V., Mercurius Funding N.V.
- As permanent representative of Intertrust Corporate Services Nv: Jpa Properties B.V.B.A., Sakia Funding N.V., Stichting Jpa Properties Private Stichting
- As permanent representative of Intertrust Financial Services Bvba: Noor Funding N.V., Record Lion N.V., Stichting Holding Esmee - Private Stichting, Stichting Vesta - Private Stichting
- As permanent representative of Intertrust Services Nv: Tbe (Titrisation Belge - Belgische Effectisering) S.A.
- As permanent representative of Intertrust Belgium Nv/Sa: Abn Amro Beheermaatschappij 2 N.V., Anfiri Bvba, Athor Investments S.P.R.L., Avocent Belgium Ltd S.P.R.L., BBQ Holdings N.V., B-Carat N.V., Beleggingsmaatschappij Wassenaarse Stand B.V.B.A., Bfcc Sprl, Bonito Belgium Holdings N.V., Brussels Docks Bidco Sa, Carp Holdings N.V., Clatern Holdings N.V., Community Waste Holding Private Stichting, Consolidated Minerals (Belgium) Limited S.P.R.L., Consortium Real Estate S.A., Cpis S.A., Cpit S.A., Cpiv S.A., Cpiw S.A., Digitalix S.A., Eli Dental S.P.R.L., Esmee Master Issuer N.V., Everyan Hospitality Properties S.A., Febex Invest S.P.R.L., Fribler Belgium Holding S.P.R.L., Fuel Bidco N.V., Gattaca Holdings N.V., Gccl (Belgium) Services S.P.R.L., Global Income S.P.R.L., Global Opportunity Investments S.P.R.L., Gulag Belgium Holding S.P.R.L., Heritage Fund S.P.R.L., Hih Global Rue Royale S.A., Ht Media Holdings N.V., Hudson Global Resources Belgium Nv, Ironmonger Holdings N.V., Kent Pharmaceuticals Foundation Private Stichting, Kf Japan B.V.B.A., Kipling Investments Belgium N.V., Lamothe Belgium B.V.B.A., Loch Lomond Foundation Private Stichting, Mascot Holdings N.V., Montindu N.V., Moulin Rouge S.A., Prologis Mexico Holding I (A) B.V.B.A., Prologis Mexico Holding Ii (A) B.V.B.A., Prologis Mexico Holding Iii (A) B.V.B.A., Prologis Mexico Holding Iv (A) B.V.B.A., Prologis Mexico Holding V (A) B.V.B.A., Pura Vida Belgium S.A., Pvd Belgium S.A., Ress Holding S.P.R.L., Reverie Bay Hospitality Sa, Rima 2 N.V., Robhein Beheer B.V.B.A., Rospa Belgium B.V.B.A., Rubella B.V.B.A., Securholds S.P.R.L., Squadron Asia Pacific Ii N.V., Squadron Asia Pacific N.V., Stichting Holding Sakia - Private Stichting, Storm Holding Nederland B.V. B.V.B.A., Strategic Metals B.V.B.A., Taifoen Holding B.V. B.V.B.A., Thimay II B.V.B.A., Trancoso S.A., Transcontinental Oil Transportation S.P.R.L., Vacca-Invest S.P.R.L., Vifama Patrimoine S.P.R.L., Wadi Investment S.P.R.L., Wasabi Capital S.P.R.L., Yan Commerce S.P.R.L.

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:

- As director/manager in her own name: B-Arena N.V., Belgian Lion Nv, Cosmote Global Solutions Nv, Granja S.C.R.L., Loan Invest N.V., Mir Bidco Sa, Newbelco Sa, Penates Funding N.V., Royal Street N.V., Stichting Bachelier - Private Stichting, Stichting Holding Bass - Private Stichting, Stichting Holding Belgian Lion - Private Stichting, Stichting Holding Esmee - Private Stichting, Stichting Holding Noor Funding - Private Stichting, Stichting Holding Record Lion - Private Stichting, Stichting Holding Sakia - Private Stichting, Stichting Vesta - Private Stichting, Cultura 2006 Fondation Privee, Stichting Holding B-Carat

II Private Stichting, Intertrust Belgium NV, Phidias Management NV, Intertrust Corporate Services NV, Intertrust Services NV, Intertrust Financial Services BVBA.

- As permanent representative of Phidias Management Nv/Sa: Avocent Belgium Ltd S.P.R.L., Bbq Holdings N.V., B-Carat N.V., Bonito Belgium Holdings N.V., Clantern Holdings N.V., Cpis S.A., Cpit S.A., Cpiv S.A., Cpiw S.A., Febex Invest S.P.R.L., Gattaca Holdings N.V., Pura Vida Belgium S.A., Pvd Belgium S.A., Ironmonger Holdings N.V., Carp Holdings N.V., Mascot Holdings N.V., Securholds S.P.R.L., Squadron Asia Pacific Ii N.V., Squadron Asia Pacific N.V., Stichting Jpa Properties - Private Stichting, Vacca-Invest S.P.R.L.
- As permanent representative of Intertrust Corporate Services Nv: Community Waste Holding Private Stichting, Kent Pharmaceuticals Foundation Private Stichting, Pai Tap Limited S.A., Loch Lomond Foundation Private Stichting.
- As permanent representative of Intertrust Financial Services Bvba: Bass Master Issuer N.V., Dexia Secured Funding Belgium N.V., Mercurius Funding N.V., Quantesse Private Stichting, Stichting Holding Bass - Private Stichting, Stichting Holding Record Lion - Private Stichting, Stichting Holding Belgian Lion - Private Stichting, Stichting Holding Noor Funding - Private Stichting.
- As permanent representative of Intertrust Belgium Nv/Sa: Aisela10 S.P.R.L., Buschberg Associates S.A., Canterbury Holding S.A., Casino Finance International S.A., Concesiones Carreteras N.V., Cultura 2006 Fondation Privee, Dextora N.V., European Financial Services Round Table A.S.B.L., Fonciere Bruxelles Sainte-Catherine S.A., Fonciere Gand Cathedrale S.A., Fonciere Ikg S.A., Fribler Belgium Holding S.P.R.L., Gelase S.A., Gulag Belgium Holding S.P.R.L., Ht Media Holdings N.V., Icap Belco 2007 N.V., Moulin Rouge S.A., New Affinity S.A., Pronuptia Investments S.P.R.L., Sedna 2006 S.P.R.L., Sonnat S.A., Tpg Belgium S.A.
- As permanent representative of Stichting Holding Esmee Private Stichting: Esmee Master Issuer N.V.
- As permanent representative of Stichting Holding Sakia Private Stichting: Sakia Funding N.V.

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.

6.7.2 Other administrative, management and supervisory bodies

The Issuing Company 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 Issuing Company but it will retain overall responsibility for the management of the Issuing Company, in accordance with the UCITS Act.

6.7.3 Conflicts of interest

The Issuer Directors and the Security Agent Director are related parties. In order to mitigate any potential conflict of interest that may arise from those different capacities, each of the Issuer Directors

and the Security Agent Director has entered into respectively an Issuer Management Agreement and a Security Agent Management Agreement.

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

6.7.4 Issuer Management Agreements

Each of the Issuer Directors has on or about 7 December 2018 entered into a management agreement with the Issuing Company 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 Issuing Company 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 Transaction 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 Transaction Documents to which it is a party, without the prior written consent of the Security Agent, and first having notified the Rating Agencies thereof.

6.8 General Meeting of Shareholders

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

The annual shareholders' meeting will be held each year on the last business day of June at the registered office of the Issuing Company. The shareholders' meetings are held at the Issuing Company'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.

Furthermore, a general meeting of shareholders of a specific Compartment may be held regarding subjects matters which only concern such Compartment. A general meeting of shareholders of a specific Compartment may be convened at any time and must be convened whenever this is requested by shareholders representing 20 per cent of the share capital attributed to the Issuing Company or the specific Compartment. Such meeting only represents the shareholders of the specific Compartment.

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

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

The shareholders' meeting may validly resolve irrespective of the number of shares present or represented, unless otherwise provided by law. Any resolution is validly adopted at the majority of the

votes. Amendments of the articles of association require a majority of 75 per cent of the votes (and a majority of 80 per cent for the amendment of the corporate purpose).

6.9 Changes to the rights of shareholders

The board of directors is authorised to create various categories of shares, where a category coincides with a separate part or Compartment of the assets of the Issuing Company. The board of directors can make use of this authorisation to decide to create a Compartment by reallocating existing shares in different categories, in compliance with the equality between shareholders, or by issuing new shares. The rights of the holders of shares and creditors with respect to a Compartment or that arise by virtue of the creation, the operation or the liquidation of a Compartment are limited to the assets of such compartment.

Upon the creation of a Compartment via (re)allocation of existing shares or via the issue of new shares, the board of directors shall ensure that the shares of that Compartment, except with the prior written consent of all shareholders of the category concerned, are assigned to the shareholders in the same proportion as the other compartments.

6.10 Share transfer restrictions

Given the specific purpose of the Issuing Company and article 3, 3° and 271/1 of the UCITS Act, the shares in the Issuing Company can only be held by Qualifying Investors that are acting for their own account, as set out in article 13 of the articles of association of the Issuing Company. Each transfer in violation of these share transfer restrictions is null and is not enforceable against the Issuing Company and may not be registered in the share register.

A shareholder intending to transfer its shares in the Issuer must notify the board of directors thereof. This notification must include *inter alia* a confirmation of the transferor and proposed transferee that the transferee is a Qualifying Investor acting for its own account. The other shareholders of the same category of shares have a pre-emption right in respect of the shares proposed to be transferred. The transfer of shares in respect of which the pre-emption right is not exercised, is subject to approval of the other shareholders of the same category. Shareholders refusing such transfer must propose one or more alternative transferees for the shares.

6.11 Corporate Governance

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

In accordance with Article 526bis of the Company Code, companies whose securities are admitted to trading on a regulated market must establish an audit committee. An exemption is available for any company the sole business of which is to act as issuer of asset-backed securities as defined in Article 2(5) of Commission Regulation (EC) No 809/2004. In that case, the relevant company must explain to the public the reasons for which it considers it not appropriate to have an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee.

The Issuing Company's sole business consists of the issuance of asset-backed securities and does not consider it appropriate to establish an audit committee. The Issuing Company refers in this respect to the recitals of the European Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43 on statutory audits of annual accounts and consolidated accounts, where it is stated that where a collective investment undertaking functions merely for the purpose of pooling assets, the establishment of an audit committee is not always appropriate. This is because the financial reporting and related risks are not comparable to those of other public-interest entities.

In addition, the Issuing Company operates in a strictly defined regulatory environment and is subject to specific governance mechanisms (e.g. corporate purpose limits its activities to the issue of negotiable financial instruments for the purpose of acquiring receivables). Furthermore, the Issuing Company points out that, with respect to the main tasks to be carried out by an audit committee, such as the monitoring of the financial reporting process and of the statutory audit of the annual and consolidated accounts, it entered into an Administration Agreement, a Corporate Services Agreement and an Accounting Services Agreement pursuant to which third parties will provide certain reporting, calculation and monitoring services.

The Issuing Company will include a declaration as to the reasons why it does not consider it appropriate to establish an audit committee (as set out above) in the annual report with respect to its annual accounts.

6.12 Accounting Year

The Issuer's accounting year ends on 31 December of each year (the first accounting year ending on 31 December 2019).

6.13 Information to investors – availability of information

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

In addition to the Quarterly Investor Report, a *Monthly Investor Report* (together with the Quarterly Investor Reports, the *Investor Reports*) will be prepared by the Administrator on or about each Monthly Sweep Date.

The Investor Reports and the Issuer's annual reports will be made available for inspection by the Administrator on the website: www.ing.be/investor-relations² and will be made available upon request free of charge to any person at the office of the Domiciliary Agent.

6.14 Investment objective, policy and restrictions

The investment objective and policy of the Issuer consists of, and is restricted to, the collective investment of the financing obtained in accordance with the Issuing Company's articles of association, in loans, credits or parts thereof, of any nature whatsoever, that has been granted by ING Belgium NV (or any of its predecessors) and that are transferred from time to time to the Issuer in accordance with a transfer agreement. In accordance with the corporate purpose of the Issuing Company, the Issuer may additionally or temporarily have other investments, liquidities or financial instruments and buy, issue or sell any type of financial instrument, buy, issue or sell call- or put-options on financial instruments, interest instruments or currency, enter into swaps, interest swaps or foreign exchange or interest forwards and trade options on similar agreements, to the extent that the transaction serves the hedging of a risk related to one or more of the elements on its balance sheet (article 63 of the Issuing Company's articles of association).

The Issuing Company and the Issuer have no borrowing or leverage limits. However, financing must in principle be obtained by issuing financial instruments to Qualifying Investors or another type of financing as permitted by the Issuing Company's corporate purpose. The Issuer may also obtain loans to the extent they contribute to the financing of the collective investment or otherwise contribute to attracting financing of investors, for example by way of credit enhancement or liquidity facilities (article 64 of the Issuing Company's articles of association).

² For the avoidance of doubts, the investor reports are not incorporated by reference in this Prospectus.

6.15 Dividend policy

Pursuant to Article 41 of the articles of association of the Issuing Company, the annual general meeting of shareholders determines each year, on the basis of a proposal of the board of directors, each Compartment's share in the Issuing Company's profits or losses.

The distributable profit of each Compartment can either be distributed or reserved. Reservation of profits is only permitted for purposes of future distribution or for the coverage of risks of payment defaults on the receivables that are part of the relevant Compartment.

If the Issuing Company determines that a shareholder is not or no longer a Qualifying Investor acting for its own account, the payment of (interim) dividends to that shareholder is suspended until the shares are transferred to a Qualifying Investor acting for its own account.

6.16 Financial information

Only Compartments Belgian Lion RMBS I, Belgian Lion SME I, Belgian Lion RMBS II, Belgian Lion SME II have commenced their operations since the date of incorporation of the Issuing Company. The other Compartments, including the Issuer, have not commenced their operations since the date of incorporation of the Issuing Company. The Issuing Company has not drawn up audited or unaudited financial statements in respect of the Issuer (i.e., its Compartment Belgian Lion SME III).

Financial statements have only been drawn up in respect of the Issuing Company and the Compartments that have started their operations. The Issuing Company's auditor issued a non-qualified report on the financial statements for each accounting year from the date of incorporation until 2017.

Pursuant to Article 27, §2, (c) of the Prospectus Act, the FSMA has by decision of 11 December 2018 granted an exemption to the Issuer, with respect to the obligation to provide historical financial information (under items 3 and 20.1 of Annex I, items 8.2 and 8.2a of Annex VII and item 8.1 of Annex XV of Regulation (EC) 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended from time to time) in relation to the Issuing Company and the Issuer. This exemption also applies to any related information requirements where such information relates to Issuing Company and the Issuer.

6.17 Accounting valuation rules

The financial statements of the Issuing Company are, and the financial statements of the Issuer will be, prepared in accordance with the following principles.

The valuation rules are prepared in a going concern principle by the Board of Directors and in accordance with the Royal Decree of 30 January 2001, and are subject to modifications related to the specific activities of the entity.

The characteristics of the entity are, in accordance with articles 28 et seq. of the Royal Decree of 30 January 2001, translated in a set of accounts. This set of accounts is the basis to establish the financial statements (in euro).

On a regular basis and at least once a year an inventory is prepared of all costs, arising from the exercise of the previous accounting year, from which the amount on closing date can reliably be measured, but the time of the settlement is uncertain. Provisions are made on a consequent basis.

The annual accounts are established according to the scheme in annex to the Royal Decree of 30 January 2001 and contain all the information which is necessary according to the Royal Decree of 29 November 1993 on the investment funds in debt securities (see article 47).

The establishment costs are booked in the profit and loss account, in the year they were expended.

In the disclosures, all information is reflected, so that the reader of the annual accounts will have a fair and true picture of the financial situation of the Issuer and the financial performance of the Issuer.

The cost of first establishment are activated and subsequently taken into the profit and loss account in the year they were expended.

The SME Receivables sold by the Seller to the Issuer are booked at their purchase price. This is the nominal value of the receivables outstanding at such date. For amounts to be received impairments are recorded at the moment that for the whole or a part of the SME Receivables(s), there is an uncertainty that the SME Receivables(s) will be recovered at the maturity date. Amounts to be received over more than one year, which matures in the balance sheet within one year are booked in the item "Amounts receivable within one year".

Cash and short term deposits are recorded at nominal value.

Fixed income securities are booked at their purchase price. The amount by which the nominal yield exceeds the effective yield, at such purchase date, is deferred over the remaining life of the securities.

Under the item "Accrued income" are booked: the accrued interest on the purchased SME Receivables

The Notes issued are recorded at nominal value.

Under the item "Accruals" all the charges concerning the financial year are booked, which are not yet paid.

The notional amounts of the derivatives are posted in the off balance sheet accounts. The income and the charges related to hedging derivatives are recorded in the income statement in a similar way as the income and the charges of the hedged item.

The cost of first establishment are taken into the profit and loss account in the year they were expended, under the item "amortised intangible fixed assets".

All costs, arising from the exercise of the previous accounting year, from which the amount on closing date can reliable be measured, but the time of the settlement is uncertain will be taking into account.

Provisions on defaults are made on a consequent basis. The provisions are written off at the moment they were not necessary anymore.

The servicing fees are deferred taking into account the outstanding amount of the SME Loans.

The interest received and the deferred interest on the SME Receivables is recognised as financial revenue. The interest paid and the deferred interest on the outstanding Notes is recognised as a financial expense.

The income and the charges related to hedging derivatives are recorded in the income statement in a similar way as the income and the charges of the hedged item.

6.18 Belgian tax position of the Issuer

6.18.1 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 SME 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.

The relevant withholding tax exemptions are laid down in Article 116 of the Royal Decree implementing the BITC 1992. The scope of application of this Article is determined by way of a reference to the relevant regulatory framework for, amongst others, *institutionele vennootschappen voor belegging in schuldorderingen naar Belgisch recht/ sociétés d'investissement en créances institutionnelle de droit belge* such as the Issuing Company. Even where the Issuer would not, or no longer be eligible for the exemption laid down in Article 116 of the Royal Decree implementing the BITC 92, interest on loans received by the Issuer would still be exempt from Belgian withholding tax on the basis of Article 107, §2, 9° of the Royal Decree implementing the BITC 92.

6.18.2 Corporate income tax

The Issuer is subject to corporate income tax at the current ordinary rate of 29.58 per cent. However its tax base is limited to certain specific items: it can notably only be taxed on any disallowed business expenses (other than excess borrowing costs within the meaning of Article 198/1 of the BITC 1992)) and any abnormal or gratuitous benefits received. The Issuer does not anticipate incurring any such expenses or receiving any such benefits.

The Notes should not qualify as a structured arrangement within the meaning of the anti-hybrid tax legislation (Article 198, §1, 10°/1 to 10°/3 of the BITC 1992) and as further explained in a public individual advanced decision concerning a different financial market transaction (Nr. 2018.0521 dd. 24.07.2018) since the terms of the Notes do not integrate any value derived from an hybrid effect neither have been issued in view of generating an hybrid effect. Hence, interest paid on the Notes should not constitute disallowed expenses on this basis.

The legal basis of this special tax regime is Article 185*bis* of the BITC 1992. The scope of application of Article 185*bis* of the BITC 1992 insofar it relates to 'investment companies' is defined by way of a reference to the applicable regulatory framework applying to the relevant types of investment entities.

6.18.3 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 other parties to the Transaction Documents, the Rating Agencies and the Auditor 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 of payments on behalf of the Issuer and the forced collection of receivables) are exempt from Belgian VAT in accordance with Article 44, §3, 11° of the Belgian VAT Code.

In a certain, very strict interpretation of the language used in Article 44, §3, 11° of the Belgian VAT Code, one could possibly conclude that as from the entry into force of the Belgian AIFM Law, the VAT exemption provided by said provision no longer applies to *vennootschappen voor belegging in*

schuldvorderingen / sociétés d'investissement en créances. In an administrative decision dated 30 March 2015, the tax authorities have however confirmed that until the current wording of the references in Article 44, §3, 11° of the Belgian VAT Code will be corrected by a legislative change, all entities that qualified for the aforementioned VAT exemption prior to the entry into force of the Belgian AIFM Law (including *vennootschappen voor belegging in schuldvorderingen / sociétés d'investissement en créances*), continue to do so after the date of entry into force of that Law.

Article 44, §3, 11° of the Belgian VAT Code has meanwhile been amended by the Law of 3 August 2016. This legislative change has, however, not remedied the aforementioned uncertainty as to whether *vennootschappen voor belegging in schuldvorderingen / sociétés d'investissement en créances* are still eligible for the VAT exemption provided by that Article. That being said, it appears from the preparatory documents of the Law of 3 August 2016 that the intention of the legislator was for the original scope of the exemption provided by Article 44, §3, 11 of the Belgian VAT Code to be maintained. Also, neither the Law of 3 August 2016 itself nor its preparatory documents contain any clear indications that the legislator would have intended to exclude *vennootschappen voor belegging in schuldvorderingen / sociétés d'investissement en créances* from said exemption.

SECTION 7

ISSUER SECURITY

As security for the performance by the Issuer of its obligations under the Notes and the Transaction Documents, the Issuer acting through its Compartment Belgian Lion SME III will grant rights of pledge on its assets in favour of the Security Agent and the other Secured Parties.

Pursuant to the Pledge Agreement, the obligations of the Issuer under Notes and the Transaction Documents will be secured by a first ranking pledge created by the Issuer in favour of the Secured Parties (as defined below), including the Security Agent acting in its own name, as representative on behalf of the Noteholder (the *Security*) over:

- (a) all right and title of the Issuer to, and under, or in connection with all the SME Receivables, all Loan Security and all Additional Security;
- (b) the Issuer's rights under or in connection with the Transaction Documents and all other documents to which the Issuer is a party;
- (c) the Issuer's right and title in and to the Issuer Accounts and any amounts standing to the credit thereof from time to time; and
- (d) any other assets of the Issuer (including, without limitation, the completed loan documents and ancillary documents in respect of an SME Loan which set out the terms and conditions of the SME Loan, the Loan Security and the Additional Security (the *Loan Documents*) and the file(s), books, magnetic tapes, disks, cassette or other such method of recording or storing information from time to time relating to each SME Loan and the Loan Security related thereto containing, *inter alia*, (A) all material records and correspondence relating to the SME Loans, the Loan Security and Additional Security and/or the Borrower and (B) any payment, status or arrears reports maintained by the Servicer (the *Contract Records*)).

The Security shall secure the following amounts due (*verschuldigd / dû*) by the Issuer:

- (a) as fees or other remuneration to the Issuer Directors (to the extent these are recoverable against the Issuer), under the Issuer Management Agreements;
- (b) as fees and expenses to the Servicer (or Back-up Servicer, if any) under the Servicing Agreement;
- (c) as fees and expenses to the Administrator, the Corporate Services Provider and the Accounting Services Provider under the Administration Agreement and the Corporate Services Agreement;
- (d) as fees and expenses to the Domiciliary Agent and the Calculation Agent under the Domiciliary Agency Agreement;
- (e) to the Seller under the SRPA;
- (f) to the GIC Provider under the GIC Provider Agreement;
- (g) to the Noteholders;
- (h) to the Liquidity Facility Provider under the Liquidity Facility Agreement; and

(i) to the Security Agent under the Pledge Agreement;

(the parties referred to in item (a) through (i), together the *Secured Parties*).

The Security Agent has been designated as representative of the Noteholders, in accordance with Article 271/12, §1 first to seventh indent of the UCITS Act which states that the representative (the Security Agent) may bind all Noteholders and represent them vis-à-vis third parties or in court, in accordance with the terms of its mission. The Security Agent has also been appointed as representative of the Secured Parties in accordance with Article 5 of the Financial Collateral Law, as representative (*vertegenwoordiger / représentant*) of the Secured Parties in accordance with Article 3 of Title XVII (*Real security on movable assets*) of Book III of the Belgian Civil Code (*Burgerlijk Wetboek / Code civil*) and 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 collateral.

The assets over which the Security is created are referred to herein collectively as the *Collateral*. The Collateral will also provide security for the Issuer's obligation to pay amounts due to the Secured Parties under the Notes and the Transaction Documents, in accordance with the applicable Priority of Payments set out in Condition 2.

The Noteholders will be entitled to the benefit of the Pledge Agreement, and by subscribing for or otherwise acquiring the Notes, the Noteholders shall be deemed to have knowledge of, accept, and be bound by, the terms and conditions set out therein, including the appointment of the Security Agent to hold the Security and to exercise rights arising under the Pledge Agreement for only the benefit of the Noteholders and the other Secured Parties. The Noteholders shall have limited recourse against only the Collateral and the assets of the Issuer.

The Pledge Agreement provides that the pledge over the SME Receivables and Loan Security will not be notified to the Borrowers, the third party providers of Related Security or other relevant parties, except in case certain notification events occur, which include the 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 Loans will be an undisclosed pledge.

The pledge created pursuant to the Pledge Agreement over the rights referred to in paragraphs (b) and (c) above will be acknowledged by the relevant obligors and will therefore be a disclosed pledge.

The Pledge 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 Transaction 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 realize the SME Receivables as soon as possible in accordance with the provisions of the Financial Collateral Law (and to realize those other pledged assets not governed by the Financial Collateral Law, in accordance with the provisions of the Belgian civil code).

In addition to other methods of enforcement permitted by law, article 271/12, §2 of the UCITS Act also permits the Noteholders (acting together) to request the president of the commercial court to attribute to them the Collateral in payment of an amount estimated by an expert. In accordance with the terms of the Pledge 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 and the Class B Noteholders, but, *inter alia*, amounts

owing to the Class B Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders (see *Section 5- Credit Structure* above).

See also Section 2.7 - True Sale of Loans and the Security.

Loan Security means in respect of any SME Receivables, any and all rights, title, interests and benefits relating to any payments under any Mortgage, Floating Charge, Farmer's Lien, any guarantee provided for such SME Receivables and any other type of security interest granted in respect of the SME Receivables.

Additional Security means with regard to any SME Receivables, all claims, whether contractual or in tort, against any insurance company, notary public, mortgage registrar, public administration, property expert, broker or any other person in connection with such SME Receivables or the related Loan Security or in connection with the Seller's decision to grant the relevant SME Loans and in general, any other security or guarantee other than the Loan Security created or existing in favour of the Seller as security for a Loan.

Related Security means any Loan Security and any Additional Security.

SECTION 8

THE SECURITY AGENT

Stichting Security Agent Belgian Lion is a foundation (*stichting*) incorporated under the laws of the Netherlands on 31 December 2008. It has its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

The objects of the Security Agent are (a) to act as agent and/or Security Agent; (b) to acquire, keep and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of creditors of legal entities amongst which the Issuer (including the holders of notes to be issued by the Issuer) and to perform acts and legal acts, including 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 Amsterdamsch Trustee's Kantoor B.V., having its statutory seat and registered office in Amsterdam at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are, Otgerus Joseph Anton van de Nap, Johan Antoon Broekhuis and Floor Coomans-Piscaer.

For more information on the role and liabilities of the Security Agent, see Condition 12 (*The Security Agent*).

SECTION 9

TAXATION IN BELGIUM

This section provides a general description of the main Belgian tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Notes. This summary provides general information only and is restricted to the matters of Belgian taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Belgian tax issues and consequences associated with or resulting from any of the above-mentioned transactions. Prospective acquirers are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Notes.

The summary provided below is based on the information provided in this Prospectus and on Belgium's 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 Prospectus and with the exception of subsequent amendments with retroactive effect.

Prospective holders of the Notes are urged to consult their own professional advisers with respect to the tax consequences of an investment in the Notes, taking into account their own particular circumstances and the possible impact of any regional, local or national laws.

9.1 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 Securities Settlement 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 Securities Settlement System Operator, the Domiciliary Agent or such 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 Securities Settlement 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 Notes.

9.2 Belgian Tax in respect of the Notes

9.2.1 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. Tax treaties may provide for a lower rate subject to certain conditions.

Payments of interest by or on behalf of the Issuer on the Notes may be made without deduction of withholding tax for Notes held by Eligible Investors in an X-Account with the Securities Settlement System or with a Securities Settlement System Participant in the Securities Settlement System.

Eligible Investors are those persons referred to in Article 4 of the *Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier* (Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax) which include, inter alios:

- (a) Belgian resident corporations subject to Belgian corporate income tax within the meaning of Article 2, §1, 5°, b) of the Belgian Income Tax Code 1992 (*BITC 1992*);
- (b) without prejudice to Article 262, 1° and 5° of the BITC 1992, institutions, associations and companies provided for in Article 2, paragraph 3 of the Belgian law of 9 July 1975 on the control of insurance companies (other than those referred to in (a) and (c));
- (c) state regulated institutions for social security, or institutions assimilated therewith, provided for in Article 105, 2° of the Royal Decree of 27 August 1993 implementing BITC 1992;
- (d) non-resident investors 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, that hold the Notes 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 organized under foreign law which are an undivided estate managed by a management company on behalf of the participants, when their units are not publicly issued in Belgium and are not traded in Belgium;
- (i) Belgian resident companies, not provided for under (a), whose sole or principal activity consists in the granting of credits and loans; and
- (j) exclusively with regard to income of securities issued by legal entities forming part of the sector of government within the meaning of the European System of national and regional accounts (ESA) for the application of the Council Regulation (EC) No 3605/93 of 22 November 1993 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community, the legal entities forming part of the above mentioned sector of government.

Eligible Investors do not include, *inter alios*, Belgian resident investors who are individuals or non-profit organisations, other than those referred to under (b) and (c) above.

Transfers of Notes between an X-account and an N-account in the Securities Settlement System give rise to certain adjustment payments on account of withholding tax. A transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferring non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. 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-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

Upon opening an X-Account with the Securities Settlement System or a Securities Settlement System Participant, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing certification requirements for Eligible Investors save that they need to inform the Securities Settlement System Participants of any change of the information contained in the statement of its eligible status. However, Securities Settlement System Participants are required to annually report to the Securities Settlement System as to the eligible status of each investor for whom they hold Notes in an X-Account.

These reporting and certification requirements do not apply to Notes held by Eligible Investors through Euroclear or Clearstream, Luxembourg in their capacity as Securities Settlement System Participants, or their sub-participants outside of Belgium, provided that Euroclear or Clearstream, Luxembourg or their sub-participants only hold X-Accounts and are able to identify the accountholder. Moreover, the contracts concluded by Euroclear or Clearstream, Luxembourg, should contain the commitment that all of their clients-accountholders qualify as Eligible Investors. The Eligible Investors will need to confirm their status as Eligible Investor (as defined in Article 4 of the *Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier* (Royal Decree of 26 May 1994 on the deduction and indemnification of withholding tax)) in the account agreement to be concluded with Euroclear or Clearstream, Luxembourg.

These identification requirements do not apply to notes held in central securities depositories as defined in Article 2, §1, (1) of the Regulation N° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directive 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012, acting as participants to the Securities Settlement System and to their sub-participants outside of Belgium, provided that (i) these institutions or sub-participants only hold X-Accounts, (ii) they are able to identify the account holder, and (iii) that the contracts which were entered into by the participants and their sub-participants include the commitment that all their clients, holder of account, are Eligible Investors.

In the event of any changes made in the laws or regulations governing the exemption for Eligible Investors, neither the Issuer nor any other person will be obliged to make any additional payment in the event that the Issuer, the Securities Settlement System or its Securities Settlement System Participants, the Domiciliary Agent or any other person is 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 Notes.

9.2.2 Belgian income tax – Belgian resident corporations

Interest on the Notes received by a Noteholder subject to Belgian corporate income tax (*vennootschapsbelasting / impôt des sociétés*) (*i.e.*, a company having its registered seat, principal establishment or seat of management or administration in Belgium) is subject to corporation tax at the current rate of 29.58 per cent. (*i.e.*, the standard rate of 29 per cent. increased by the crisis contribution of 2 per cent. of the corporation tax due). Any capital gains realised on the Notes will be subject to the same corporation tax rate. Any capital loss on the Notes should as a rule be tax deductible.

9.2.3 Belgian income tax – Belgian resident legal entities

Belgian resident entities subject to the legal entities tax (*rechtspersonenbelasting / impôt des personnes morales*) (*i.e.*, an entity other than a company subject to corporate income tax having its registered seat, principal establishment or seat of management or administration in Belgium) receiving interest on the Notes will, subject to the exemptions mentioned above, be subject to the interest withholding tax at the rate of currently 30 per cent. In case of an exemption under the rules of the Securities Settlement System or otherwise, the resident legal entities will have to pay themselves the withholding tax to the Belgian tax authorities. The withholding tax will be the final tax. Any capital gains (over and above the *pro rata* interest included in a capital gain on the Notes) realised on the Notes will be exempt from the legal entities tax. Capital losses incurred will not be tax deductible.

9.2.4 Non-residents of Belgium

Noteholders who are not residents of Belgium for Belgian tax purposes and are not holding the Notes as part of a taxable business activity in Belgium will not incur or become liable for any Belgian tax on income or capital gains or other like taxes by reason only of the acquisition, ownership or disposal of the Notes provided that they hold their Notes in an X-account.

9.3 Miscellaneous Taxes

The sale of the Notes on the secondary market executed in Belgium through a financial intermediary will trigger a tax on stock exchange transactions of 0.12% (due on each sale and acquisition separately) with a maximum of EUR 1,300 per party and per transaction. An exemption is available for non-residents and certain Belgian institutional investors acting for their own account provided that certain formalities are respected. Following the law of 25 December 2016 (*programmawet van 25 december 2016/loi-programme du 25 décembre 2016*), the scope of application of the tax on stock exchange transactions has been extended as from 1 January 2017 in the sense that as from that date, transactions that are entered into or carried out by an intermediary that is not established in Belgium are considered to be entered into or carried out in Belgium if the order to execute the transaction is directly or indirectly given by either a natural person that has its habitual residence in Belgium or by a legal entity on behalf of its registered office or establishment in Belgium. In such a scenario, foreign intermediaries have the possibility to appoint a Belgian tax representative that is responsible for collecting the stock exchange tax due and for paying it to the Belgian treasury 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). If no such permanent representative is appointed, the relevant parties themselves are responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due.

The *reportverrichtingen / opérations de reports* through the intervention of a financial intermediary are subject to a tax of 0.085% (due per party and per transaction) with a maximum of EUR 1,300 per party and per transaction. An exemption is available for non-residents and certain Belgian institutional investors provided that certain formalities are respected.

9.4 Tax on securities accounts

The Law of 7 February 2018 has introduced a new tax on securities accounts, which applies to physical persons that (directly or indirectly) hold certain types of qualifying securities such as shares, bonds, warrants and units of undertakings for collective investment (UCI), for an average amount exceeding EUR 500,000 on one or more securities accounts. The applicable tax rate is 0.15% and is to be computed, with respect to a given accountholder, on the average value of those securities attributable to that accountholder during a certain reference period. The new tax applies to both Belgian and non-Belgian resident physical persons, but for non-Belgian residents only the value of the qualifying securities that are held through one or more Belgian securities account(s) would in principle have to be taken into account.

The Notes will be qualifying securities for the purposes of this tax. Prospective individual investors should thus be aware that subject to certain conditions, the value of the Notes may be taken into account in determining the aforementioned EUR 500,000 threshold and that, depending on their individual situation, an investment in the Notes may trigger a 0.15% tax on the value thereof (and possibly also on the value of any other qualifying securities they may hold through one or more securities accounts).

Please note however that pursuant to certain double tax treaties entered into by Belgium, Belgium does not have taxing rights as regards capital (income). Hence, to the extent that the Tax on securities accounts is viewed as a tax on capital within the meaning of these double tax treaties, a treaty override

may, subject to certain conditions be claimed. Please also note that a procedure to have the Tax on securities accounts annulled by the Constitutional Court has recently been launched.

Prospective investors are strongly advised to seek their own professional advice in relation to the Tax on securities accounts.

SECTION 10

SME RECEIVABLES PURCHASE AGREEMENT

10.1 Sale – Purchase Price

On the Closing Date, the SME Receivables relating to the Initial Portfolio of SME Loans will be sold to the Issuer pursuant to the terms of the SRPA and title thereto shall be deemed to have passed from the Seller to the Issuer as from the Closing Date.

Further, the Issuer may on each Monthly Sweep Date following the Closing Date until the Mandatory Amortisation Date (this day excluded) purchase New SME Receivables to the extent offered to it. See *Section 10.5* below;

The purchase price of the SME Receivables (including the related Loan Security) shall consist of the Initial Purchase Price of the Receivables plus the Deferred Purchase Price.

The initial purchase price for the SME Receivables in respect of an SME Loan (the *Initial Purchase Price*) shall be equal to:

- (a) the Current Balance of such SME Loan on the relevant Cut-Off Date; and
- (b) in respect of an SME Loan that has not been fully drawn down by the Borrower on the relevant Cut-Off Date, such part of the SME Loan that has not been drawn down on the relevant Cut-Off Date and for which the Borrower may request a further drawing (the *Undrawn Amount*”).

The Initial Purchase Price of the SME Receivables relating to the Initial Portfolio of SME Loans shall be payable by the Issuer to the Seller on Closing Date (or, in case of New SME Receivables, on the relevant SME Purchase Date), except for such part of the Initial Purchase Price corresponding to the aggregate Undrawn Amounts on the relevant Cut-Off Dates which will be withheld by the Issuer and will be credited to the Further Drawdown Account.

An entitlement to a deferred purchase price (the *Deferred Purchase Price*) shall be payable by the Issuer to the Seller in respect of the SME Receivables pursuant to the SRPA on each Quarterly Payment Date as set out below.

The *Cut-Off Date* in respect of an SME Loan, means:

- (a) in relation to the SME Loans included in the Initial Portfolio:
 - (i) for the Business Loans, 28 September 2018;
 - (ii) for the Recurring Business Loans, 28 September 2018;
 - (iii) for the Investment Credits, 28 September 2018;
 - (iv) for the Roll Over Term Loans, 28 September 2018; and
- (b) in relation to SME Loans not included in the Initial Portfolio, the last Business Day of the month falling two (2) calendar months prior to the calendar month in which the SME Purchase Date on which the relevant New SME Receivables are assigned to the Issuer falls.

The current balance in respect of any SME Loan (including fully performing SME Loans and SME Loans in arrears) at any particular date shall be:

- (a) (i) the outstanding principal amount in respect of such SME Loan as of the relevant Cut-Off Date *plus*, as the case may be in respect of an SME Loan that has not been drawn down by the Borrower on the relevant Cut-Off Date, the amount of further draw downs made since the Cut-off Date *less* (ii) any amount applied to reduce any outstanding principal amount since the relevant Cut-Off Date; and
- (b) in respect of any SME Loan that qualifies as a Roll Over Term Loan, the aggregate outstanding principal amount of all advances granted under such Roll Over Term Loan (each as most recently granted or extended in accordance with the roll-over mechanics provided for in the Loan Documents),

(the **Current Balance**) (for the avoidance of doubt, in case of a Foreclosed Loan in respect of which the Servicer has decided to suspend and abandon any further enforcement action, Recoveries are not taken into account in order to determine the Current Balance).

Current Portfolio Amount at any particular date shall be the aggregate of the Current Balances of all SME Loans outstanding on such date (including, for the avoidance of doubt, the SME Loans in relation to which New SME Receivables are to be purchased on such date).

The amount of Deferred Purchase Price payable on any Quarterly Payment Date shall be equal to the Interest Available Amount available after satisfaction of all liabilities ranking higher in the Interest Priority of Payments (see *Section 5.8* above) and will be calculated in accordance with the terms of the SRPA. No interest shall be payable by the Issuer in respect of the Deferred Purchase Price.

The sale of the SME Receivables in respect of an SME Loan shall include, and the Issuer shall be fully entitled to, all ancillary items (*bijhorigheden/accessoires*) in respect of such SME Loan and in particular, but not limited to:

- (a) all right and title of the Seller in and under the SME Loan including for the avoidance of doubt, but not limited to:
 - (i) the right to demand, sue for, recover, receive and give receipts for all principal moneys payable or to become payable under the SME Loan or the unpaid part thereof and the interest to become due thereon;
 - (ii) the benefit of and the right to sue on all covenants with the Seller in respect of the SME Loan and the right to exercise all powers of the Seller in relation to the SME Loan;
 - (iii) the right to demand, sue for, recover, receive and give receipts for all prepayment indemnities (*wederbeleggingsvergoeding/indemnité de remploi*) or fees to the extent they relate to the SME Loan; and
 - (iv) the right to exercise all express and implied rights and discretions of the Seller in, under or to the SME Loan and each and every part thereof (including, if any, the right, subject to and in accordance with the terms respectively set out therein, to set and to vary the amount, dates and number of payments of interest and principal applicable to the SME Loans);
- (b) all right and title of the Seller to the Loan Security;
- (c) all rights and title of the Seller to Additional Security;

- (d) all documents, computer data and records on or by which each of the above is recorded or evidenced, to the extent that they relate to the above;
- (e) all causes and rights of action against any notary public in connection with the execution of the SME Loan, the researches, opinions, certificates or confirmations in relation to the SME Loan or Loan Security or otherwise affecting the decision of the Seller to offer to make or to accept the SME Loan;
- (f) all causes and rights of action against any valuer/appraiser in connection with the investigation and appraisal of any mortgaged asset or otherwise encumbered asset, any researches, opinions, certificates or confirmations in relation to the SME Loan or Loan Security or otherwise affecting the decision of the Seller to offer to make or to accept the SME Loan or Loan Security relating thereto;
- (g) all causes and rights of action against any broker, lawyer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any of the above, or affecting the decision of the Seller to offer to make or to accept any of the above; and
- (h) in respect of any SME Loan that qualifies as a Roll Over Term Loan, all rights and title in respect of all advances granted under such Roll Over Term Loan (as such advances may be extended (rolled-over) from time to time in accordance with the roll-over mechanics provided for in the Loan Documents).

10.2 Representations, Warranties and Eligibility Criteria

10.2.1 Seller's Representations and Warranties

The Seller will represent and warrant on the Closing Date and on each relevant SME Purchase Date that, *inter alia*:

- (a) the Seller is a corporation duly organised and validly existing under the laws of Belgium with full power and authority to execute, deliver, and perform all of its obligations under the SRPA and the relevant Deed of Sale and Assignment and such execution and delivery does not violate any applicable laws;
- (b) the Seller has obtained all necessary corporate authority and taken all necessary action (including, but not limited to all necessary consents, licenses and approvals), for the Seller to sign the SRPA and the relevant Deed of Sale and Assignment and to perform the transactions contemplated herein;
- (c) the Seller is duly licensed as a credit institution by the National Bank of Belgium under the Credit Institutions Supervision Act;
- (d) the Seller:
 - (i) is not in a situation of cessation of payments within the meaning of Belgian insolvency laws;
 - (ii) has not resolved to enter into liquidation (*vereffening / liquidation*);
 - (iii) has not filed for bankruptcy or for a moratorium (*uitstel van betaling / sursis de paiement*);

- (iv) is not subject to emergency regulations (*saneringsmaatregel / mesure d'assainissement*) or any extraordinary redress measures as set out in article 236 of the Credit Institutions Supervision Act;
- (v) is not subject to any winding-up procedures (*liquidatieprocedures/procédures de liquidation*);
- (vi) has not been adjudicated bankrupt or annulled as legal entity;
- (vii) the Seller has not taken any corporate action nor is any corporate action pending in relation to any of the matters specified in this paragraph (d);
- (e) the SRPA and the relevant Deed of Sale and Assignment constitute the Seller's valid and binding obligations enforceable in accordance with its terms; and
- (f) no Notification Event relating to the Seller has occurred or will occur as a result of the entering into or performance of the SRPA and the relevant Deed of Sale and Assignment.

10.2.2 Eligibility Criteria

The Seller will represent and warrant on the Closing Date with respect to each SME Loan included in the Initial Portfolio and the related SME Receivables, the related Loan Security and the Additional Security, as the case may be, and on the relevant SME Purchase Date with respect to each SME Loan relating to New SME Receivables, the related Loan Security and the Additional Security, as the case may be, that as at the relevant Cut-off Date (together the *Eligibility Criteria*), *inter alia*:

(a) Portfolio Schedule

The information relating to

- (i) the Initial Portfolio listed in Schedule 6 to the SRPA;
- (ii) the procedures, policies and practices from time to time applied by the Seller with regard to the origination, credit collection and administration and underwriting criteria of its SME Loans; and
- (iii) any additional note on credit repayment capacity, certified by the Seller to be a true, accurate and up-to-date statement of the Seller's credit policies ((2) and (3) together being the *Credit Policies*),

provided by the Seller to the Issuer, the Security Agent, the Rating Agencies and the Investors or otherwise are complete, true and accurate in all material respects as of the relevant Cut-Off Dates.

(b) Valid existence

- (i) Each SME Loan, SME Receivable, Loan Security and Additional Security exists and is valid and binding obligations of the relevant Borrower(s), or as the case may be, the relevant third party provider of the Related Security, and is enforceable in accordance with the terms of the relevant Loan Documents, provided, however, that the Seller has made no investigations as to the existence of the insurance policies after the date of origination of each SME Loan. In respect of an SME Loan secured by a Business Pledge, such Business Pledge is registered into the new National Pledge Register;
- (ii) each SME Loan has been granted with respect to investments related to the enterprise of the Borrower;

- (iii) each SME Loan was granted by the Originator, as a loan with respect to investments related to the enterprise of the Borrower in accordance with the then prevailing credit policies of the Originator;
- (iv) the SME Loans are either Business Loans, Recurring Business Loans, Investment Credits or Roll Over Term Loans;

Investment Credit means a tailor-made term loan with a standardised amortisation plan granted by the Originator to a small or medium sized enterprise or corporate enterprises as an advance under a Credit Facility or as an isolated term loan, subject to a fixed or variable interest rate, which is usually collateralized;

Business Loan means a standardized term loan granted by the Originator to a small or medium sized enterprise as an advance under a Credit Facility, subject to one single withdrawal and a fixed interest rate for the full term of the SME Loan;

Recurring Business Loan means a standardized term loan granted by the Originator to a small or medium sized enterprise as an isolated term loan under an agreement of indefinite duration which provides the granting of such term loan on a recurring basis over time until termination of the agreement. The term loan is subject to one single withdrawal and a fixed interest rate for the full term of the SME Loan;

Roll Over Term Loan means a tailor-made term loan with a tailor made amortisation plan granted by the Originator to a small or medium sized enterprise and corporate enterprises and which can be used by the Borrower in the form of one or more more short term advances that can be drawn and extended by way of a roll-over during a fixed drawing period (*opname periode/période de prélèvement*); upon the expiration of the drawing period, the advances outstanding at such time can be further extended by way of roll-overs for the remainder of the term of the contract or in accordance with an agreed amortisation plan, but no new advance can be drawn after the expiration of the drawing period.

Each SME Loan is categorised by the Seller as “Corporate Enterprises”, “Mid-Corps”, “Retail” or, in each case, any similar categorisation by the Seller from time to time.

(c) Governing Legislation

- (i) Each SME Loan and related Loan Security is governed by Belgian law and no SME Loan or relating Loan Security expressly provides for the jurisdiction of any court or arbitral tribunal other than Belgian courts or tribunals;
- (ii) Each SME Loan complies in general with the common rules of law (*regels van gemeen recht / règles de droit commun*);
- (iii) the SME Loans are not subject to consumer protection legislation and in particular (i) the Act of 12 June 1991 on consumer credit loans, or, as from April 2015, Chapter 1 of Book VII, Title 4 of the Economic Law Code and (ii) the Act of 4 August 1992 on mortgage credit (save for Title III) or, as from April 2015, Chapter 2 of Book VII, Title 4 of the Economic Law Code;
- (iv) no SME Loan is granted to an employee of the Seller or a group entity of the Seller;
- (v) each SME Loan is granted to a Borrower which is resident of Belgium;
- (vi) no SME Loan is granted under the scope of a wider framework agreement with the Borrower or a third party (other than a Credit Facility);

- (vii) no *ristorno* loans are in the portfolio.
- (d) Free from third party rights
- (i) each SME Loan has been granted by the Seller (or, if applicable, its predecessor) for its own account;
 - (ii) the Seller has exclusive, good, and marketable title to each SME Loan and the other rights, interests and entitlements sold pursuant to the SRPA;
 - (iii) immediately before and upon the entry into effect of the sale pursuant to the SRPA, the Seller has the absolute property right over each SME Loan and the other rights, interests and entitlements sold pursuant to the SRPA, in each case, free from all 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 including, but without limitation, any attachment (*derdenbeslag/saisie-arrêt*) or any business pledge (*pand op de handelszaak/gage sur fonds de commerce*);
 - (iv) immediately before and upon the entry into effect of the sale pursuant to the SRPA and the pledging pursuant to the Pledge Agreement, the Seller has not assigned, transferred, pledged, disposed of, dealt with, otherwise created, allowed to arise, or subsist, any security interest (or other adverse right, or interest, in respect of the Seller's right, title, interest and benefit) in or to, any SME Loan, Loan Security, Additional Security, the rights relating thereto or with respect to any property and asset, right, title, interest or benefit sold or assigned pursuant to the SRPA or pledged pursuant to the Pledge Agreement, in any way whatsoever other than pursuant to the SRPA or the Pledge Agreement;
 - (v) the Seller has not given any instructions to any Borrower or any third party provider of Loan Security or Additional Security to make any payments in relation to any SME Loan to any of the Seller's creditors;
 - (vi) the Seller has not done anything that would render any Loan Security or Additional Security ineffective, or omitted to do anything necessary to render or keep them effective.
 - (vii) each SME Loan can be easily segregated and identified by the Seller for ownership and collateral security purposes;
 - (viii) no SME Loan or Shared Security Interest has previously been included in another securitisation transaction (except for the Belgian Lion SME I Securitisation or the Belgian Lion SME II Securitisation).
- (e) No set-off or other defence
- (i) None of the SME Loans and Related Security is subject to any reduction resulting from any valid and enforceable *exceptie / exception* or *verweermiddel / moyen de défense* (including *schuldvergelijking / compensation*) available to the relevant Borrower or third party provider of Loan Security and arising from any act, event, circumstance or omission on the part of or attributable to the Seller which occurred prior to the execution of the SRPA (except any *exceptie / exception* or *verweermiddel / moyen de défense* based on the provisions of Article 1244, alinea 2 of the Belgian Civil Code or the provisions of Belgian insolvency laws);

(ii) no pledge, lien or counterclaim (except for commercial discounts, as applicable) 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;

(iii) the Standard SME Loan Documentation does not contain provisions which expressly give a Borrower the right to set-off.

(f) No limited recourse

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

(g) No abstraction

The Seller has not issued or subscribed any bills of exchange or promissory notes in connection with any amounts owing under any SME Loan and none of the SME Loans is incorporated in a negotiable instrument (*grosse aan order / grosse à ordre*).

(h) No waiver

The Seller has not knowingly waived or acquiesced in any breach of any of the Seller's rights under or in relation to an SME Loan, any Loan Security or any Additional Security.

(i) Performing SME Loan

(i) No event has occurred that has not been cured prior to the Cut-Off Date that would entitle the Seller to accelerate the repayment of any SME Loan;

(ii) on the relevant Cut-Off Date, no payment of principal and/or interest on the SME Loan is in arrears for more than one (1) day after the due date for such payment;

(iii) on the relevant Cut-Off Date, the Seller has not received notice of intended prepayment of all or any part of any SME Loan.

(j) Litigation

The Seller has not received written notice of any litigation or claim that challenges or potentially challenges the Seller's title to any SME Loan, SME Receivable, Loan Security or Additional Security or which would have a material adverse effect on its ability to perform its obligations under the SRPA.

(k) Insolvency

On the relevant Cut-Off Date, the Seller has not received notice or is not otherwise aware, that any Borrower:

(i) is bankrupt;

(ii) is in a situation of cessation of payments;

(iii) has entered into, or has filed for, or become subject to, a rescheduling of repayments (*betalingsfaciliteiten / facilités de paiement*), temporary measures (*voorlopige maatregelen / mesures provisoires*), a company mediator (*ondernemingsbemiddelaar / médiateur d'entreprises*), a judicial reorganisation (*gerechtelijk reorganisatie / réorganisation judiciaire*), a moratorium (*uitstel van*

betaling / sursis de paiement) or a collective reorganisation of its debts (*collectieve schuldenregeling / règlement collectif*) pursuant to the Articles 1675/2 to and including 1675/19 of the Belgian judicial code (*gerechtelijk wetboek/code judiciaire*);

- (iv) has otherwise become insolvent; or
 - (v) has any reason to believe that such Borrower is about to enter into, or to file for, any of the procedures specified in this paragraph (k).
- (l) No Withholding Tax
- (i) The Seller is not required to make any withholding or deduction for, or on account of, tax in respect of any payment in respect of the SME Loans;
 - (ii) no withholding or deduction for, or on account of, tax in respect of any payment under an SME Loan is required to be made by any Borrower.
- (m) Assignability of the SME Receivables
- (i) Each SME Receivable in respect of each SME Loan, secured by the Loan Security and Additional Security, may be validly assigned to the Issuer and pledged by the Issuer in accordance with the Pledge Agreement;
 - (ii) each SME Receivable in respect of each SME Loan, secured by the related Loan Security and Additional Security, is legally entitled to be transferred by way of sale, and the transfer by way of sale is not subject to any contractual or legal restriction;
 - (iii) the sale of each SME Receivable in respect of each SME Loan in the manner contemplated in the SRPA will not be recharacterised as any other type of transaction other than a sale;
 - (iv) the sale of each SME Receivable in respect of each SME Loan will be effective to pass to the Issuer full and unencumbered title and benefit, and no further act, condition or thing will be required to be done in connection with the SME Receivable 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 it to the Issuer;
 - (v) upon the sale of any SME Receivable in respect of each SME Loan, such SME Receivable will no longer be available to the creditors of the Seller on its liquidation;
 - (vi) to the extent, in respect of an SME Loan, the Seller has entered into any agreement which would have the effect of subordinating the Seller's right of payment under such SME Loan to any other indebtedness or other obligations of the Borrower, such agreement will not include any contractual provision limiting the rights of the Seller to assign the SME Receivables.
- (n) Related Security
- The Seller has not received notice of any material breach of the terms of any Related Security.
- (o) The Seller's compliance with laws
- The Seller has complied in all material respects with all relevant banking, consumer protection, privacy, money laundering and other laws in relation to the origination, the servicing and the assignment of any SME Loan and the related SME Receivables.

(p) 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 with it, unless agreed otherwise between the parties to the SRPA;
- (ii) all payments on each SME Loan are settled by way of direct debit.

(q) Selection Process

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

(r) Origination 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 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 (as applicable) subject to such waivers as may be exercised by a reasonably prudent lender;
- (iii) each SME Loan has been granted and each of the Loan Security has been created, subject to the general terms and conditions and materially in the forms of the Standard SME 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;

(s) Proper Accounts and Records

Each SME Loan and the related Loan 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.

(t) 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.

(u) Missing data

As for any SME Loan where the Seller confirms that no actual or complete data are available, the characteristics of those SME Loans are substantially the same as the ones under the Credit Policies.

(v) Financial Criteria

- (i) each SME Loan provides for a fixed final maturity and an amortisation schedule for the repayment of principal according to any of the following repayment profiles:

- (A) repayment of fixed, equal amounts of principal at regular intervals until maturity (*Linear Repayments*);
 - (B) repayment of all principal outstanding on a fixed final maturity (*Bullet Repayment*);
 - (C) repayment of fixed, equal amounts of principal at regular intervals combined with the repayment of all remaining outstanding principal at maturity (*Balloon Repayment*);
 - (D) the repayment of fixed amounts of principal at regular intervals, which amounts are determined in such manner that the sum of principal and interest payments are equal, until maturity (*Annuity Repayment*); or
 - (E) repayment of fixed, irregular amounts of principal combined with the repayment of all remaining outstanding principal at maturity (*Other Repayments*).
- (ii) each SME Loan is denominated exclusively in Euro (including any SME Loan historically denominated in Belgian frank);
 - (iii) the aggregate Current Balance of the SME Loans from the same Borrower group shall not exceed 1 per cent. of the Current Portfolio Amount;
 - (iv) the ING Internal Risk Rating attributed by the Seller to the Borrower of the SME Loan does not exceed 16;
 - (v) the SME Loan has either a “KB” (*Small Business/Mid Corporate rating model*) or “CL” (*Large Corporates rating model*) rating system (or any future replacing model rating the similar underlying assets);
 - (vi) the industry code of the SME Loan is not “Sovereign Entities” or “Private Obligors”;
 - (vii) the SME Loan may not be subject to zero or negative interest rates;
 - (viii) at least one instalment has been paid under each SME Loan on the relevant Cut-off Date (and in respect of the SME Loans included in the Initial Portfolio, prior to the Closing Date);
- (w) Specific SME Loan information
- The items of information provided to the Rating Agencies in respect of the SME Loans and the Related Security, as specifically identified in the SRPA, are true and accurate in all material respects.
- (x) Disbursement of SME Loans
- (i) The proceeds of each SME Loan, other than a Recurring Business Loan and a Roll Over Term Loan, have either been fully released or, in case the proceeds of such an SME Loan have not been fully released, the undrawn amount of such SME Loan shall not exceed 20% of the aggregate amount of such SME Loan.
 - (ii) The proceeds of each Recurring Business Loan have been fully released.
 - (iii) A Recurring Business Loan shall not be granted to a Borrower if another Recurring Business Loan under the same agreement has not yet been fully repaid.

- (iv) The drawing period for new advances (*opnameperiode/période de prélèvement*) under each Roll-Over Term Loan has expired (for the avoidance of doubt, outstanding advances can still be extended through a roll-over mechanic).
- (y) None of the Borrowers is an institution as defined in Article 4(1)(3) of CRR.

10.3 Repurchases and Permitted Variations of SME Loans

10.3.1 Breach of Representations and Warranties

If at any time after the Closing Date or, in relation to New SME Loans, the relevant SME Purchase Date:

- (a) any of the representations, warranties and Eligibility Criteria relating to the SME Loans (or the related SME Receivables), as set out in the SRPA proves to be untrue, incorrect or incomplete; and
- (b) the Seller has not remedied this within five (5) Business Days after being notified thereof in writing by the Issuer or it has become clear that the matter cannot be remedied within the said period of five (5) Business Days;

then, the Seller shall:

- (a) indemnify the Issuer for all damages, costs, expenses and losses; and
- (b) repurchase the relevant SME Receivables and Loan Security at a price equal to the aggregate of the then Current Balance of the relevant SME Loan(s) plus accrued interest thereon and reasonable *pro rata* costs up to (but excluding) the date of completion of the repurchase.

The indemnification or completion of any repurchase and re-assignment as referred to herein shall be completed on or before the Quarterly Payment Date immediately following expiry of the five (5) Business Day period referred to herein.

The Seller furthermore undertakes with the Issuer in respect of those SME Loans for which not at least one first contractually scheduled payment of interest has been made on the relevant Cut-off Date, that it shall repurchase the SME Receivables related to such SME Loans (and the Loan Security) in the event such first contractually scheduled interest payment is not made by the Borrower and the non-payment is not due to the insolvency of the relevant Borrower (including any reorganisation or similar arrangement entered into with the Borrower relating its solvency or liquidity position). The repurchase will be for a price equal to the aggregate of the then Current Balance of the relevant SME Loan(s) plus accrued interest thereon and reasonable *pro rata* costs up to (but excluding) the date of completion of the repurchase and shall be completed on or before the Quarterly Payment Date immediately following the expiry of a five (5) Business Day period after the Seller being notified by the Issuer or otherwise becoming aware of such non-payment.

10.3.2 Variations

- (a) The Servicer will be obliged to administer the SME Loans at the same level of skill, care and diligence as loans granted to small and medium sized enterprises in its own or, as the case may be, the Seller's portfolio and will not agree to any variations to the SME Loans it would not agree to in respect of its own or, as the case may be, the Seller's portfolio.

- (b) Notwithstanding the general principle set out under clause (a) above, the Servicer may not consent to any variation of an SME Loan which would result in (i) a prolongation of the tenor of the SME Loan or (ii) a variation of the interest rate of the SME Loan, or (iii) a temporary suspension of repayment of principal on the SME Loan, unless in accordance with clause (c) below. In such case, the Borrower's sole option will be to effect a Prepayment of the relevant SME Loan and to seek to obtain a new loan on different terms. For the avoidance of doubt, it has been agreed that no Term Loan may be transformed into a Roll Over Term Loan.
- (c) If at any time after the Closing Date or the relevant SME Loan Purchase Date, the Borrower proposes to the Servicer an amicable settlement relating to an SME Loan that is in arrears resulting in (i) a prolongation of the tenor of the relevant SME Loan or (ii) a temporary suspension of repayment of principal on the SME Loan, the Servicer may consent on behalf of the Issuer to such proposed settlement if and to the extent the Servicer takes full account of the chances for recoveries relating to such SME Loan and, in case of a prolongation of the tenor of the relevant SME Loan, the maturity date of the relevant SME Loan is not set later than four years prior to the Final Maturity Date of the Notes. For the avoidance of doubt, it has been agreed that an amicable settlement proposed by the Servicer will never be a permitted variation.

10.3.3 Option to repurchase

The Seller has the option to repurchase the Portfolio from the Issuer upon the occurrence of a Regulatory Change in which case, the Issuer shall be obliged to sell and assign the SME Receivables related to the SME Loans to the Seller, or any third party appointed by the Seller in their sole discretion. See detailed provisions in Condition 5.7 (Redemption in case of Regulatory Change) .

10.3.4 Notification Events

The sale of the SME Receivables under the SRPA and pledge of the SME Receivables under the Pledge Agreement will be notified to any relevant Borrowers and any other relevant parties (and instructions to make future payments directly into an account of the Issuer will be given) by the Issuer (acting on the instructions of the Security Agent) pursuant to the terms and conditions set out in the SRPA and the Pledge Agreement.

Each of the following events is a ***Notification Event*** under the SRPA:

- (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 SRPA or under any Transaction Document to which it is a party and such failure is not remedied within fifteen (15) 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 SRPA or under any other Transaction Document to which it is a party and such failure, if capable of being remedied, is not remedied within fifteen (15) Business Days after the Seller having knowledge of such failure or notice thereof has been given by the Issuer or the Security Agent to the Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the Seller in the SRPA, other than the representations and warranties made in respect of the SME Loans (in respect which the Seller consequently repurchases the SME Receivables), or under any of the other Transaction Documents to which it is or will be 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 Transaction Document, untrue or incorrect in any material respect. A representation or

warranty will be considered to be untrue or incorrect in a material respect if it affects the validity of the obligations of the Seller under the Transaction Documents; or

- (d) an order being made or an effective resolution being passed for the winding up (*ontbinding/dissolution*) of the Seller 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 or Noteholders; or
- (e) the Seller, otherwise than for the purpose of such an amalgamation or reconstruction as referred to in paragraph (d) above, ceases or, through an official action of the board or directors of the Seller, threatens to cease to carry on business or the Seller is 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;
- (f) any steps have been taken or legal proceedings have been instituted or threatened by the Seller for bankruptcy (*faillissement / faillite*), stay of payment (*uitstel van betaling / sursis de paiement*) or for any analogous insolvency proceedings under any applicable law, or an administrator, receiver or like officer (including a *voorlopig bewindvoerder / administrateur provisoire* (ad hoc administrator)) has been appointed in respect of the Seller or any of its assets,
- (g) 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 (or becomes subject to) 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 winding-up procedures (*liquidatieprocedures/procédures de liquidation*) within the meaning of Article 3, 59° of the Credit Institutions Supervision Law 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
- (h) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations hereunder or under any Transaction Document to which it is a party; or
- (i) any action is taken by any authority, court or tribunal, which results or may result in the revocation of the license of the Seller to act as a credit institution within the meaning of the Credit Institutions Supervision Act;
- (j) the credit rating of the Seller's long term IDR ceases to be at least as high as BBB- by Fitch or such rating is withdrawn, or, if the Seller is ever assigned a public COR by DBRS, the long-term COR ceases to be assigned a rating at least as high as BBB (low) by DBRS or such rating is withdrawn; or
- (k) a Pledge Notification Event occurs; or
- (l) a servicing termination event (as defined in the Servicing Agreement) has occurred; or
- (m) the Issuer is so required by an order of any court or supervisory authority; or
- (n) an attachment or similar claim in respect of any SME Loan is received, in which case notice shall be given only to the Borrower of the SME Loan concerned; or
- (o) whether as a reason of a change in law (or case law) or for any other reason and to the extent notified thereof by the Servicer, the Security Agent reasonably considers it necessary to protect the interests of the Secured Parties in the SME Loans, the Loan Security or the

Additional Security to do so, and serves notice on the Seller to such effect (setting out its reasons therefore); or

- (p) not giving notice to the Borrowers will cause the then current rating of the Class A Notes to be adversely affected.

Each of the following is a Pledge Notification Event under the Pledge Agreement:

- (a) the occurrence of a Notification Event other than as referred to under 12.3.4 (p); or
- (b) the service of an Enforcement Notice by the Security Agent.

10.4 Shared Security Interests

Where SME Loans 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 Loans continue to have rights under the relevant Credit Facilities and/or to the All Sums Security Interest (see above *Risk Factors– Shared Security Interests*).

Under the SRPA, the Issuer and the Seller have agreed that all loans or other debts which are secured by a Shared Security Interest securing an SME Loan, are subordinated to the SME Loan in relation to all sums received out of the enforcement of the Shared Security Interest.

10.5 The purchase of New SME Receivables

The SRPA provides that on any Monthly Sweep Date following the Closing Date up to (but excluding) the Mandatory Amortisation Date, the Issuer shall use the Replenishment Available Amount, subject to (i) no Stop Replenishment Event having occurred and (ii) the satisfaction of the Replenishment Conditions, to purchase New Receivables Loans (a ***Replenishment***) from the Seller, if and to the extent offered by the Seller (each such day on which New SME Receivables are purchased, being an ***SME Purchase Date***). For the avoidance of doubt, the Seller is not obliged to make such an offer.

The (part of) Initial Purchase Price payable by the Issuer as consideration for any New SME Receivables on the relevant SME Purchase Date shall be equal to the aggregate outstanding principal amounts of the related SME Loan(s) on the relevant Cut-Off Date. In the event of a purchase of New SME Receivables in respect of an SME Loan in relation to which the proceeds were not yet fully released on the relevant Cut-off Date, the Issuer shall apply part of the Replenishment Available Amount corresponding to the Undrawn Amount of such SME Loan in order to fund the Further Drawdown Account).

The Issuer and the Seller have furthermore specifically agreed that the Issuer shall at all times have the right to net any amount it would have to pay in respect of any such New SME Receivables against any amount it would be entitled to as Collections from the Seller.

For the purposes hereof, the following terms shall have the following meanings:

Replenishment Available Amount means: in respect of any Monthly Sweep Date, the sum of the amounts referred under items (i) to (viii) (inclusive) of the definition of Principal Available Amount in Condition 2.5(a) (inclusive) as calculated on the most recent Quarterly Calculation Date, *minus*, (A) the amount under item (ix) of the definition of Principal Available Amount in Condition 2.5(a), as calculated on the most recent Quarterly Calculation Date and (B) for the avoidance of doubt (i) part of such sum (if any) already applied by the Issuer to the purchase of SME Receivables in respect of New SME Loans since such most recent Quarterly Calculation Date and (ii) part of such sum (if any)

applied by the Issuer on the most recent Quarterly Payment Date in accordance with the Conditions (including Condition 2.5(b));

Replenishment Conditions means that on the relevant SME Purchase Date:

- (a) the Seller will repeat the representations and warranties relating to the SME Loans and itself as set out in the SRPA with respect to the New SME Receivables and related SME Loans (with certain exceptions to reflect that the New SME Receivables are sold and the related SME Loans may have been originated or granted after the Closing Date);
- (b) the Seller will represent and warrant to the Issuer and the Security Agent that the New SME Loans added to the Portfolio will be of a loan type described in *Section 10.2* and meet the Eligibility Criteria as applied to the relevant SME Purchase Date;
- (c) no Notification Event has occurred and is continuing;
- (d) the Seller has not previously failed to repurchase any SME Receivables to the extent required pursuant to the Transaction Documents;
- (e) all reports required to be delivered pursuant to the Servicing Agreement have been delivered;
- (f) the Replenishment Available Amount is sufficient to pay the Initial Purchase Price of the relevant New SME Loans on such date (including, in respect of New SME Loans that are Non-fully Drawn Loans, the amount corresponding to the Undrawn Amounts for such New SME Loans in order to fund the Further Drawdown Account);
- (g) if the Portfolio is in compliance with the Portfolio Criteria prior to the Replenishment, the Portfolio remains in compliance with the Portfolio Criteria after giving effect to such Replenishment (together with any other Replenishment made on the same SME Purchase Date);
- (h) if the Portfolio is not in compliance with one or more of the Portfolio Criteria immediately prior to the Replenishment, such Replenishment (together with any other Replenishment made on the same day) will reduce the level of noncompliance of this criteria (whereby the Issuer shall use its best efforts to bring back the noncompliance of this criteria to the initial level);
- (i) if the Portfolio is not in compliance with criteria (l) of the Portfolio Criteria immediately prior to the Replenishment, the aggregate Current Balances of the New SME Loans in respect of which the SME Receivables are purchased on such SME Purchase Date (the **Replenished Loans**) of Borrowers with an ING Internal Risk Rating³ of 16 does not exceed 3.00 per cent. of the aggregate Current Balances of all Replenished Loans;
- (j) if the Portfolio is not in compliance with criteria (m) of the Portfolio Criteria immediately prior to the Replenishment, the aggregate Current Balances of the Replenished Loans of Borrowers with an ING Internal Risk Rating of 15 and 16 does not exceed 6 per cent. of the aggregate Current Balances of all Replenished Loans;
- (k) if the Portfolio is not in compliance with criteria (n) of the Portfolio Criteria immediately prior to the Replenishment, the aggregate Current Balances of the Replenished Loans of Borrowers with an ING Internal Risk Rating of 14, 15 and 16 does not exceed 12 per cent. of the aggregate Current Balances of all Replenished Loans;

³ ING's rating scale goes from 1 to 22, where ratings of 20 to 22 refer to loans in default, 17 to 19 to loans which are in arrears, on the watchlist or recovering from arrears, and 1 to 16 to performing loans (where 16 is the higher risk rating).

- (l) if the Portfolio is not in compliance with criteria (o) of the Portfolio Criteria immediately prior to the Replenishment, the aggregate Current Balances of the Replenished Loans of all Borrowers with an ING Internal Risk Rating of 13, 14, 15 and 16 does not exceed 24 per cent. of the aggregate Current Balances of all Replenished Loans;
- (m) if the Portfolio is not in compliance with criteria (j) of the Portfolio Criteria immediately prior to the Replenishment, the aggregate Current Balances of the Replenished Loans secured by a Mortgage must be greater than 35% of the Current Portfolio Amount;
- (n) if the Portfolio is not in compliance with criteria (z) of the Portfolio Criteria immediately prior to the Replenishment, the aggregate Current Balances of the Replenished Loans shall have a Weighted Average One-Year Default Probability based on the current Master Scale less than 1.7%;
- (o) the proceeds of each Replenished Loan with an Annuity Repayment (as far as this does not concern Investment Credits) will have been fully released.

Stop Replenishment Event means (i) the long-term IDR (or credit view equivalent to a rating) of the Seller has been downgraded below BBB by Fitch or BBB by DBRS (or such rating is withdrawn), or (ii) the aggregate Realised Losses (since the Closing Date) in respect of the SME Loans exceed 0.50 per cent. of the Current Portfolio Amount on the Closing Date, or (iii) the non compliance of a given portfolio criterion for a period of more than twelve months, or (iv) the aggregate Current Balances of the Defaulted Loans (since the Closing Date) exceed 3 per cent. of the Current Portfolio Amount on the Closing Date.

10.6 Portfolio Criteria

The Portfolio must, on the initial Cut-off Dates and on each SME Purchase Date, meet the following criteria (the **Portfolio Criteria**):

- (a) the weighted average remaining tenor of the entire Portfolio is no longer than 8 years;
- (b) the Weighted Average Life Of The Portfolio is equal to or lower than 4.5 years;
- (c) the aggregate Current Balances of all unsecured SME Loans shall not exceed 18 per cent. of the Current Portfolio Amount;
- (d) the aggregate Current Balances of all SME Loans secured by a Mortgage (either for the full amount or in part) must be greater than 35 per cent. of the Current Portfolio Amount;
- (e) the aggregate Current Balances of all SME Loans with a Bullet Repayment shall not exceed 5 per cent. of the Current Portfolio Amount;
- (f) the aggregate Current Balances of all SME Loans not fully drawn shall not exceed 4 per cent. of the Current Portfolio Amount;
- (g) the aggregate Current Balances of all SME Loans with a tailored-made repayment (including SME Loans with a Balloon Repayment) shall not exceed 15 per cent. of the Current Portfolio Amount;
- (h) the aggregate Current Balances of all SME Loans with an annual repayment shall not exceed 6 per cent. of the Current Portfolio Amount;
- (i) the Top 1 Group shall not represent more than 1 per cent. of the Current Portfolio Amount;
- (j) the Top 10 Group shall not represent more than 5 per cent. of the Current Portfolio Amount;

- (k) the Top 25 Group shall not represent more than 10 per cent. of the Current Portfolio Amount;
- (l) the aggregate Current Balances of the SME Loans of all Borrowers with an ING Internal Risk Rating of 16 does not exceed 3 per cent. of the Current Portfolio Amount,
- (m) the aggregate Current Balances of the SME Loans of all Borrowers with an ING Internal Risk Rating of 15 and 16 does not exceed 6 per cent. of the Current Portfolio Amount;
- (n) the aggregate Current Balances of the SME Loans of all Borrowers with an ING Internal Risk Rating of 14, 15 and 16 does not exceed 12 per cent. of the Current Portfolio Amount;
- (o) the aggregate Current Balances of the SME Loans of all Borrowers with an ING Internal Risk Rating of 13, 14, 15 and 16 does not exceed 24 per cent. of Current Portfolio Amount;
- (p) the aggregate Current Balances of all SME Loans which originate from Antwerpen shall not exceed 25 per cent. of the Current Portfolio Amount and the aggregate Current Balances of all SME Loans which originate from each other province shall not exceed 20 per cent. of the Current Portfolio Amount;
- (q) the aggregate Current Balances of all SME Loans to Borrowers in the Retail Customer Segment (as described below in *Table 3 Distribution by Customer Segments*) shall not exceed 40 per cent. of the Current Portfolio Amount;
- (r) the Weighted Average Seasoning of the aggregate Current Balances of all SME Loans must be greater than 2 years;
- (s) the Weighted Average One-Year Default Probability based on the current Master Scale of the aggregate Current Balances of all performing SME Loans shall not exceed 1.7 per cent.;
- (t) the aggregate Current Balances of all Isolated Loans must be greater than 67 per cent. of the Current Portfolio Amount;
- (u) the aggregate Current Balances of all SME Loans rated with the CL model shall not exceed 8 per cent. of the Current Portfolio Amount;
- (v) the aggregate Current Balances of all SME Loans granted to Borrowers that are small and medium-sized enterprises is at least 80 per cent of the Current Portfolio Amount;
- (w) the aggregate Current Balances of the SME Loans of all Borrowers from the Fitch industry category “Business services” or DBRS industry category “Business equipment & services” (as described in *Table 7.C Distribution by Fitch Industry Category* and *7.D Distribution by DBRS Industry Category, Description of the SME Loans of Section 14 of the Prospectus*) is equal to or lower than 20 per cent. of the Current Portfolio Amount;
- (x) the aggregate Current Balances of the SME Loans of all Borrowers from the DBRS industry category “Building & Development” (as described in *Table 7.D Distribution by DBRS Industry Category, Description of the SME Loans of Section 14 of the Prospectus*) is equal to or lower than 30 per cent. of the Current Portfolio Amount;
- (y) the aggregate Current Balances of the SME Loans of all Borrowers from the Fitch industry category “Real Estate” (as described in *Table 7.C Distribution by Fitch Industry Category, Description of the SME Loans of Section 14 of the Prospectus*) is equal to or lower than 25 per cent. of the Current Portfolio Amount;

- (z) the aggregate Current Balances of the SME Loans of all Borrowers from a particular industry category (as described in Table 7.C Distribution by Fitch Industry Category and 7.D Distribution by DBRS Industry Category, Description of the SME Loans of Section 14 of the Prospectus) other than the industry categories specifically referred to in Portfolio Criteria (w), (x) and (y) above is equal to or lower than 15 per cent. of the Current Portfolio Amount;
- (aa) the weighted average interest rate of all SME loans in the Current Portfolio Amount is at least 1 per cent.

Isolated Loan means an SME Loan under the form of a stand-alone facility (*operation isolée*) and which is not revolving.

Master Scale means any of the three ING credit risk rating (ING's Internal Risk Rating) scales, including rating grades for performing loans from 1 to 19 and for non-performing loans from 20 to 22 whereby each rating grade is assigned a Probability of Default (PD) value which refers to the probability that a company in the particular rating grade will default within the next 12 months.

Weighted Average Life Of The Portfolio means the ratio calculated by:

- (a) summing the products obtained by multiplying:
 - (i) the Current Balance of each SME Loan; by
 - (ii) the number of months between the Cut-Off Date in respect of such SME Loan and the maturity date of such SME Loan;
- (b) dividing such sum by the aggregate sum of the Current Balance of each SME Loan;
- (c) dividing such amount by 12 to obtain the weighted average life in years.

Weighted Average One-Year Default Probability means the ratio calculated by:

- (a) summing the products obtained by multiplying the Current Balance of each SME Loan by the one-year default probability as computed on the basis of the current Master Scale;
- (b) dividing such sum by the sum of the aggregate Current Balances of all SME Loans; and
- (c) rounding the result up to the nearest two decimal places.

10.7 The Purchase of Roll Over Term Loans

In accordance with the Eligibility Criteria, the sale of SME Receivables by the Seller to the Issuer in relation to an SME Loan that qualifies as a Roll Over Term Loan will only be allowed if the drawing period for new advances under such Roll Over Term Loan has expired (only the extension of existing advances through roll-over in accordance with the Loan Documents still being allowed).

The SRPA provides that, in case of the purchase of SME Receivables relating to a Roll Over Term Loan on the Closing Date or an SME Purchase Date, the Issuer will on such date purchase all rights and title in respect of all advances that were outstanding under such Roll Over Term Loan at the time of the expiration of the drawing period (*opnameperiode/période de prélèvement*), as well as any rights and title in respect of any extension of such advances that would result from a roll-over thereof in accordance with the provisions of the relevant Loan Documents. In accordance with the provisions of the SRPA, the purchase of the rights and title in respect of the extension of the advances following such a roll-over, will not be deemed a Replenishment and not subject to the satisfaction of the Replenishment Conditions or No Stop Replenishment Event having occurred.

On or before each Monthly Sweep Date, the Servicer will with reference to the related Monthly Collection Period report on the advances under the Roll Over Term Loans sold to the Issuer, including information (in particular, amount and term) on (i) the advances as they lapsed during such Monthly Collection Period and (ii) the advances as they were extended following roll-over. The Issuer and the Seller furthermore specifically agree that the Issuer shall at all times have the right to net any amount it would have to pay in respect of any such extended advances against any amount it would be entitled to in respect of such lapsed advances.

Finally, in the event the Seller would during the term of the Roll Over Term Loan become unable to extend the advances in accordance with the roll-over mechanics of the Loan Documents as a result of insolvency, the Issuer shall have the right, in a view to avoid any exceptions being invoked by the relevant Borrower(s), to send a notification to such Borrower(s) offering it a right either to repay its advances under the Roll Over Term Loan or to extend repayment of the outstanding advance(s) until the final maturity date of the loan or such other date for repayment as foreseen in a mutually agreed amortisation schedule.

10.8 Reserve Amount

If at any time the ratings of ING as account bank for the Collection Accounts fall below the Required Minimum Ratings, the Seller shall as soon as reasonably possible, but no later than 30 calendar days as of the occurrence of such downgrade, credit to a bank account to be held in the name of the Issuer with an account bank having the Required Minimum Ratings the reserve account (the **Reserve Account**) and deposit in the reserve account an amount in euro (the **Reserve Amount**) equal to the Calculated Amount and ensure that on each Monthly Sweep Date thereafter (until the ratings of the Seller are again at least equal to the Required Minimum Ratings) the balance of the Reserve Account is, to the extent necessary, increased up to the Calculated Amount in relation to such Monthly Sweep Date. Any interest accrued on the proceeds of such Reserve Account shall not be part of the Interest Available Amount, but shall accrue and be paid out on the benefit of the Seller.

The **Calculated Amount** shall, as soon as (and as long as) a Reserve Amount needs to be constituted, be calculated by the Administrator on each Monthly Sweep Date (and, in case the date on which the Reserve Amount needs to be constituted for the first time, does not fall on a Monthly Sweep Date, then the calculation shall be made by the Administrator by reference to the immediately preceding Monthly Sweep Date) as two times the sum of (i) the amount of the contractually scheduled interest and principal payments received on each SME Receivable during the most recent Monthly Collection Period related to such Monthly Sweep Date plus (ii) the amount received as prepayment during the most recent Monthly Collection Period related to such Monthly Sweep Date.

The funds credited to the Reserve Account may be applied by the Issuer:

- (i) the purpose of indemnifying the Issuer against any losses of the Issuer resulting from the fact that following an insolvency of the Seller the recourse the Issuer would have against the Seller for amounts paid into the Collection Accounts at such time would be an unsecured claim against the insolvent estate of the Seller for moneys due at such time (**Commingling Risk**);
- (ii) for the purpose of indemnifying the Issuer against any losses of the Issuer resulting from a Borrower or provider of Loan Security claiming a right to set-off with the Seller or defenses related to the Seller for which the Issuer is not indemnified by the Seller in accordance with the Transaction Documents (**Set-off Risk**).

The Reserve Amount will not be included as Principal Available Amount and/or Interest Available Amount and will not form part of the Priority of Payments, unless if used to mitigate Commingling Risk or the Set-off Risk in which case the Issuer will be required to add such funds to the Interest Available Amount and/or Principal Available Amount, as the case may be. The Reserve Amount will

not serve as general credit enhancement and will not serve to provide general liquidity to the Issuer and can only be used by the Issuer to mitigate Commingling Risk or Set-off Risk.

If the amount of the Reserve Amount provided to the Issuer exceeds the Calculated Amount on any Monthly Sweep Date (the *Excess Reserve Amount*), the Issuer shall repay an amount equal to the Excess Reserve Amount (if applicable).

Unless applied in order to indemnify Commingling Risk, the Reserve Amount shall remain credited to the Reserve Account until:

- (a) the Seller's ratings are again at least equal to the Required Minimum Ratings; or
- (b) a full and final repayment of the Class A Notes on the Final Redemption Date (or such other date upon which the Class A Notes are to be redeemed in full).

If any of the above conditions under (a) or (b) is fulfilled, the Administrator will immediately release the Reserve Amount to the Seller.

SECTION 11

OVERVIEW OF THE BELGIAN MARKET FOR SME LOANS⁴

In 2017, there are in Flanders 570,344 companies, 248,776 in Wallonia and 104,705 companies in Brussels. Of all these companies, there are 6,836 large corporations (with more than 50 employees). In 2017, the number of new companies established was 93,682. The majority of the new established companies are based in Flanders (58.34%).

In Belgium, the largest number of SMEs is active in the wholesale and retail trade (19.0%), professional, scientific and technical activities (19.1%) and construction (13.5%). According to the European definition of a Small and Medium Enterprise, namely companies with less than 250 employees, 99.8% of all companies in Belgium can be classified as such.

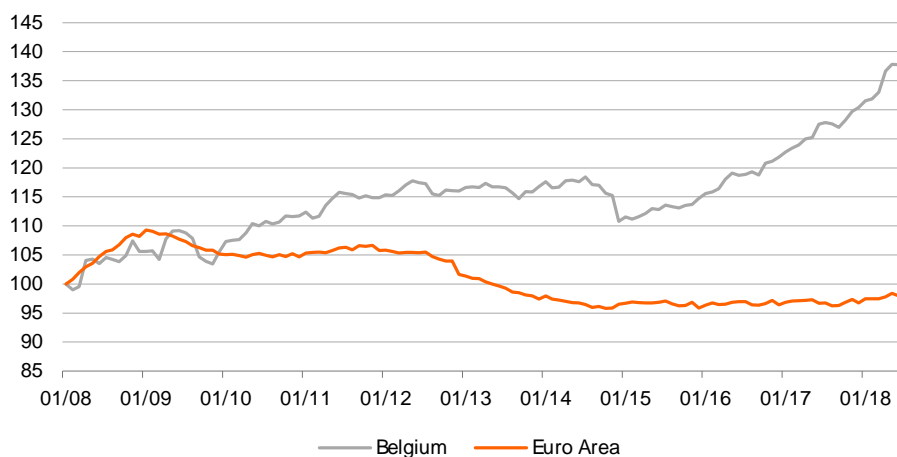
ING's market penetration and lead bank status for SMEs can be summarized as follow:

- 45% see ING as their main bank; and
- 89% is client of ING.

SMEs have a large share in the national economy. The Belgian economy is mainly based on SMEs, which represent approximately 60% of the value added by the private sector, and near 70% of private employment.

Total credit to non-financial companies has well developed in Belgium compared to other Eurozone countries (see Graph. 1). It is now near 40% higher than its level early 2008.

Graph. 1: Index of total credit to non-financial companies (based on A-Shema of the banking sector)

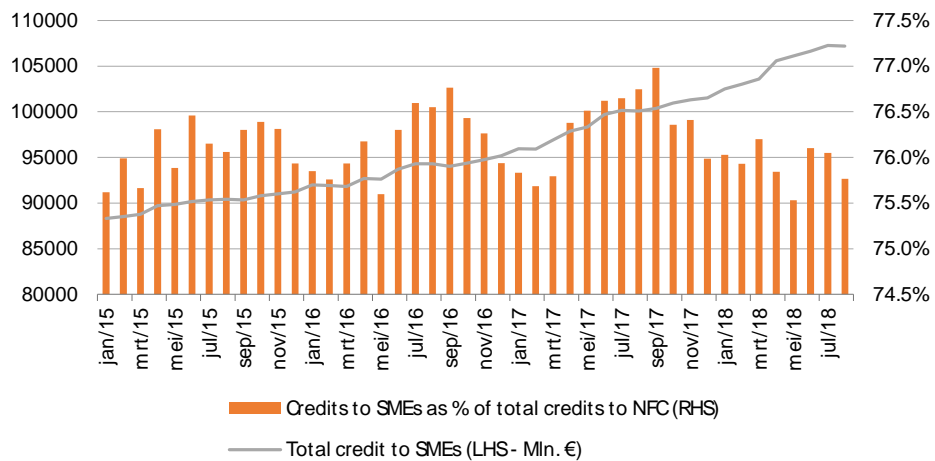


Source: National bank of Belgium (NBB)

In September 2018, total authorized credits to SMEs represented 132.6 Bln. €, increasing by 5.8% YoY (Graph 2). This represents almost 107 Bln. € used credit (as the utilisation rate of credits is near 81% for SMEs). Credit to SMEs represent 76% of the total of credit granted to non-financial companies. This ratio fluctuates between 75.5% and 77% across time.

Graph. 2: Total credit to SMEs in Belgium

⁴ Source: SPF/FOD Economie (<https://statbel.fgov.be/fr/open-data/entreprises-assujetties-la-tva-par-classe-demploi-4>) (this information is not included by reference in this Prospectus).



Source: Observatory for credit to non-financial corporates

SECTION 12

THE SELLER

12.1 Profile

ING Belgium NV/SA (the *bank*) is part of ING Groep NV, also called ING Group. ING Group is the holding company of a broad spectrum of companies (together called *ING group*) and a global financial institution of Dutch origin offering banking services through its operating company ING Bank. ING Bank's more than 51,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Belgium NV/SA is a financial institution focusing its core activities on Retail & Private Banking and Wholesale Banking. The bank caters over 2.9 million clients in Belgium with a wide range of financial products via the distribution channel of their choice.

The bank is a public company with limited liability (*naamloze vennootschap/société anonyme*) existing for an unlimited duration under Belgian law. Its registered office is at Avenue Marnixlaan 24, B-1000 Brussels, Belgium. The Issuer is recognised as a credit institution under the provisions of the Law of 25 April 2014 on the legal status and supervision of credit institutions. Since the beginning of 1998, the bank is a wholly owned subsidiary of ING Group..

12.2 Incorporation and history

The Seller was formed under the name Bank Brussels Lambert S.A. through a merger of Banque de Bruxelles and Banque Lambert, which was effected on June 30, 1975 as a further development of the holding companies of the two banks which took place in 1972. An Extraordinary General Meeting held on April 17, 2003 adopted a resolution to change the name into ING Belgium SA/NV as from April 22, 2003.

Banque de Bruxelles was founded in 1871 and during the next 60 years acquired interests in other banks in the main cities in Belgium. By 1931, these banks had been absorbed into a single entity, whose operations included not only traditional banking activities, but the management of an industrial portfolio with interests in Belgium and Africa. Following the Belgian banking reforms of 1934-35, the Bank's activities were transferred to a new company, bearing the same name, which was formed on January 30, 1935. This achieved the separation of the holding company's banking activities from its industrial interests, as required by the reforms.

Banque Lambert had its origin in the banking business founded by the Lambert family, active bankers in Belgium since Belgian independence in 1830. Banque Lambert expanded its banking activities rapidly after 1945 by successive mergers with various privately owned banks.

12.3 Supervisory and Executive Bodies

The composition of the Board of Director of ING Belgium NV/SA is as follows:

- Eric Boyer de la Giroday, Chairman of the Board of Directors
- Erik Van Den Eynden, Chief Executive Officer
- Hans De Munck, Chief Financial Officer and Managing Director
- Krista Baetens, Managing Director
- Philippe Wallez, Managing Director

- Frank Stockx, Managing Director
- Count Diego du Monceau de Bergendal, Non-executive Director, Managing Director, Rainyve
- Roland Boekhout, Non-executive Director, Member of the MBB of ING Bank N.V.
- Paul Mousel, Independent Non-executive Director
- Pinar Abay, Non-executive Director, CEO, ING Bank Turkey
- Tanate Puthrakul, Managing Director
- Swee-Im Ung, Independent Non-executive Director
- Sonja Rottiers, Independent Non-executive Director
- Ingrid De Poorter, Independent Non-executive Director

The composition of the Audit Committee is as follows⁵:

- Count Diego du Monceau de Bergendal, Chairman
- Sonja Rottiers
- Swee-Im Ung

The composition of the Remuneration Committee is as follows⁶:

- Eric Boyer de la Giroday, Chairman
- Roland Boekhout
- Paul Mousel

The composition of the Nomination Committee is as follows⁷:

- Eric Boyer de la Giroday, Chairman
- Roland Boekhout
- Paul Mousel

The composition of the Risk Committee is as follows⁸:

- Count Diego du Monceau de Bergendal, Chairman
- Sonja Rottiers

⁵ As from 1 January 2019, Sonja Rottiers and Swee-Im Ung will be replaced by Paul Mousel and Ingrid De Poorter.

⁶ As from 1 January 2019, Roland Boekhouta will be replaced by Swee-Im Ung.

⁷ As from 1 January 2019, Paul Mousel will be replaced by Sonja Rottiers.

⁸ As from 1 January 2019, Ingrid De Poorter will become member of the Risk Committee.

- Swee-Im Ung

12.4 Underwriting and servicing of the SME Loans

ING Belgium is part of ING Bank, which is part of ING Groep N.V. and extends lines of credit to companies with acceptable risk profiles, trustworthy management generally operating in industries of which the bank has a favorable impression.

In the Belgian SME sector, ING Belgium extends SME Loans to clients categorized as:

Retail Banking: self-employed, freelancers and small companies booking annual turnover of less than EUR 4 million or total assets less than EUR 2 million, originated through Retail Banking.

Midcorps & Institutionals: medium-sized companies with sales of between EUR 4 and 250 million and institutional clients like public services, hospitals, religious associations, teaching establishments, union organizations and pension funds, originated through Commercial Banking.

Corporate Clients: listed companies and companies with a consolidated turnover in excess of EUR 250 million, originated through Commercial Banking.

Apart from its branch network, ING Belgium uses the internet and telephone as direct channels, especially for the Retail Banking segment. The Midcorp & Institutional segment requires a specific approach with 15 business centers, business desks and branch network distributed over the whole country. The Corporate Clients segment is serviced through ING Belgium Head Office.

12.5 Credit applications and reviews

ING Belgium extends lines of credit to financially sound performing companies with trustworthy management.

Target customers:

- companies with acceptable risk profiles
- companies not situated in the low end of their respective industries

Goal is to be the company's core bank with majority share in the company's banking business but given the bank market in Belgium ING Belgium is often a challenger in the Retail customer market. Financing policy is detailed in policy papers (e.g. real estate, leverage finance) and are published on ING's intranet accessible for both relationship and risk management.

Simple credit requests (standard products initiated in Branch Bank with standard collaterals in Branch Bank)

Simple professional loans both for the Retail lending and Midcorp segments are sold via the two Business credit Centers (**BcC**) (one in Flanders and one in Wallonia), servicing the customers directly via call. Loan requests are initiated through:

- direct calls from professionals (clients and prospects);
- «assisted calls» from ING branch- & independents' network, business bankers, relationship managers; and
- e-mail/fax/letter from professionals.

The granting of standard credit is based on:

- a Pre-defined Limit-model, which is a statistical model that automatically and pro-actively calculates on a monthly basis credit limits for professional clients and prospects based on risk rating, cash flow, balance sheet total, class of risk, sector of business.

- an automatic decision system that used policy rules taking into account among other things the profile of the credit applicant, the repayment capacity, the outstanding debts and (potential) negative elements.

If necessary, a manual credit decision has to be taken by a BcC member (with specific approval authorities), via the decision pool (by a credit decider) (outstanding \leq 1 million €) or following the SAP process (outstanding $>$ 1 million €) (see below).

All contractual documents are directly emailed by the BcC to the client. The client will return by email the signed contract to our outsourcing services in Manila who will control the signature and follow-up the release of funds.

SME - more complex deals

SME Loan specialists (Business Bankers SME, Credit Experts) can assist and visit clients for more complex deals (real estate, shipping, etc.). Those cases are manually decided and are manually executed in our Customer Loyalty Teams (*CLT*'s, see below).

Midcorps

For the Midcorps clients, the Lending activity which is out of scope of the Business Credit Centers is organized along four regional zones, supported by 14 business centers and 5 business desks. A loan request is initiated by the client via the relationship manager (*RSM*). The *RSM*'s are supported by Sales and Services Officers (*SSO*).

If the Midcorp request is a simple professional loan, the customer will be routed to the BcC flow (see above).

Customized credit requests (tailor-made credit requests with non-standard collaterals)

For customized credit requests Relationship Managers write the credit application. The Credit proposals have to be decided according to the Signatory Approval Process (*SAP*) except for smaller amounts. In those cases, the relationship manager has a limited power of decision. Through the *SAP* with different levels of decision making powers, credit decisions are taken. The mandates are in categories A to D, themselves generally divided into sub-categories. A mandate is the global mandate, B mandates are on regional level and C and D mandates are applicable to zonal. All decisions are taken by a maximum of two levels, (i) a level of advice and (ii) a decision level.

A *SAP* is always one front officer and one risk manager will advise one higher ranking front officer and one higher ranking risk manager, who both will have to decide on the credit application. Smaller exposures are dealt with at the zonal level whereas larger exposures are processed at the head office in Brussels.

The execution of the credit request (writing of contract, set up of credit and of collateral in the systems, control of contract signatures, follow-up of release of funds) is realized in the Customer Loyalty teams in Gent or Namur (and Hasselt for a limited number of Real Estate customers only). Further servicing will be also directly executed by the *CLT*.

Each Midcorp client with an exposure $>$ 750 000 EUR is reviewed manually at least annually. Signatory Approval Mandate is assigned individually to front office managers and risk managers according to their professional qualifications, experience and risk awareness.

Corporate Clients

For the Corporate Clients segment the Lending activity is centralized at ING Belgium's Head Office, where Account Managers and Relationship Managers are involved in the origination process. The

lending activity is supported by dedicated Transaction Managers and Advisors organized by sector. Corporate Lending activity is separated by Chinese Walls from other activities of the bank.

Through SAP with different levels of decision making powers, credit decisions are taken. The mandates are in categories A to D, themselves generally divided into sub-categories. A mandate is the global mandate, B mandates are on regional level and C and D mandates are applicable to zonal. All decisions are taken by a maximum of two levels, (i) a level of advice and (ii) a decision level. A SAP is always one front officer and one risk manager will advise one higher ranking front officer and one higher ranking risk manager, who both will have to decide on the credit application. Smaller exposures are dealt with at the departmental level whereas larger exposures are processed at the head office in Brussels by front office and risk management mandate holders and Corporate Credit Risk Management in Amsterdam.

Each Corporate Client is reviewed once a year, regardless of the exposure. The credit application package has a predefined content including amongst others: financials information on the obligor, previous decision (on the client), collateral information, business description and a descriptive risk assessment. A typical credit application package recapitulates the following items:

- type of borrower (e.g. key activities, position in industry, key business drivers and quality of management);
- the purpose of the credit application;
- ING Belgium's business rationale and the future relationship with the client;
- financials (e.g. past, current and forecasted cash flow, leverage and debt service;
- coverage and their key drivers and stability);
- compliance with our industry's (lending) policy and our assessment of business risks;
- structure of the transaction including alternative repayment sources;
- pricing versus perceived risks;
- current account behavior;

Collateral serves as an alternative repayment for future risks only (i.e. no collateral based lending).

12.6 Collateral

Any collateral in a transaction is an important item in the credit decision, but credit is not extended based on collateral alone. The importance of collateral is greater for smaller entities than it is for larger ones. While not all loans are collateralised, any received collateral typically consists of one or more of the following types:

- Mortgages (i.e., liens on specified residential or commercial real estate, airplanes and ships);
- Mandates;
- Pledges over movable assets (such as stock, inventory, machinery, cars or trucks) and rights (such as deposits, securities, receivables, or claims from, for example, life insurance policies) through assignments or transfers for collateral purposes;
- Guarantees (from private individuals, legal entities, and/or governments).

12.7 Internal Credit Risk Rating System

ING Group uses a set of internal risk ratings throughout all its different international units, including ING Belgium. The assigned internal risk rating represents ING Belgium's assessment of the expected default probability of a given borrower not taking collateral into account. It is the result of an evaluation of several financial inputs and internal behavioural data, using statistically based scorecard analyses.

Although totally independent, the ING internal risk rating (*ING Internal Risk Rating*) is a primary element of the loan approval process since it is used as an element for decision making. In addition, it is a cornerstone of the loan monitoring process. The ING Internal Risk Rating not only affects the outcome of the credit decision, but it also determines the level of decision-making authority required to take the decision. It also has an impact on the characteristics of the monitoring procedures applied to the ongoing exposure. Currently the ING Internal Risk Rating scale consists of 22 risk ratings that fall into 3 larger classes of risk: (i) “Investment Grade”: 01 to 10; (ii) “Speculative Grade”: 11 to 17; and (iii) “Substandard/Problem SME Loan Grade”: 18 to 22.

12.8 Credit restructuring process

If a potentially serious credit quality deterioration is detected in one of the above described processes, or if risk management observes developments related to either the borrower itself or the sector it operates in, (which developments could affect the borrower in the future whilst its current credit profile does not yet reflect these), the risk manager or the relationship manager may decide to place the credit exposure on a watch-list or may decide the file should be managed by the restructuring department. If an exposure is placed on the watch-list it is also followed by the restructuring department. As soon as a file is transferred to the Restructuring department, that department takes over the main responsibility of the relationship with the client.

The restructuring department is divided in two main activities. “Restructuring” manages a file with the aim to improve the client’s credit standing and ING Belgium’s position so that normal relationship management and risk management can take over again. A file in “Restructuring” currently has an ING Internal Risk Rating of 15 up to 20. If the restructuring department decides that a file should be terminated (and the bank repaid) the file is transferred to the recovery department. In the “Recovery” department any collateral is liquidated by third parties. A file in the “Recovery” department currently carries an ING Internal Risk Rating of 21 or 22. If there is still any exposure left following the workout in "Recovery", they will proceed the writes-off and (if possible) attempt to collect the remaining balance.

The restructuring groups are established at both region level and at head office level. The responsible unit for a file is determined case by case by the size of the relevant exposure, the complexity of the case and the present workload.

12.9 Risk control unit

Throughout the risk management chain, an independent risk control unit is employed. It evaluates, for the business banking domain, the effectiveness of the overall credit risk approach including the handling of individual cases. It evaluates the general credit process and the correct implementation thereof by the responsible units on a regional basis. It acts as an advisor for senior management and as a proactive coach for risk managers rather than as a pure auditor. It has the possibility to ask for a revision of the pure risk or to initiate a corrective action to improve data quality.

SECTION 13

SERVICING OF THE SME RECEIVABLES

13.1 The Servicer

ING Belgium NV/SA with its registered office at Avenue Marnix 24, B-1000 Brussels, Belgium.

In the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the SME Loans, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the SME Loans and the transfer of such amounts on a monthly basis to the Transaction Account (see also *Cash Collection Arrangements* in Credit Structure) and the implementation of arrear procedures including, if applicable, the enforcement of the Related Security (see further *Underwriting and servicing of the SME Loans* above). The Servicer will be obliged to administer the SME Loans at the same level of skill, care and diligence as loans granted to small and medium sized enterprises in its own or, as the case may be, the Seller's portfolio.

Taking into account potential conflicts of interest and for as long as the Seller is the same entity as the Servicer, the Servicing Agreement sets out in detail the respective rights and obligations of the Servicer and the reporting requirements of the Issuer and the Servicer.

13.2 Back-Up Servicing

The Servicing Agreement obliges the Issuer and/or the Security Agent (as applicable), thereby assisted by the Administrator, to appoint a back-up servicer (the ***Back-Up Servicer***) (and to enter into a back-up servicing agreement (the ***Back-Up Servicing Agreement***), within thirty (30) calendar days after the occurrence of a downgrade of the long-term IDR of the Seller below A- by Fitch or, if the Seller is ever assigned a public COR by DBRS, the long-term COR of the Seller ceases to be rated A(low) by DBRS (the ***Cold BUS Trigger***).

The Back-Up Servicer shall be a party with experience in and having obtained all necessary approvals, authorisations, consents or licenses by the Ministry of Economic Affairs or any other competent regulatory authority or agency for the servicing of a portfolio of mortgage loans in Belgium. The Seller shall promptly notify the Issuer and the Security Agent and the Rating Agencies of the occurrence of a Cold BUS Trigger and the Seller will use its best efforts to enable the Issuer and/or the Security Agent (as applicable), to appoint a Back-Up Servicer and to enter into such Back-Up Servicing Agreement.

In accordance with the provisions of the Back-Up Servicing Agreement, the Issuer and the Back-Up Servicer will use their best efforts to ensure that upon the occurrence of the Cold BUS Trigger, the necessary steps will be taken in order to align the servicing systems of the Servicer and the Back-Up Servicer and load the Servicer's data tapes into the Back-Up Servicer's database (including the performance of a test migration).

Furthermore, upon the occurrence of a downgrade of the long-term IDR of the Seller below BBB- by Fitch or, if the Seller is ever assigned a public COR, a the long-term COR of the Seller ceases to be rated BBB(low) by DBRS (the ***Warm BUS Trigger***, a warm back-up servicing will be organised whereby the Back-Up Servicer will receive from the Servicer and continuously maintain Portfolio data via a monthly portfolio downloads.

The Seller, the Issuer and/or the Security Agent (as applicable) shall assist the Back-Up Servicer, *inter alia*, by timely providing the Back-Up Servicer with such reports and other information as may be

required by it under the Back-Up Servicing Agreement, to assume its obligations under the Back-Up Servicing Agreement and take over servicing from the Servicer.

When a Back-Up Servicer has been appointed, the Back-Up Servicer shall replace the Servicer upon termination of its appointment by the Issuer following the occurrence of one of the servicing termination events listed in clause 10 of the Servicing Agreement. From the date of such termination, the Back-Up Servicer shall provide its services in accordance with the Back-Up Servicing Agreement.

13.3 Termination

The Servicing Agreement may be terminated by the Issuer with the written consent of the Security Agent upon the occurrence of certain servicing termination events, including but not limited to a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt.

After termination of the appointment of the Servicer under the Servicing Agreement, the Issuer shall use its efforts to appoint a substitute servicer and such substitute 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 servicer shall have the benefit of a fee to be then determined. Any such substitute servicer is obliged to have experience of administering loans such as the SME Loans granted to borrowers in Belgium. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Agent on materially the same terms as the Pledge Agreement to the satisfaction of the Security Agent.

SECTION 14

DESCRIPTION OF THE PORTFOLIO

The Initial Portfolio will be selected from a pool of SME Loans owned by the Seller on 12 November 2018 with an aggregate Current Balance on such date of approximately EUR 9,290,113,383.69 (excluding amounts standing on the GIC account and Further Drawdown account) (the ***Provisional Pool***), which has the characteristics as indicated in Tables 1 to 29 (c) (inclusive) below.

The Initial Portfolio will be selected so that it complies with the representations and warranties and the Eligibility Criteria specified in *Sections 10.2.1 and 10.2.2* of this Prospectus. The selection will be made such that at the Closing Date the Current Balance of the aggregate of all SME Loans that have been purchased by the Issuer pursuant to the SRPA and that are at the relevant time still owned by the Issuer (the ***Portfolio***), including the Undrawn Amounts standing credit on the Further Drawdown Account (EUR 7,366,677.22) and amounts standing credit to the GIC Account (EUR 19,939.09) equal to the issuance amount of the Notes EUR 9,297,500,000.

Table 1: Distribution by ING Internal Risk Rating

ING Internal Risk Rating	Number of Reference	Reference Obligation Notional Amount (EUR)	% by Notional Amount
5	2,314	547,441,887.88	5.89%
6	728	225,837,989.52	2.43%
7	847	248,789,444.03	2.68%
8	5,956	1,535,065,119.25	16.52%
9	4,104	989,788,794.73	10.65%
10	3,598	880,459,497.97	9.48%
11	5,989	1,513,685,615.96	16.29%
12	4,737	1,119,788,283.35	12.05%
13	4,929	1,119,955,235.89	12.06%
14	2,970	617,534,754.03	6.65%
15	1,964	338,274,217.27	3.64%
16	832	153,492,543.81	1.65%
TOTAL	38,968	9,290,113,383.69	100.00%

Table 2: Distribution by Notional Bucket

Notional	Number of Reference Entity Groups	Reference Obligation Notional Amount (EUR)	% by Notional Amount
=0			
<=500,000	30,269	2,880,665,501.35	31.01%
<=1,000,000	1,981	1,368,409,942.65	14.73%
<=1,500,000	630	764,504,975.60	8.23%
<=2,000,000	314	541,020,281.91	5.82%
<=2,500,000	174	385,825,904.26	4.15%
<=3,000,000	111	306,506,601.28	3.30%
<=3,500,000	77	249,524,683.59	2.69%
<=5,000,000	144	594,587,628.42	6.40%
<=6,000,000	27	148,796,711.66	1.60%
<=7,000,000	31	202,275,056.74	2.18%
<=8,000,000	27	198,843,937.94	2.14%
<=9,000,000	12	102,060,236.39	1.10%
<=10,000,000	19	181,500,050.48	1.95%
<=25,000,000	55	789,050,098.33	8.49%
<=50,000,000	13	444,141,972.09	4.78%
<=75,000,000 higher	2	132,399,801.00	1.43%
TOTAL	33,886	9,290,113,383.69	100.00%

**Table 3: Distribution by ING
Internal Risk Rating**

ING Rating Model	ING Internal Risk Rating	Number of Reference Entities	Reference Obligation Notional Amount (EUR)	% by Notional Amount
CL	7	1	39,175,451.18	0.42%
CL	9	1	202,086.93	0.00%
CL	10	5	60,693,113.75	0.65%
CL	11	15	228,841,064.40	2.46%
CL	12	37	167,239,619.01	1.80%
CL	13	36	93,323,302.80	1.00%
CL	14	28	28,474,962.20	0.31%
CL	15	4	1,088,476.68	0.01%
KB	5	2,314	547,441,887.88	5.89%
KB	6	728	225,837,989.52	2.43%
KB	7	846	209,613,992.85	2.26%
KB	8	5,956	1,535,065,119.25	16.52%
KB	9	4,103	989,586,707.80	10.65%
KB	10	3,593	819,766,384.22	8.82%
KB	11	5,974	1,284,844,551.56	13.83%
KB	12	4,700	952,548,664.34	10.25%
KB	13	4,893	1,026,631,933.09	11.05%
KB	14	2,942	589,059,791.83	6.34%
KB	15	1,960	337,185,740.59	3.63%
KB	16	832	153,492,543.81	1.65%
TOTAL		38,968	9,290,113,383.69	100.00%

Table 4a: Distribution by Customer Segment (ING)

Breakdown by Segment	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Mid-Corp	9,736	25,161	5,712,462,091.24	61.49%
Retail	29,193	53,499	3,423,198,727.31	36.85%
Corporate	39	109	154,452,565.14	1.66%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 4b: Distribution by Customer Segment (ECB)

Breakdown by Segment	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Small	9,736	25,161	5,712,462,091.24	61.49%
Micro	29,193	53,499	3,423,198,727.31	36.85%
Medium-sized	39	109	154,452,565.14	1.66%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 5: Distribution by Country

Country Name	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Belgium	38,968	78,769	9,290,113,383.69	100.00%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 6: Distribution by Product Type

Product Type	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Business Loan	64,874	3,422,585,165.91	36.84%
Investment Loan	13,772	5,666,363,866.45	60.99%
Roll-Over TermLoan	123	201,164,351.33	2.17%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 7.A: Distribution by NACE Rev. 2 industry category

NACE Code – Industry Category	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
M70. Management consultancy activities	2,552	4,165	663,696,402.36	7.14%
L68.3 Real estate activities on a fee or cont	1,148	2,141	528,826,227.96	5.69%
F42 real estate	1,164	2,478	419,503,383.15	4.52%
L68.2 Rental and operating of own or lease	863	1,568	397,200,527.39	4.28%
G47.7Retail sale of other goods in specialis	1,383	2,522	282,904,941.26	3.05%
H49.4Freight transport by road and remova	793	2,389	280,345,428.72	3.02%
K64.2 Activities of holding companies	549	857	278,015,013.17	2.99%
Q86.2Medical and dental practice activities	1,715	3,068	237,227,016.57	2.55%
M69. Legal activities	1,173	1,934	219,485,747.40	2.36%
L68.1 Buying and selling of own real estate	405	715	218,846,430.02	2.36%
L68 Real estate activities	529	885	209,931,282.50	2.26%
G46.3Wholesale of food, beverages and to	589	1,422	207,542,443.08	2.23%
G45.1Sale of motor vehicles	698	1,463	194,128,816.83	2.09%
F43.3 Building completion and finishing	1,402	3,029	154,382,153.21	1.66%
J62 Computer programming, consultancy	1,226	2,104	143,687,375.72	1.55%
G46.4Wholesale of household goods	722	1,506	138,813,793.15	1.49%
F43 Specialised construction activities	478	1,129	137,787,886.40	1.48%
H52.2Support activities for transportation	173	417	136,330,586.04	1.47%
F43.2 Electrical, plumbing and other constr	1,379	3,002	136,206,423.39	1.47%
M69. Accounting, bookkeeping and auditin	1,036	1,843	133,723,811.69	1.44%
G46.6Wholesale of other machinery, equip	452	1,122	129,915,497.32	1.40%
F41.1 Development of building projects	305	603	126,837,816.37	1.37%
G47.1Retail sale in non-specialised stores	350	685	109,616,760.73	1.18%
N82.9Business support service activities n.	391	686	101,809,932.84	1.10%
G47.5Retail sale of other household equip	607	1,244	100,928,585.10	1.09%
G45.2Maintenance and repair of motor vehi	453	962	100,479,620.94	1.08%
G46.1Wholesale on a fee or contract basis	552	1,024	91,038,613.08	0.98%
M71. Architectural and engineering activiti	814	1,448	89,248,973.68	0.96%
I56.1 Restaurants and mobile food service	937	1,570	87,765,533.88	0.94%
G47.2Retail sale of food, beverages and to	457	1,053	86,763,604.48	0.93%
H52.1Warehousing and storage	41	96	80,106,630.41	0.86%
S96 Other personal service activities	641	1,287	79,585,320.89	0.86%
F43.9 Other specialised construction activiti	517	1,078	63,680,923.97	0.69%
G46.2Wholesale of agricultural raw materia	211	592	63,593,233.51	0.68%
N81.3Landscape service activities	316	976	60,570,123.24	0.65%
K66.2 Activities auxiliary to insurance and p	351	621	60,550,783.02	0.65%
C25.1Manufacture of structural metal prod	233	586	57,912,352.04	0.62%
C24.3Manufacture of other products of first	27	45	57,726,045.42	0.62%
C32.9Manufacturing n.e.c.	66	173	56,446,665.63	0.61%
C10.7Manufacture of bakery and farinaceo	179	505	54,368,203.82	0.59%
Q86.9Other human health activities	481	913	51,013,346.74	0.55%
C28.9Manufacture of other special-purpose	51	130	50,510,476.30	0.54%
N82 Office administrative, office support a	245	474	49,799,488.18	0.54%
C28.1Manufacture of general-purpose mac	33	75	49,362,886.47	0.53%
M73. Market research and public opinion p	208	378	48,529,000.00	0.52%
C23.6Manufacture of articles of concrete, c	64	161	48,091,175.59	0.52%

A1.4 Animal production	121	282	47,503,909.71	0.51%
C20.5 Manufacture of other chemical produ	14	27	45,012,719.54	0.48%
C18.1 Printing and service activities related	186	386	43,467,436.54	0.47%
F41 Construction of buildings	285	551	43,328,063.44	0.47%
F43.1 Demolition and site preparation	252	730	42,027,630.68	0.45%
C16.2 Manufacture of products of wood, cor	146	329	40,331,248.29	0.43%
F41.2 Construction of residential and non-r	297	649	39,716,612.35	0.43%
H49.3 Other passenger land transport	188	502	38,011,242.91	0.41%
M73. Advertising	310	556	37,649,471.46	0.41%
C10.3 Processing and preserving of fruit an	24	50	36,810,226.01	0.40%
C10.1 Processing and preserving of meat a	73	165	34,787,327.76	0.37%
E38.3 Materials recovery	46	122	34,730,606.62	0.37%
I55.1 Hotels and similar accommodation	113	258	34,708,335.56	0.37%
C25.6 Treatment and coating of metals; ma	143	358	32,911,995.13	0.35%
N82.3 Organisation of conventions and trad	54	137	31,867,004.21	0.34%
K66.1 Activities auxiliary to financial service	191	390	31,421,298.05	0.34%
F42.1 Construction of roads and railways	95	331	29,885,012.28	0.32%
N81.2 Cleaning activities	291	670	28,208,207.81	0.30%
G47.4 Retail sale of information and commu	129	263	28,055,798.52	0.30%
G46.9 Non-specialised wholesale trade	156	328	27,567,138.73	0.30%
M70. Activities of head offices	55	96	27,272,586.81	0.29%
A2.4 Support services to forestry	16	42	26,897,365.50	0.29%
R93.1 Sports activities	111	237	26,673,936.20	0.29%
C20 Manufacture of chemicals and chemi	44	110	25,936,284.74	0.28%
A1.1 Growing of non-perennial crops	99	276	25,720,373.21	0.28%
C11.0 Manufacture of beverages	52	158	25,559,438.67	0.28%
C10.8 Manufacture of other food products	93	235	25,516,120.96	0.27%
C31.0 Manufacture of furniture	136	274	25,085,167.99	0.27%
J63.9 Other information service activities	89	133	25,010,428.58	0.27%
C13.9 Manufacture of other textiles	60	151	24,555,521.02	0.26%
C22.2 Manufacture of plastic products	66	147	24,460,031.34	0.26%
Q86 Human health activities	215	375	24,272,682.01	0.26%
N77.1 Rental and leasing of motor vehicles	55	187	24,020,521.59	0.26%
C20.4 Manufacture of soap and detergents,	21	46	23,826,408.46	0.26%
R93.2 Amusement and recreation activities	62	134	23,482,537.46	0.25%
G46.7 Other specialised wholesale	41	102	22,695,731.42	0.24%
I56.3 Beverage serving activities	222	351	22,459,119.18	0.24%
C28.2 Manufacture of other general-purpos	82	283	22,314,528.34	0.24%
N77.2 Rental and leasing of personal and h	79	185	21,722,267.52	0.23%
C20.1 Manufacture of basic chemicals, fertil	29	65	21,182,090.44	0.23%
G45.3 Sale of motor vehicle parts and acce	166	310	20,562,372.53	0.22%
C25.9 Manufacture of other fabricated meta	71	164	20,179,324.49	0.22%
G47.6 Retail sale of cultural and recreation	161	281	19,451,428.34	0.21%
G47.3 Retail sale of automotive fuel in speci	103	201	19,073,664.34	0.21%
C10.6 Manufacture of grain mill products, st	13	36	18,767,167.75	0.20%
R90 Creative, arts and entertainment acti	133	233	18,655,511.84	0.20%
C23.7 Cutting, shaping and finishing of ston	49	102	18,481,395.46	0.20%
A1.6 Support activities to agriculture and p	76	276	18,455,102.67	0.20%
I56.2 Event catering and other food service	174	388	18,365,273.31	0.20%
C10.5 Manufacture of dairy products	36	90	18,155,721.05	0.20%

H50.4Inland freight water transport	26	71	17,957,854.74	0.19%
A1.5 Mixed farming	74	187	17,789,209.95	0.19%
N78.2Temporary employment agency activ	39	88	17,202,250.56	0.19%
H53.2Other postal and courier activities	119	316	17,026,817.62	0.18%
N82.1Office administrative and support acti	72	120	16,921,363.73	0.18%
M70 Activities of head offices; managemen	84	136	16,123,075.35	0.17%
J63.1 Data processing, hosting and related	88	157	16,007,240.92	0.17%
C10.9Manufacture of prepared animal feed	26	63	14,911,879.75	0.16%
D35.1Electric power generation, transmissi	28	40	14,684,213.31	0.16%
C25.5Forging, pressing, stamping and roll-f	52	129	14,395,295.36	0.15%
B9.9 Support activities for other mining an	45	79	14,348,517.22	0.15%
J58.1 Publishing of books, periodicals and	58	92	14,219,140.90	0.15%
A1 Crop and animal production, hunting	69	164	13,960,433.27	0.15%
G46.5Wholesale of information and commu	77	217	13,634,425.40	0.15%
C13.1Preparation and spinning of textile fib	35	70	13,162,430.02	0.14%
Q86.1Hospital activities	26	54	12,671,757.55	0.14%
N81.1Combined facilities support activities	40	59	11,945,895.35	0.13%
K64.9 Other financial service activities, exc	37	77	11,594,498.75	0.12%
J63 Information service activities	64	102	11,046,490.99	0.12%
C29.2Manufacture of bodies (coachwork) f	21	62	10,424,382.13	0.11%
M71. Technical testing and analysis	50	137	9,730,868.13	0.10%
D35.3Steam and air conditioning supply	63	131	9,694,169.10	0.10%
C27.1Manufacture of electric motors, gener	40	93	9,409,990.57	0.10%
J59.1 Motion picture, video and television p	110	174	9,275,717.35	0.10%
P85.5 Other education	89	254	9,192,604.98	0.10%
N78.1Activities of employment placement a	59	89	9,156,783.48	0.10%
C28.3Manufacture of agricultural and forest	27	78	8,833,717.17	0.10%
C17.2Manufacture of articles of paper and	18	30	8,557,112.54	0.09%
G45 Wholesale and retail trade and repair	46	84	8,531,681.02	0.09%
A2.2 Logging	37	77	8,505,694.25	0.09%
N81 Services to buildings and landscape	20	39	8,470,716.51	0.09%
C32.5Manufacture of medical and dental in	52	125	8,293,344.08	0.09%
M75 Veterinary activities	85	159	8,242,822.42	0.09%
M74. Specialised design activities	93	180	8,175,711.10	0.09%
N79.1Travel agency and tour operator activ	73	124	7,796,661.79	0.08%
G47.9Retail trade not in stores, stalls or ma	63	101	7,635,855.36	0.08%
C22.1Manufacture of rubber products	18	43	7,607,278.66	0.08%
N77.4Leasing of intellectual property and si	3	3	7,096,189.87	0.08%
C23.1Manufacture of glass	27	59	7,069,997.92	0.08%
Q87.3Residential care activities for the elde	17	32	7,010,996.46	0.08%
F42.2 Construction of utility projects	44	143	6,914,754.52	0.07%
I55.3 Camping grounds, recreational vehicl	30	56	6,887,653.75	0.07%
G47 Retail trade, except of motor vehicles	62	118	6,755,321.55	0.07%
C17.1Manufacture of pulp, paper and pape	16	47	6,550,142.22	0.07%
C25.2Manufacture of tanks, reservoirs and	29	69	6,540,973.38	0.07%
K64 Financial service activities, except in	28	38	6,507,064.60	0.07%
H50.2Sea and coastal freight water transpo	13	28	6,382,839.62	0.07%
C16.1Sawmilling and planing of wood	34	78	6,369,069.33	0.07%
F42.9 Construction of other civil engineerin	17	87	6,362,023.57	0.07%
A1.3 Plant propagation	26	83	6,286,674.89	0.07%

C30.9	Manufacture of transport equipment	11	24	6,255,566.68	0.07%
J61	Telecommunications	53	99	6,234,375.55	0.07%
C20.3	Manufacture of paints, varnishes and	16	54	6,156,186.45	0.07%
H49	Land transport and transport via pipel	48	117	6,114,641.34	0.07%
C10.4	Manufacture of vegetable and animal	5	10	6,018,488.90	0.06%
E38.2	Waste treatment and disposal	12	26	5,914,171.10	0.06%
C19.2	Manufacture of refined petroleum pro	4	4	5,369,863.71	0.06%
C33.1	Repair of fabricated metal products,	51	106	5,265,633.62	0.06%
C21.2	Manufacture of pharmaceutical prepa	15	25	5,260,808.68	0.06%
R92	Gambling and betting activities	14	21	5,124,184.94	0.06%
C28.4	Manufacture of metal forming machin	20	52	5,061,414.35	0.05%
C10	Manufacture of food products	22	43	5,043,916.98	0.05%
S95.2	Repair of personal and household go	55	100	5,000,593.58	0.05%
C13.3	Finishing of textiles	20	31	4,997,632.52	0.05%
I56	Food and beverage service activities	93	156	4,995,795.04	0.05%
C26.5	Manufacture of instruments and appli	21	54	4,963,118.83	0.05%
C27.9	Manufacture of other electrical equip	23	72	4,914,624.59	0.05%
C21.1	Manufacture of basic pharmaceutical	7	10	4,901,169.57	0.05%
C25	Manufacture of fabricated metal prod	15	34	4,645,848.01	0.05%
N80.1	Private security activities	33	93	4,614,775.23	0.05%
M74.	Photographic activities	58	97	4,517,783.25	0.05%
I55.2	Holiday and other short-stay accomm	21	41	4,505,645.28	0.05%
C27.4	Manufacture of electric lighting equip	18	33	4,107,237.89	0.04%
C24.1	Manufacture of basic iron and steel a	14	44	4,073,777.44	0.04%
A3.1	Fishing	7	14	3,979,239.64	0.04%
H52	Warehousing and support activities f	7	13	3,923,648.75	0.04%
M72.	Research and experimental develop	30	67	3,867,043.32	0.04%
C29.3	Manufacture of parts and accessorie	18	73	3,714,647.92	0.04%
C29.1	Manufacture of motor vehicles	5	9	3,648,541.76	0.04%
B8.1	Quarrying of stone, sand and clay	16	34	3,461,854.15	0.04%
K65	Insurance, reinsurance and pension f	53	88	3,381,974.35	0.04%
C24.2	Manufacture of tubes, pipes, hollow p	4	10	3,334,482.92	0.04%
G45.4	Sale, maintenance and repair of mot	40	71	3,226,831.89	0.03%
C14.1	Manufacture of wearing apparel, exc	46	71	3,213,802.87	0.03%
C26.2	Manufacture of computers and perip	15	30	3,198,454.36	0.03%
Q88.9	Other social work activities without a	36	65	3,095,448.01	0.03%
J59.2	Sound recording and music publishin	24	47	3,048,526.04	0.03%
G46	Wholesale trade, except of motor veh	29	58	3,000,478.36	0.03%
C12.0	Manufacture of tobacco products	4	7	2,895,315.47	0.03%
M69	Legal and accounting activities	16	30	2,762,014.51	0.03%
C16	Manufacture of wood and of products	17	39	2,676,164.62	0.03%
M74.	Other professional, scientific and tec	24	44	2,671,906.54	0.03%
C25.7	Manufacture of cutlery, tools and gen	14	28	2,610,570.95	0.03%
C23.4	Manufacture of other porcelain and c	5	30	2,597,034.26	0.03%
C32.3	Manufacture of sports goods	3	8	2,467,549.29	0.03%
I55	Accommodation	17	36	2,461,350.38	0.03%
C25.3	Manufacture of steam generators, ex	5	11	2,301,642.21	0.02%
K66.3	Fund management activities	1	2	2,295,006.00	0.02%
E38.1	Waste collection	13	24	2,194,917.31	0.02%
A2.1	Silviculture and other forestry activitie	15	41	2,143,119.77	0.02%

K66 Activities auxiliary to financial service	18	26	2,100,730.09	0.02%
S94.1 Activities of business, employers and	12	38	2,087,520.81	0.02%
A3.2 Aquaculture	6	10	2,025,697.76	0.02%
N78.3Other human resources provision	16	21	1,923,639.29	0.02%
M74. Translation and interpretation activiti	37	54	1,829,935.32	0.02%
C23.3Manufacture of clay building material	7	31	1,811,360.06	0.02%
C15.1Tanning and dressing of leather; man	7	19	1,801,170.88	0.02%
C30.1Building of ships and boats	5	12	1,751,880.33	0.02%
R91.0Libraries, archives, museums and ot	16	29	1,687,400.54	0.02%
C13 Manufacture of textiles	14	26	1,645,452.19	0.02%
B8.9 Mining and quarrying n.e.c.	5	12	1,618,342.45	0.02%
E36 Water collection, treatment and suppl	9	34	1,558,975.22	0.02%
C33 Repair and installation of machinery	21	43	1,552,654.96	0.02%
J60.2 Television programming and broadca	2	5	1,487,208.49	0.02%
M72 Scientific research and development	11	17	1,483,094.21	0.02%
C24.5Casting of metals	7	10	1,439,883.21	0.02%
R93 Sports activities and amusement and	15	30	1,433,592.81	0.02%
A1.2 Growing of perennial crops	18	34	1,428,423.78	0.02%
C24 Manufacture of basic metals	11	38	1,382,620.58	0.01%
C27.3Manufacture of wiring and wiring devi	6	15	1,360,139.23	0.01%
M71 Architectural and engineering activiti	24	29	1,314,944.76	0.01%
C32 Other manufacturing	8	16	1,214,757.96	0.01%
J61.2 Wireless telecommunications activiti	15	22	1,211,044.13	0.01%
C21 Manufacture of basic pharmaceutical	9	12	1,199,691.08	0.01%
N80.2Security systems service activities	17	28	1,186,242.81	0.01%
C15.2Manufacture of footwear	3	9	1,185,141.05	0.01%
S94.9 Activities of business, employers and	11	38	1,176,348.19	0.01%
N79.9Other reservation service and related	2	10	1,172,893.89	0.01%
C24.4Manufacture of basic precious and ot	12	19	1,167,210.78	0.01%
N82.2Activities of call centres	4	8	1,138,157.93	0.01%
I55.9 Other accommodation	7	9	1,122,781.11	0.01%
E39 Remediation activities and other wast	8	28	1,071,271.85	0.01%
C26.3Manufacture of communication equip	9	33	1,056,872.44	0.01%
E37.0 Sewerage	9	24	1,033,179.89	0.01%
Q87.1Residential nursing care activities	21	42	1,029,965.05	0.01%
A2 Forestry and logging	12	28	998,422.69	0.01%
J58 Publishing activities	14	26	971,770.39	0.01%
B9 Mining support service activities	5	9	970,324.77	0.01%
N80 Security and investigation activities	7	23	959,052.67	0.01%
C30.3Manufacture of air and spacecraft an	4	7	953,613.69	0.01%
D35 Electricity, gas, steam and air conditi	7	17	947,082.47	0.01%
E38 Waste collection, treatment and disp	8	14	935,709.87	0.01%
C26.1Manufacture of electronic component	12	19	926,766.95	0.01%
M73 Advertising and market research	17	24	913,225.80	0.01%
C26.4Manufacture of consumer electronics	11	17	897,681.70	0.01%
J58.2 Software publishing	16	18	884,198.48	0.01%
C20.6Manufacture of man-made fibres	5	7	882,851.24	0.01%
C20.2Manufacture of pesticides and other	2	7	840,048.44	0.01%
C27 Manufacture of electrical equipment	7	15	833,998.75	0.01%
C10.2Processing and preserving of fish, cr	6	13	818,565.52	0.01%

C32.1	Manufacture of jewellery, bijouterie a	11	21	806,483.74	0.01%
K65.1	Life insurance	7	10	789,275.50	0.01%
J59	Motion picture, video and television p	10	20	782,309.37	0.01%
C33.2	Installation of industrial machinery an	23	30	767,510.29	0.01%
C28	Manufacture of machinery and equip	4	5	719,405.51	0.01%
B6	Extraction of crude petroleum and na	2	4	707,115.42	0.01%
K64.1	Monetary intermediation	2	9	672,421.11	0.01%
Q88.1	Social work activities without accom	10	14	619,220.31	0.01%
M74	Other professional, scientific and tec	6	12	594,421.60	0.01%
C27.5	Manufacture of domestic appliances	7	12	583,331.62	0.01%
C26.7	Manufacture of optical instruments a	10	25	576,080.31	0.01%
N77.3	Rental and leasing of other machiner	8	17	572,342.75	0.01%
N78	Employment activities	8	14	556,894.55	0.01%
N80.3	Investigation activities	3	7	542,930.15	0.01%
S95.1	Repair of computers and communica	11	17	513,222.97	0.01%
H49.5	Transport via pipeline	11	23	499,786.77	0.01%
K64.3	Trusts, funds and similar financial ent	2	4	496,028.86	0.01%
S94	Activities of membership organisatio	10	14	490,003.00	0.01%
Q87.2	Residential care activities for mental	6	10	484,529.79	0.01%
Q87.9	Other residential care activities	4	8	438,985.47	0.00%
C32.2	Manufacture of musical instruments	4	8	438,861.16	0.00%
Q88	Social work activities without accom	2	5	406,996.36	0.00%
D35.2	Manufacture of gas; distribution of ga	4	11	374,927.82	0.00%
N77	Rental and leasing activities	4	5	373,858.56	0.00%
J60.1	Radio broadcasting	2	7	330,335.96	0.00%
C29	Manufacture of motor vehicles, trailer	5	7	329,908.14	0.00%
Q87	Residential care activities	10	15	313,659.91	0.00%
H51	Air transport	7	19	285,519.11	0.00%
A3	Fishing and aquaculture	3	6	280,373.60	0.00%
J61.1	Wired telecommunications activities	3	5	239,838.42	0.00%
H53.1	Postal activities under universal servi	4	11	228,664.91	0.00%
H50	Water transport	4	6	216,939.32	0.00%
C14.2	Manufacture of articles of fur	2	2	177,256.06	0.00%
J61.9	Other telecommunications activities	8	12	162,809.26	0.00%
C22	Manufacture of rubber and plastic pr	3	9	149,783.16	0.00%
C13.2	Weaving of textiles	3	8	148,979.89	0.00%
C15	Manufacture of leather and related pr	2	2	140,474.92	0.00%
H51.1	Passenger air transport	1	4	109,508.53	0.00%
C23.2	Manufacture of refractory products	3	4	104,966.87	0.00%
C30.2	Manufacture of railway locomotives a	2	2	98,152.81	0.00%
C23.9	Manufacture of abrasive products an	3	3	94,220.93	0.00%
P85.6	Educational support activities	2	6	78,155.60	0.00%
H53	Postal and courier activities	5	5	74,825.72	0.00%
C14	Manufacture of wearing apparel	3	6	67,263.33	0.00%
C26.6	Manufacture of irradiation, electrome	1	3	66,345.67	0.00%
B7.2	Mining of non-ferrous metal ores	2	3	63,611.32	0.00%
A1.7	Hunting, trapping and related service	1	3	60,348.30	0.00%
C32.4	Manufacture of games and toys	3	3	41,305.66	0.00%
H50.3	Inland passenger water transport	1	1	38,713.47	0.00%
T98.2	Undifferentiated service-producing ac	1	1	37,946.88	0.00%

N79	Travel agency, tour operator and oth	2	2	37,409.53	0.00%
P85	Education	2	2	34,050.66	0.00%
M72.	Research and experimental develop	4	5	32,034.55	0.00%
C18.2	Reproduction of recorded media	1	1	29,469.02	0.00%
C26	Manufacture of computer, electronic	2	3	21,695.68	0.00%
O84.2	Provision of services to the communit	1	5	18,286.63	0.00%
B9.1	Support activities for petroleum and n	1	1	9,700.69	0.00%
C30	Manufacture of other transport equip	1	1	6,610.68	0.00%
U99.0	Activities of extraterritorial organisati	1	1	3,468.23	0.00%
C23	Manufacture of other non-metallic mi	1	1	1,174.00	0.00%
TOTAL		38,968	78,769	9,290,113,383.69	100.00%

Table 7.B: Distribution by Moody's industry category

Industry Category	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
107 CORP - Construction & Building	10,297	21,347	2,766,627,424.74	29.78%
999 CORP - Holding, Services Business	3,017	4,888	928,975,379.10	10.00%
126 CORP - Services: Business	5,177	9,218	861,296,489.13	9.27%
125 CORP - Retail	3,337	6,990	732,476,060.38	7.88%
104 CORP - Beverage, Food & Tobacco	2,494	6,299	698,474,943.03	7.52%
130 CORP - Transportation: Cargo	1,221	3,474	564,877,847.67	6.08%
118 CORP - Healthcare & Pharmaceuticals	3,156	5,761	501,850,901.97	5.40%
102 CORP - Automotive	1,447	3,014	348,490,242.24	3.75%
120 CORP - Hotel, Gaming & Leisure	2,087	3,863	297,103,695.48	3.20%
105 CORP - Capital Equipment	836	2,062	296,939,380.57	3.20%
108 CORP - Consumer goods: Durable	913	1,926	183,321,481.00	1.97%
106 CORP - Chemicals, Plastics, & Rubber	211	490	154,307,672.43	1.66%
109 CORP - Consumer goods: Non-durable	639	1,119	145,651,678.87	1.57%
124 CORP - Metals & Mining	331	778	132,822,294.50	1.43%
117 CORP - Forest Products & Paper	267	594	91,806,676.28	0.99%
119 CORP - High Tech Industries	539	981	71,043,718.28	0.76%
127 CORP - Services: Consumer	604	1,241	68,658,871.05	0.74%
115 CORP - FIRE: Insurance	411	719	64,722,032.87	0.70%
122 CORP - Media: Broadcasting & Subscription	493	824	62,450,186.00	0.67%
112 CORP - Energy: Oil & Gas	267	516	54,739,787.47	0.59%
131 CORP - Transportation: Consumer	181	509	49,111,432.00	0.53%
113 CORP - Environmental Industries	113	277	47,802,802.84	0.51%
121 CORP - Media: Advertising, Printing & Publishing	227	397	38,423,141.99	0.41%
103 CORP - Banking	201	413	31,829,985.62	0.34%
114 CORP - FIRE: Finance	81	136	30,353,251.71	0.33%
128 CORP - Sovereign & Public Finance	132	333	14,653,812.60	0.16%
110 CORP - Containers, Packaging & Glass	46	87	11,482,074.71	0.12%
132 CORP - Utilities: Electric	9	11	8,784,667.35	0.09%
129 CORP - Telecommunications	79	138	7,848,067.36	0.08%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 7.C: Distribution by Fitch Industry Category

Industry Category	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Business Services	9,237	16,553	1,748,497,498.74	18.82%
Real Estate	3,832	7,112	1,564,686,960.03	16.84%
Building & Materials	5,538	12,491	1,085,650,852.33	11.69%
Transportation	1,409	3,920	587,277,239.17	6.32%
Retail (General)	2,636	4,938	551,214,840.49	5.93%
Industrial/Manufacturing	1,474	3,640	514,532,268.46	5.54%
Food & Beverage & Tobacco	1,122	2,797	451,194,815.72	4.86%
Consumer Products	2,399	4,925	433,248,729.83	4.66%
Banking & Finance	1,239	2,122	397,824,093.50	4.28%
Automobiles	1,511	3,233	369,441,183.31	3.98%
Healthcare	2,680	4,885	355,120,770.73	3.82%
Farming & Agricultural Services	675	1,804	187,836,649.96	2.02%
Lodging & Restaurants	1,614	2,865	183,271,487.49	1.97%
Broadcasting & Media	958	1,734	161,587,809.80	1.74%
Chemicals	131	316	123,836,589.31	1.33%
Paper & Forest Products	311	711	103,028,339.21	1.11%
Supermarkets & Drugstores	457	1,053	86,763,604.48	0.93%
Gaming & Leisure & Entertainment	428	820	86,064,129.00	0.93%
Textiles & Furniture	331	669	76,180,292.74	0.82%
Computers & Electronics	388	904	74,606,562.51	0.80%
Energy	209	404	50,143,920.75	0.54%
Environmental Services	54	150	35,801,878.47	0.39%
Utilities	145	389	20,960,051.26	0.23%
Metals & Mining	66	117	15,260,240.16	0.16%
Pharmaceuticals	31	47	11,361,669.33	0.12%
Telecommunications	79	138	7,848,067.36	0.08%
Packaging & Containers	10	25	5,919,225.86	0.06%
Aerospace & Defense	4	7	953,613.69	0.01%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 7.D: Distribution by DBRS Industry Category

Industry Category	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Building & Development	10,200	21,054	2,741,861,125.43	29.51%
Business equipment & services	8,583	15,414	1,668,442,477.17	17.96%
Retailers (except food & drug)	3,014	5,743	601,989,493.93	6.48%
Surface transport	1,438	4,007	589,010,500.67	6.34%
Health care	3,318	6,235	485,758,087.13	5.23%
Automotive	1,493	3,124	354,309,458.88	3.81%
Industrial equipment	1,314	2,970	348,357,880.38	3.75%
Food/drug retailers	1,046	2,475	294,306,047.56	3.17%
Conglomerates	549	857	278,015,013.17	2.99%
Farming/agriculture	849	2,227	233,071,439.63	2.51%
Food products	451	1,147	200,285,738.75	2.16%
Chemicals & plastics	218	515	156,053,682.47	1.68%
Publishing	809	1,480	146,634,243.57	1.58%
Miscs	718	1,475	136,559,936.40	1.47%
Food service	1,426	2,465	133,585,721.41	1.44%
Nonferrous metals/minerals	384	906	133,390,995.11	1.44%
Steel	289	723	124,429,278.40	1.34%
Forest products	311	711	103,028,339.21	1.11%
Leisure goods/activities/movies	455	894	87,114,719.08	0.94%
Insurance	411	719	64,722,032.87	0.70%
Lodging & casinos	202	421	54,809,951.02	0.59%
Clothing/textiles	195	395	51,095,124.75	0.55%
Ecological services & equipment	105	272	47,438,831.86	0.51%
Home furnishings	215	459	46,807,435.51	0.50%
Brokers, Dealers & Investment houses	210	418	35,817,034.14	0.39%
Beverage & Tobacco	56	165	28,454,754.14	0.31%
Utilities	102	199	25,700,392.70	0.28%
Equipment leasing	67	209	24,966,722.90	0.27%
Telecommunications	156	355	21,482,492.76	0.23%
Financial intermediaries	69	128	19,270,013.32	0.21%
Radio & Television	146	248	13,436,888.72	0.14%
Electronics/electrical	86	201	12,433,426.09	0.13%
Drugs	31	47	11,361,669.33	0.12%
Containers & glass products	27	59	7,069,997.92	0.08%
Oil & gas	7	9	6,086,679.82	0.07%
Cable & satellite television	2	5	1,487,208.49	0.02%
Aerospace & Defence	4	7	953,613.69	0.01%
Air transport	8	23	395,027.64	0.00%
Rail industries	2	2	98,152.81	0.00%
Sovereign	2	6	21,754.86	0.00%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 8: Distribution by Currency

Currency	Number of Reference Entities	Reference Obligation Notional Amount (EUR)	% by Notional Amount
EUR	78,769	9,290,113,383.69	100.00%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 9: Distribution by Customer Area

Metropolitan Name	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
West-Vlaanderen	5,039	10,522	1,623,031,925.12	17.47%
Antwerpen	5,634	11,076	1,516,291,040.53	16.32%
Oost-Vlaanderen	5,210	10,821	1,501,733,152.00	16.16%
Bruxelles	4,938	8,544	998,601,979.09	10.75%
Vlaams Brabant	3,431	6,768	823,466,907.55	8.86%
Limburg	2,928	6,182	779,245,295.45	8.39%
Liège	3,684	8,013	727,124,705.58	7.83%
Hainaut	3,663	7,809	591,367,848.29	6.37%
Brabant wallon	2,220	4,139	307,444,386.91	3.31%
Namur	1,524	3,309	291,565,656.28	3.14%
Luxembourg	697	1,586	130,240,486.89	1.40%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%

Table 10: Distribution by Maturity

Year	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
2019	20,745	491,719,491.57	5.29%
2020	12,832	456,931,440.81	4.92%
2021	12,124	705,317,625.73	7.59%
2022	9,792	894,314,234.25	9.63%
2023	6,150	793,394,168.31	8.54%
2024	2,269	650,981,358.91	7.01%
2025	2,365	804,982,297.07	8.66%
2026	1,981	629,029,302.50	6.77%
2027	2,000	581,845,785.50	6.26%
2028	1,745	576,495,211.26	6.21%
2029	1,095	329,634,730.22	3.55%
2030	1,132	414,789,218.43	4.46%
2031	1,261	470,927,926.59	5.07%
2032	1,331	617,876,094.31	6.65%
2033	1,095	543,616,589.32	5.85%
2034	207	75,814,655.39	0.82%
2035	181	67,278,879.94	0.72%
2036	183	67,950,806.39	0.73%
2037	203	94,743,487.63	1.02%
2038	78	22,470,079.56	0.24%
TOTAL	78,769	9,290,113,383.69	100%

Table 11: Distribution by Interest Rate Type

Interest Rate Type	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Euribor	2,346	1,332,413,490.74	14.34%
Fix	76,411	7,947,187,195.11	85.54%
Other	12	10,512,697.84	0.11%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 12: Distribution by Interest Rate Term

Interest Rate Term	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
1 Month	1,883	941,400,776.22	10.13%
2-3 Months	671	432,521,240.13	4.66%
4-6 Months	2,594	211,199,187.19	2.27%
7-9 Months	12,036	348,982,842.50	3.76%
10-12 Months	3,550	123,102,247.87	1.33%
>1-3 Years	25,587	1,112,593,543.25	11.98%
>3-5 Years	17,787	1,625,579,596.78	17.50%
>5-7 Years	3,914	1,003,874,940.71	10.81%
>7-10 Years	5,044	1,388,186,693.05	14.94%
>10 Years	5,703	2,102,672,315.99	22.63%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 13: Distribution by Interest Rate

Interest Rate	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
0.01% - 1.00	18,145	2,220,047,476.79	23.90%
1.01% - 2.00	32,905	4,706,079,464.01	50.66%
2.01% - 3.00	13,658	1,085,871,497.89	11.69%
3.01% - 4.00	6,658	611,371,651.38	6.58%
4.01% - 5.00	4,722	458,385,449.06	4.93%
5.01% - 6.00	2,246	193,379,715.62	2.08%
6.01% - 7.00	313	13,328,085.69	0.14%
7.01% - 8.00	26	709,967.51	0.01%
8.01% - 9.00	46	164,056.60	0.00%
9.01% - 10.00	33	74,059.38	0.00%
10.01% - 11.00	14	264,062.71	0.00%
12.01% - 13.00	1	14,091.03	0.00%
higher	2	423,806.02	0.00%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 14: Distribution by Interest Rate Review Date

Interest Rate Type	Interest Rate Y	Avg IR	Avg Life	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Floating		1.1815	13.2	2,358	1,342,926,188.58	14.46%
Fixed		2.0192	6.4	74,177	7,151,126,849.57	76.98%
Fixed With Reset	2018	1.8234	14.1	259	108,092,902.91	1.16%
Fixed With Reset	2019	1.8981	15.1	761	243,429,681.92	2.62%
Fixed With Reset	2020	1.9937	16.2	401	108,163,398.86	1.16%
Fixed With Reset	2021	1.6886	17.0	328	112,639,479.03	1.21%
Fixed With Reset	2022	1.7095	16.3	218	103,719,680.19	1.12%
Fixed With Reset	2023	2.0113	16.8	166	66,852,439.55	0.72%
Fixed With Reset	2024	2.8241	17.7	17	6,104,430.09	0.07%
Fixed With Reset	2025	1.9515	15.9	21	11,058,219.15	0.12%
Fixed With Reset	2026	1.3801	16.3	24	13,842,140.95	0.15%
Fixed With Reset	2027	1.5846	17.7	25	17,476,218.86	0.19%
Fixed With Reset	2028	1.4709	15.9	14	4,681,754.03	0.05%
TOTAL				78,769	9,290,113,383.69	100.00%

Table 15: Distribution by Interest Payment Frequency

Frequency	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Term Loan			
Monthly	76,232	7,314,622,901.34	78.74%
Quarterly	1,459	1,265,151,017.35	13.62%
Semi-Annualy	246	214,868,927.10	2.31%
Annualy	675	232,683,733.50	2.50%
Tailor Made	34	61,622,453.07	0.66%
Roll-Over			
Monthly	33	35,056,885.23	0.38%
Quarterly	77	130,235,703.10	1.40%
Semi-Annualy	9	33,684,763.00	0.36%
Annualy	4	2,187,000.00	0.02%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 16: Distribution by Principal Payment Type

Principal Payment Type	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Annuity	68,884	5,429,549,157.70	58.44%
Bullet	213	313,800,293.64	3.38%
Linear	9,518	3,286,695,744.95	35.38%
Tailor Made	154	260,068,187.40	2.80%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 17: Distribution by Principal Payment Frequency

Frequency	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
eTerm Loan			
Monthly	76,038	7,198,719,522.06	77.49%
Quarterly	1,377	1,073,780,131.11	11.56%
Semi-Annualy	239	152,545,853.28	1.64%
Annualy	748	291,199,396.20	3.13%
Tailor Made	31	58,903,836.07	0.63%
Bullet	213	313,800,293.64	3.38%
Roll-Over			
Monthly	33	35,056,885.23	0.38%
Quarterly	77	130,235,703.10	1.40%
Semi-Annualy	9	33,684,763.00	0.36%
Annualy	4	2,187,000.00	0.02%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 18: Distribution by Origination Date

Year	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
1997	3	23,834.58	0.00%
1998	25	630,126.85	0.01%
1999	107	3,282,819.76	0.04%
2000	51	2,518,212.94	0.03%
2001	67	3,624,250.09	0.04%
2002	96	6,023,540.70	0.06%
2003	221	12,974,501.15	0.14%
2004	520	29,229,182.00	0.31%
2005	823	71,361,333.82	0.77%
2006	954	117,931,398.16	1.27%
2007	915	138,073,895.40	1.49%
2008	846	204,040,105.38	2.20%
2009	1,214	145,228,450.74	1.56%
2010	1,598	256,590,374.46	2.76%
2011	1,879	343,298,950.64	3.70%
2012	2,047	333,327,740.13	3.59%
2013	2,371	429,901,130.81	4.63%
2014	5,968	732,480,877.83	7.88%
2015	9,560	1,247,340,258.96	13.43%
2016	13,559	1,685,432,433.37	18.14%
2017	15,030	1,961,292,355.13	21.11%
2018	20,915	1,565,507,610.79	16.85%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 19: Distribution by Remaining Tenor

Remaining Tenor	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
< 01	17,513	391,302,583.28	4.21%
01 - 02	12,581	389,706,435.42	4.19%
02 - 03	12,898	662,796,909.23	7.13%
03 - 04	10,514	787,234,485.35	8.47%
04 - 05	7,481	980,451,929.72	10.55%
05 - 06	2,258	540,179,287.92	5.81%
06 - 07	2,473	861,633,424.07	9.27%
07 - 08	1,959	611,166,597.06	6.58%
08 - 09	1,990	591,601,441.46	6.37%
09 - 10	2,008	656,258,775.60	7.06%
10 - 11	1,049	327,525,802.03	3.53%
11 - 12	1,175	400,316,454.25	4.31%
12 - 13	1,195	436,681,328.63	4.70%
13 - 14	1,332	577,878,610.64	6.22%
14 - 15	1,382	698,521,246.68	7.52%
15 - 16	261	104,975,266.45	1.13%
16 - 17	177	63,969,754.73	0.69%
17 - 18	182	62,975,174.51	0.68%
18 - 19	210	96,049,530.18	1.03%
19 - 20	131	48,888,346.48	0.53%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 20: Distribution by Seasoning

Seasoning	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
< 0.5	17,347	1,637,409,404.58	17.63%
0.5 - 01	8,346	1,231,134,544.39	13.25%
01 - 02	14,834	1,777,409,253.08	19.13%
02 - 03	12,323	1,269,310,112.53	13.66%
03 - 04	8,505	1,027,670,510.57	11.06%
04 - 05	4,747	500,909,762.70	5.39%
05 - 06	2,276	385,979,190.59	4.15%
06 - 07	2,012	335,713,465.49	3.61%
07 - 08	1,739	346,351,353.75	3.73%
08 - 09	1,479	202,801,309.31	2.18%
09 - 10	1,049	145,420,470.29	1.57%
10 - more	4,112	430,004,006.41	4.63%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 21: Fully Drawn flag distribution

Fully Drawn?	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Amount to be Drawn
N	104	77,587,934.36	0.84%	7,366,677.22
Y	78,665	9,212,525,449.33	99.16%	0.00
TOTAL	78,769	9,290,113,383.69	100.00%	7,366,677.22

Table 22: Distribution by Original Tenor

Original Tenor	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
1	10,159	299,212,584.16	3.22%
2	1,429	31,287,435.85	0.34%
3	7,113	228,434,639.88	2.46%
4	11,360	377,809,116.33	4.07%
5	21,323	1,175,835,668.57	12.66%
6	565	177,565,386.07	1.91%
7	3,876	949,764,152.56	10.22%
8	506	141,578,129.10	1.52%
9	279	139,113,758.90	1.50%
10	7,598	1,677,848,981.80	18.06%
11	125	99,246,887.97	1.07%
12	561	191,134,348.47	2.06%
13	173	59,598,269.12	0.64%
14	219	118,196,187.36	1.27%
15	9,653	2,694,037,480.19	29.00%
16	146	53,880,239.83	0.58%
17	137	43,758,000.72	0.47%
18	169	55,489,387.59	0.60%
19	62	29,495,434.32	0.32%
20	3,275	735,257,108.20	7.91%
21	22	4,655,015.38	0.05%
22	2	421,366.51	0.00%
24	1	62,065.37	0.00%
25	16	6,431,739.44	0.07%
TOTAL	78,769	9,290,113,383.69	100.00%

Table 24: Top Borrower Group distribution

Ranking	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Running Sum of Percentage
1	11	67,406,151.00	0.73%	0.73%
2	6	64,993,650.00	0.70%	1.43%
3	1	50,000,000.00	0.54%	1.96%
4	1	46,874,990.00	0.50%	2.47%
5	2	42,000,000.00	0.45%	2.92%
6	23	39,175,451.18	0.42%	3.34%
7	3	37,031,780.00	0.40%	3.74%
8	2	36,000,000.00	0.39%	4.13%
9	4	31,500,000.00	0.34%	4.47%
10	27	29,609,505.03	0.32%	4.79%
11	3	28,046,222.00	0.30%	5.09%
12	19	26,414,312.69	0.28%	5.37%
13	14	26,361,062.70	0.28%	5.66%
14	5	25,941,344.73	0.28%	5.93%
15	56	25,187,303.76	0.27%	6.21%
16	14	24,887,638.67	0.27%	6.47%
17	43	24,727,970.24	0.27%	6.74%
18	3	22,276,250.00	0.24%	6.98%
19	23	22,039,930.62	0.24%	7.22%
20	12	21,534,592.35	0.23%	7.45%
21	8	21,057,856.00	0.23%	7.68%
22	29	20,734,566.40	0.22%	7.90%
23	1	20,625,000.00	0.22%	8.12%
24	14	19,550,918.00	0.21%	8.33%
25	2	19,460,210.00	0.21%	8.54%
TOTAL	326	793,436,705.37	8.54%	8.54%

Table 24B: Group above 50 bps distribution (Table24)

Ranking Group ID					Loans Description			
					Nr. Of Ref. Obligations	Ref Obligation Notional Amount (EUR)	% Ref. Obl. Not Amount	
1	15642xxxx				11	67,406,151.00	0.73%	
		<i>Borrower Id</i>	<i>Segment</i>	<i>Region</i>	<i>ING Internal Risk Rating</i>	<i>Nr. Of Ref. Obligations</i>	<i>Ref Obligation Notional Amount (EUR)</i>	<i>%</i>
		13887xxxx	Mid-Corp	Antwerpen	CL11	3	32,023,800.00	47.51%
		1052xxxx	Mid-Corp	Antwerpen	CL12	5	29,291,262.00	43.45%
		15589xxxx	Mid-Corp	Limburg	KB06	2	5,891,071.00	8.74%
		10041xxxx	Mid-Corp	Antwerpen	KB08	1	200,018.00	0.30%
					11	67,406,151.00		
2	11892xxxx				6	64,993,650.00	0.70%	
		<i>Borrower Id</i>	<i>Segment</i>	<i>Region</i>	<i>ING Internal Risk Rating</i>	<i>Nr. Of Ref. Obligations</i>	<i>Ref Obligation Notional Amount (EUR)</i>	<i>%</i>
		1233xxxx	Mid-Corp	Limburg	CL11	5	64,668,750.00	99.50%
		15699xxxx	Mid Corp	Limburg	KB11	1	324,900.00	0.50%
					6	64,993,650.00		
3	9839xxxx				1	50,000,000.00	0.54%	
		<i>Borrower Id</i>	<i>Segment</i>	<i>Region</i>	<i>ING Internal Risk Rating</i>	<i>Nr. Of Ref. Obligations</i>	<i>Ref Obligation Notional Amount (EUR)</i>	<i>%</i>
		8687xxxx	Corporate	West-Vlaanderen	CL10	1	50,000,000.00	100.00%
					1	50,000,000.00		
4	22356xxxx				1	46,874,990.00	0.50%	
		<i>Borrower Id</i>	<i>Segment</i>	<i>Region</i>	<i>ING Internal Risk Rating</i>	<i>Nr. Of Ref. Obligations</i>	<i>Ref Obligation Notional Amount (EUR)</i>	<i>%</i>
		15710xxxx	Corporate	Oost-Vlaanderen	KB06	1	46,874,990.00	100
					1	46,874,990.00		

Table 25: Distribution by Facility Type

Facility Type	Committed	Number of reference Obligations	Reference Obligations Notional Amount (EUR)	% by Notional Amount	Undrawn Committed	Drawable Amount
Isolated	Yes	78,165	9,021,781,338.58	97.11%	0.00	7,366,677.22
RevolvingCreditFacility	No	409	49,867,955.06	0.54%	0.00	0
RevolvingCreditFacility	Yes	195	218,464,090.05	2.35%	8,649,400.81	0
TOTAL		78,769	9,290,113,383.69	100.00%	8,649,400.81	7,366,677.22

Table 26: Distribution Grace Period

Product	Reference Obligations Notional Amount (EUR)	Reference Obligations Notional Amount Grace Period (EUR)	% by Notional Amount
Business Loan	3,422,585,165.91	2,191,760.12	0.06%
Investment Loan	5,666,363,866.45	102,985,642.04	1.82%
Roll-Over	201,164,351.33	0.00	0.00%
TOTAL	9,290,113,383.69	105,177,402.16	1.13%

Table 27A: Cover Distribution

Any Cover	Committed	Number of reference Obligations	Reference Obligations Notional Amount (EUR)	% by Notional Amount	Collateral Amount
N	11,407	17,467	1,156,605,530.53	12.45%	0.00
Y	27,561	61,302	8,133,507,853.16	87.55%	21,389,987,647.38
TOTAL	38,968	78,769	9,290,113,383.69	100.00%	21,389,987,647.38

Table 27B: Cover Distribution: Mortgage

Type of Cover	Number of Reference Entities	Number of Reference Obligations	Reference Obligations Notional Amount (EUR)	% by Notional Amount	Amount Mortgage	Amount Mandate to Mortgage	Total Mortgage Covers
Mandate Only	3,228	7,187	1,270,523,227.83	13.68%	0.00	1,946,317,390.00	1,946,317,390.00
Mortgage and Mandate	8,236	20,928	4,359,166,461.20	46.92%	956,916,028.73	6,987,195,071.00	7,944,111,099.73
Mortgage Only	1,886	3,862	269,795,491.51	2.90%	555,416,072.29		555,416,072.29
No Mortgage / Mandate	25,618	46,792	3,390,628,203.15	36.50%	0.00		0.00
TOTAL	38,968	78,769	9,290,113,383.69	100.00%	1,512,332,101.02	8,933,512,461.00	10,445,844,562.02

Table 27C: Cover Distribution: LTI ⁹

LTI Bucket	Number of Reference Entities	Number of Reference Obligations	Reference Obligations Notional Amount (EUR)	% by Notional Amount	Amount Mortgage	% LTI < 80% All loans with Mortgage
< 80%	2,532	4,633	310,899,868.79	3.35%	879,076,669.20	6.72%
80% - 100%	393	942	81,951,018.34	0.88%	92,207,405.55	0.00%
100% - 125%	319	800	81,025,292.53	0.87%	73,018,964.16	0.00%
> 125%	6,878	18,415	4,155,085,773.05	44.73%	468,029,062.11	0.00%
No Mortgage	28,846	53,979	4,661,151,430.98	50.17%	0.00	0.00%
TOTAL	38,968	78,769	9,290,113,383.69	100.00%	1,512,332,101.02	

⁹ Loan to inscription value.

Table 27D: Cover Distribution: Pledged Cash

Pledged Cash	Number of Reference Entities	Number of Reference Obligations	Reference Obligations Notional Amount (EUR)	% by Notional Amount	Cash Amount
N	38,690	78,094	9,142,291,086.52	98.41%	0.00
Y	278	675	147,822,297.17	1.59%	45,795,251.87
TOTAL	38,968	78,769	9,290,113,383.69	100.00%	45,795,251.87

Table 28: Performance distribution summary

Days in Arrear	Number of Reference Obligations	Reference Obligations Notional Amount (EUR)	% by Notional Amount	Principal in Arrear (EUR)	Interest in Arrear (EUR)
No Arrears	78,769	9,290,113,383.69	100.00%	0.00	0.00
TOTAL	78,769	9,290,113,383.69	100.00%	0.00	0.00

SECTION 15

PAYMENTS

In order to provide for the payment of principal, interest and other amounts (if any) in respect of the Notes as the same shall become due, the Domiciliary Agent at the direction of the Administrator shall pay or cause to be paid to the National Bank of Belgium in Euro in same day funds on each date on which any payment in respect of the Notes becomes due, an amount sufficient to pay all amounts becoming due in respect of the Notes.

Upon receipt of such payment, the National Bank of Belgium shall cause the amounts due to the relevant Noteholders to be credited to the accounts of the Securities Settlement System Participants through which the Noteholders hold their Notes, who shall cause the same amounts to be credited to the Noteholder's accounts with such Securities Settlement System Participants.

If the due date for payment of any amount of principal or interest in respect of the Notes is not a Business Day, payment will be made on the next Business Day, but the Noteholders shall not be entitled to any further interest or other payment in respect of such delay.

SECTION 16

SUBSCRIPTION AND SALE OF THE NOTES

16.1 Subscription and Sale

The Manager will enter into a subscription agreement (the *Subscription Agreement*) with the Issuer, the Seller and the Security Agent, pursuant to which the Manager will agree to subscribe for the Notes at their issue price on the Closing Date.

The Issuer and the Seller have each severally agreed to reimburse the Manager for certain of its costs and expenses in connection with the issue of the Notes. The Manager is entitled to terminate the offering of, and refuse receipt of acceptances in respect of, the Notes and be released and discharged from its obligations from the Subscription Agreement in certain circumstances at any time prior to or on the Closing Date. Any decision to terminate the offering early will be communicated promptly to the Issuer, the Seller, the Security Agent and those that have duly entered an acceptance. As a consequence of such termination, the issue of the Notes and all acceptances and sales shall be cancelled automatically and the Issuer and the Manager shall be released and discharged from their obligations and liabilities in connection with the issue and sale of the Notes. The Issuer and the Seller have each agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Notes.

ING Belgium NV/SA intends to purchase a substantial part of the Notes.

Sales (in any jurisdiction) only permitted to Eligible Holders

The Notes offered by the Issuer may only be subscribed, purchased or held by investors that are Eligible Holders.

Eligible Holders are investors that:

- (a) are 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**) (a list of Qualifying Investors is attached as Annex 2 to this Prospectus);
- (b) have not registered to be treated as non-professional investors in accordance with Annex A, (I), second indent, of the Royal Decree of 19 December 2017 concerning further rules for implementation of the directive on markets in financial instruments;
- (c) are not retail clients (as defined in the MiFID II);
- (d) are not consumers (*consumenten/consommateurs*) within the meaning of the Economic Law Code; and
- (e) they are holders of an exempt securities account (X-Account) with the Securities Settlement 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 Qualifying Investors 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 Qualifying Investors.

The Manager has represented and agreed that in respect of the initial distribution, it has not and will not sell any Notes to parties who are not Qualifying Investors.

European Economic Area Standard Selling Restriction

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a ***Relevant Member State***), the Manager has represented and agreed that it has not made and will not make an offer of the Notes to the public in that Relevant Member State, and that it will only make an offer of the Notes to the public in that Relevant Member State:

- (a) to any legal entity which is a qualified investors as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73 (amending the Prospectus Directive) 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 (2) of the Prospectus Directive,

provided always that such offering shall be restricted to Eligible Holders only and that no such offer shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of the Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression ***Prospectus Directive*** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State. This expression “offer of the Notes to the public” should however not be understood as defined in the Prospectus Directive.

The Issuer does not intend to request that the FSMA provides the competent authority of other EEA Member States a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

16.2 United States of America

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States or to, or for the account of, a U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

In addition, until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

16.3 United Kingdom

The Manager represents and agrees that:

- (a) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

16.4 Excluded Holders

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

Furthermore, no Notes may be acquired by a Belgian or foreign transferee (i) that qualifies as an “affiliated company” (within the meaning of Article 11 of the Belgian Company Code) of the Issuer, save where such transferee also qualifies as a “financial institution” referred to in Article 56, §2, 2° of the BITC 1992, or (ii) that qualifies as an “undertaking associated” (*entreprise associée/geassocieerde ondernemingen*) with the Issuer and/or a Borrower (within the meaning of Article 2, §1, 16° of the BITC 1992, when applicable) or (iii) which is part, with the Issuer and/or a Borrower, of the same undertaking (*même entreprise/dezelfde onderneming*) (within the meaning of Article 2, §1, 16° of the BITC 1992, when applicable).

In addition, Notes may not be acquired by a foreign transferee being a resident of or having an establishment in a tax haven jurisdiction as referred to in Article 307, §1/2, first to third indent of the BITC1992.

Finally, Notes may not be acquired by a Belgian or foreign transferee acting, for the purposes of the Notes, through a bank account held with a credit institution located or having a permanent establishment in a tax haven jurisdiction as referred to in Article 307, §1/2, first to third indent of the Belgian Income Tax Code of 1992.

16.5 General

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Persons into whose hands this Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material in all cases at their own expense.

No general action has been or will be taken in any country or jurisdiction by the Issuer or the Manager that would permit a public offering of the Notes or possession or distribution of this Prospectus or any other offering material relating to the Notes in any country or jurisdiction where action for that purpose is required.

Accordingly, the Manager has undertaken that it will not, directly or indirectly, offer, sell or deliver Notes or distribute or publish any preliminary or other Prospectus, advertisement, marketing material or other material relating to the Notes in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

SECTION 17

USE OF PROCEEDS

The Issuer will use the proceeds from the issue of the Notes, to pay to the Seller the Initial Purchase Price for the SME Receivable relating to the SME Loans included in the Initial Portfolio pursuant to the SRPA (or, in respect of the SME Loans in the Initial Portfolio that were not fully drawn down by the relevant Borrowers on the relevant Cut-Off Dates, to fund the Further Drawdown Account with an amount corresponding to the Undrawn Amounts in relation to such SME Loans). Any rounding difference (as a result of the Note size and the purchase price of the SME Receivables) will be transferred to the GIC Account and is available to the Issuer as Replenishment Available Amount. See further *Section 10*.

SECTION 18

MEETINGS OF NOTEHOLDERS

18.1 General

The Conditions and the Pledge Agreement contain provisions for convening meetings of the Noteholders to consider matters affecting the interests of the Noteholders.

Articles 568 to 580 of the Company Code shall only apply to the extent the Conditions, the by-laws of the Issuer or the Transaction Documents do not contain provisions that differ from the provisions contained in such articles.

The Transaction Documents contain in particular, but without limitation, the following provisions that differ from the provisions of the Company Code:

- (a) the board of directors or the Auditor will be required to convene a meeting of the Noteholders at the request of the Security Agent or of Noteholders representing not less than one-tenth of the aggregate Principal Amount Outstanding of the Notes;
- (b) notwithstanding the provisions of article 570 of the Company Code, the notices in relation to meetings of the Noteholders will be published as set out in Condition 14 (*Notice to Noteholders*); and
- (c) notwithstanding the provisions of article 568 of the Company Code, the meeting of Noteholders and the Security Agent shall have all the powers given to them in the Transaction Documents, including, but not limited to, those given to them in the Conditions.

Below is a summary of the rules concerning meetings of Noteholders set out in the Pledge Agreement and the Conditions. Save where provided otherwise or required otherwise by the content, these rules will apply to all meetings of Noteholders, whether meetings of holders of Class A Notes (*Class A Noteholders*) or holders of Class B Notes (*Class B Noteholders*).

18.2 Access to Meetings

Save as expressly provided otherwise herein, no person shall be entitled to attend or vote at any general meeting of the Noteholders unless he produces an appropriate voting certificate or block voting certificate which has been issued by its custodian.

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 meeting of the Noteholders. Proxyholders need not be Noteholders.

18.3 Quorums and majorities

The Pledge Agreement and Conditions contain provisions for convening meetings of the Noteholders to consider any matter affecting the interests of Noteholders, including proposals by Extraordinary Resolution to modify, or to sanction the modification of the Notes or the provisions of any of the Transaction Documents.

Where the business of a meeting includes a Basic Term Modification (as defined in Condition 13), the quorum at such meeting shall be one or more persons present in person holding Notes and/or voting certificates and/or being proxies and being or representing in the aggregate the holders of 75 per cent. or more of the aggregate Principal Amount Outstanding of the relevant Class of Notes at the time of

the meeting. The quorum at any other meeting shall be one or more persons present in person holding Notes and/or voting certificates and/or being proxies and being or representing in the aggregate the holders of 50 per cent. or more of the aggregate Principal Amount Outstanding of the relevant Class of Notes at the time of the meeting.

At any adjourned meeting, other than a meeting convened at the request of the Noteholders, the presence quorum for:

- (a) approving a Basic Term Modification at the general meeting shall be one or more persons present in person holding Notes and/or voting certificates and/or being proxies and being or representing in the aggregate the holders of not less than twenty-five (25) per cent. of the aggregate Principal Amount Outstanding of the relevant Class of Notes; and
- (b) approving any other resolution shall be one or more persons present in person holding Notes and/or voting certificates and/or being proxies.

At any meeting (a) on a show of hands every Noteholder (being an individual) who is present in person and produces a declaration of a Securities Settlement System Participant of its Notes being blocked until that date of the meeting (*blocking certificate*) or is a proxy shall have one vote in respect of each Note and (b) on a poll every person who is so present shall have one vote in respect of each EUR 10,000 of Principal Amount Outstanding of Notes referred to on the blocking certificate or in respect of which that person is a proxy.

18.4 Binding resolutions

Any resolution passed at a meeting of the Noteholders of a particular Class duly convened and held in accordance with the Conditions shall be binding upon all the Noteholders of such Class whether present or not present at such meeting and whether or not voting, provided that:

- (a) no Basic Term Modification (as defined in Condition 13.7 (*Basic Term Modification*)) shall be effective unless the modification is approved by a resolution with a majority consisting of not less than 75 per cent. of the votes cast of the Notes thereat, whether by show of hand or a poll (an *Extraordinary Resolution*) passed at a general meeting of the Noteholders duly convened and held in accordance with the rules set out in Schedule 4 of the Pledge Agreement for approving a Basic Term Modification;
- (b) no Extraordinary Resolution of the Class B Noteholders shall be effective unless (a) the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders; (b) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders; or (c) none of the Class A Notes remain outstanding;
- (c) any resolution passed at a meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class B Noteholders irrespective of its effect upon such persons, except an Extraordinary Resolution to sanction a Basic Term Modification, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Class B Noteholders.

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 meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Conditions.

18.5 Powers of the Meeting

The meeting shall have all the powers expressly given to it in the Conditions, the by-laws of the Issuer, the Pledge Agreement or any other Transaction Document. The following powers may only be exercised by way of an Extraordinary Resolution:

- (a) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether such rights shall arise under the Conditions, the Notes or otherwise;
- (b) power to sanction the exchange or substitution of the Notes or the conversion of the Notes into shares, stock, convertible Notes, or other obligations or securities of the Issuer or any other body corporate formed or to be formed;
- (c) power to assent to any alteration of the provisions contained in these Conditions, the Notes, the Pledge Agreement or any of the Transaction Documents or which shall be proposed by the Issuer and/or the Security Agent;
- (d) power to authorise the Security Agent to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (e) power to discharge or exonerate the Security Agent from any liability in respect of any act or omission for which the Security Agent may have become responsible under or in relation to these Conditions, the Notes, the Pledge Agreement or any of the Transaction Documents;
- (f) power to give any authority, direction or sanction, which under the provisions of the Conditions or the Notes is required to be given by Extraordinary Resolution;
- (g) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (h) power to sanction the release of the Issuer or of the whole or any part of the Collateral from all or any part of the principal moneys and interest owing in respect of the Notes; and
- (i) power to authorise the Security Agent or any receiver appointed by it where it or he shall have entered into possession of the Collateral or otherwise enforced the Security in relation thereto to discontinue enforcement of any security constituted by the Pledge Agreement either unconditionally or upon any Conditions.

18.6 Compliance

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.

18.7 Conflict of interest

In order to avoid any potential conflict of interest, if and as long as any Notes are held by ING or any of its affiliates (*ING Related Noteholders*), all quorums and voting majorities set out above required to pass a Noteholders' resolution, will have to be met in respect of the group consisting of ING Related Noteholders, on the one hand, and the group of all other Noteholders (excluding the ING Related Noteholders), on the other hand.

SECTION 19

RELATED PARTY TRANSACTIONS – MATERIAL CONTRACTS

19.1 Seller

The SME Loans have been originated by the Seller. For a description of the Seller, see *Section 12 (The Seller)* above.

Under the SRPA, the Issuer will on the Closing Date and on any Business Day thereafter up to the Mandatory Amortisation Date, purchase and accept the transfer by way of assignment of legal title to the SME Receivables relating to the SME Loans and Loan Security. For a description of the SRPA, see above in *Section 12*.

19.2 Servicer

The Seller has been appointed as Servicer. For a description of the Seller, see *Section 12 (The Seller)* above.

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

Under the Servicing Agreement the Servicer will be entitled to delegate the performance of its obligations thereunder to a sub-contractor, agent or delegate. The Servicer shall thereby however not be released or discharged from any liability under the Servicing Agreement and shall remain responsible for the performance of the obligations of the Servicer thereunder and the performance or non-performance or the manner of performance of any sub-contractor, agent or delegate of any of the Services shall not affect the Servicer's obligations thereunder. For a description of the Servicer Agreement, see above in *Section 13*.

In consideration of the Servicer's agreement to carry out certain services as agreed in the Servicing Agreement, the Issuer shall pay quarterly in arrears on each Quarterly Payment Date to the Servicer a servicing fee of five (5) bps per annum calculated over the aggregate Current Balance of all SME Loans as determined at the beginning of the relevant Collection Period (or, in respect of the first Quarterly Payment Date, the Cut-Off Date).

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

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

19.3 Security Agent

Stichting Security Agent Belgian Lion is a foundation (*stichting*) incorporated under the laws of the Netherlands on 31 December 2008, with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands has been appointed as representative of the Noteholders and as agent of the Secured Parties on terms and subject to the conditions set out in the Security Agent Agreement.

The Issuer shall pay to the Security Agent for the performance of the Security Agent Services as described in the Pledge Agreement a pro rata share of an annual fee of Euro 5,000 (exclusive of VAT (if any), to be increased annually with a percentage equal to the Dutch Consumer Price Index (“*Geharmoniseerd indexcijfer der consumptieprijzen*”) and charged by the Security Agent for any security agent services it provides to the active compartments of the Issuer).

The Security Agent may be replaced in accordance with Condition 12.6 (*Replacement of the Security Agent*).

19.4 Administrator and Corporate Services Provider

ING Bank has been appointed as Administrator. Under the Administration Agreement, the Administrator will agree to provide certain administration, calculation and cash management services for the Issuer and the Accounting Services Provider will agree to provide certain accounting and bookkeeping services for the Issuer.

The Issuer shall pay to the Administrator an annual fee of EUR 30,000.00 per annum, exclusive of VAT (if any) which shall be paid quarterly in arrears on each Quarterly Payment Date starting on the first Quarterly Payment Date falling in February 2019. In addition, the Issuer will reimburse to the Administrator all reasonable out-of pocket costs, expenses and charges properly incurred by the Administrator in connection with the services and the preparation, execution, delivery, administration, modification or amendment in respect of its rights, obligations and responsibilities under the Administration Agreement.

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

19.5 Corporate Services Provider and Accounting Services Provider

ING Belgium has been appointed as Corporate Services Provider and as Accounting Services Provider. Under the Corporate Services Agreement, the Corporate Services Provider and the Accounting Services Provider will agree to provide general corporate services to support the Issuer in terms of the corporate and bookkeeping management of the Issuer. For a description of ING Belgium, see *Section 12 (The Seller)* above.

The Issuer shall pay to the Corporate Services Provider an annual fee of EUR 10,000 per annum, exclusive of VAT (if any) which shall be paid annually in advance on the first Quarterly Payment Date of each calendar year (except for the calendar year 2018, for which a pro rated fee shall be payable on the Quarterly Payment Date falling in February 2019).

The Issuer shall pay to the Accounting Services Provider an annual fee of EUR 15,000 per annum, exclusive of VAT (if any) which shall be paid quarterly in arrears on each Quarterly Payment Date starting on the first Quarterly Payments Date falling in February 2019.

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

In certain circumstances, the Security Agent or the Issuer (with the prior consent of the Security Agent) may terminate the appointment of the Corporate Services Provider and/or the Accounting Services Provider.

19.6 GIC Provider

Pursuant to the GIC Agreement ING Belgium has been appointed as the GIC Provider to hold the Issuer Accounts. For a description of ING Belgium, see *Section 12 (The Seller)* above.

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

If at any time the ratings of the GIC Provider fall below the Required Minimum Ratings (or such ratings are withdrawn) or ceases to be authorised to conduct business in Belgium, then the GIC Provider will immediately inform the Issuer and the Administrator thereof and the GIC Provider and the Issuer will within thirty (30) (or sixty (60) days in case only a downgrade of the Fitch required ratings occurs) calendar days respectively as from the rating downgrade of the GIC Provider or the withdrawal of the relevant authorisation(s) (i) procure the transfer of each of the Issuer Accounts to another bank or banks approved in writing by the Security Agent in respect of which the Required Minimum Ratings is satisfied and which are credit institutions authorised to conduct business in Belgium; or (ii) find a third party with the Required Minimum Ratings to guarantee the obligations of the GIC Provider.

19.7 Liquidity Facility Provider

The Issuer will enter into the Liquidity Facility Agreement with ING Belgium.

For a description of ING Belgium, see Section 12 above.

For a description of the Liquidity Facility Agreement and the termination thereof, see Section 5.7 above.

19.8 Domiciliary Agent, Listing Agent and Calculation Agent

ING Belgium has been appointed as Domiciliary Agent and Listing Agent. For a description of ING Belgium, see *Section 12 (The Seller)* above. Under the Domiciliary Agency Agreement, the Domiciliary Agent will undertake to ensure the payment of the sums due on the Notes and perform all other obligations and duties imposed on it by the Conditions and the Domiciliary Agency Agreement. The Domiciliary Agent will also perform the tasks described in the Clearing Agreement, which comprise inter alia providing the Securities Settlement System Operator with information relating to the issue of Notes, the Prospectus and other documents required by law. The Listing Agent will cause an application to be made to Euronext Brussels for the admission to trading of the Notes.

ING Belgium has been appointed as Calculation Agent. The Calculation Agent shall determine rates of interest and perform other duties in respect of the Notes as set out in the Conditions and the Domiciliary Agency Agreement.

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

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

19.9 Rating Agencies

Fitch and DBRS have been requested to rate the Notes.

19.10 Securities Settlement System Operator

Pursuant to the Clearing Agreement, the National Bank of Belgium as operator of the Securities Settlement System will admit the notes to the Securities Settlement System.

19.11 General – Disruption of services performed by Transaction Parties

If, due to an operational or technical failure (*Disruption*) (for the avoidance of doubt, such failure not relating to the financial position of such party), the Issuer, the Security Agent, the Servicer, the Administrator, the Stand-By and Back-Up Servicer, the Domiciliary Agent, the Liquidity Facility Provider, the GIC Provider and/or any other transaction party (such a party an *Affected Party*) cannot properly perform its obligations as agreed under the relevant Transaction Documents if and when due, such Affected Party shall use its best efforts to perform such obligations as soon as possible after the occurrence of such Disruption.

If a Disruption has occurred and no information is available to calculate the exact amount due on the Notes, the Administrator shall in good faith and in a commercially reasonable manner, having regard to all relevant information at the Administrator's disposal (which for the avoidance of doubt may, but need not, include information in relation to previous Collection Periods and Quarterly Payment Dates) (a) make an estimate of the amount due on the Notes on the immediately succeeding Quarterly Payment Date, (b) determine the amount available to it to satisfy such amount (estimated to be) due and payable, and (c) pay such amount estimated due and payable up to the amount available to it at the relevant Quarterly Payment Date. Any amount overpaid at such time (the *Disruption Overpaid Amount*) shall be withheld from the payments to be made on the following Quarterly Payment Date. Any amount underpaid at such time (the *Disruption Underpaid Amount*) shall be paid on the next succeeding Quarterly Payment Date.

SECTION 20

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions (the **Conditions**) of the Notes. The Conditions are subject to amendment and the final form thereof will appear in the Pledge Agreement.*

The issue of EUR 2,000,000,000 Class A1 SME Asset-Backed Floating Rate Notes due December 2046 (the **Class A1 Notes**), the EUR 4,833,750,000 Class A2 SME Asset-Backed Fixed Rate Notes due December 2046 (the **Class A2 Notes** and together with the Class A1 Notes, the **Class A Notes**), the EUR 2,463,750,000 Class B SME Asset-Backed Fixed Rate Notes due December 2046 (the **Class B Notes** and together with the Class A Notes, the **Notes**), has been authorised by a resolution of the board of directors of Belgian Lion NV/SA, an *institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge* (an institutional company for investment in receivables under Belgian law) (the **Issuing Company**), acting through its Compartment Belgian Lion SME III (the **Issuer**) adopted on or about 7 December 2018. The Notes are issued in accordance with a domiciliary agency agreement to be entered into on or before the Closing Date (the **Domiciliary Agency Agreement**) between the Issuer, ING Belgium NV/SA (the **Domiciliary Agent** and the **Calculation Agent**) and Stichting Security Agent Belgian Lion (the **Security Agent**) as security agent for, *inter alios*, the holders for the time being of the Notes (the **Noteholders**).

The Issuing Company is organised into separate Compartments and new Compartments may be constituted. The Notes and the Transaction Documents (as defined below) are exclusively allocated to Compartment Belgian Lion SME III of the Issuing Company and the rights thereunder will not be recoverable from any other Compartment or any assets of the Issuing Company other than those allocated to its Compartment Belgian Lion SME III.

The Notes are secured by the security created pursuant to, and on the terms set out in, a Belgian law pledge agreement establishing security over certain assets of the Issuer (the **Pledge Agreement**) to be entered into on or before the Closing Date between, *inter alios*, the Issuer, the Security Agent, the Seller and the Servicer.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the following documents:

- (a) the Domiciliary Agency Agreement;
- (b) the Pledge Agreement;
- (c) the administration agreement (the **Administration Agreement**) to be entered into on or before the Closing Date between the Issuer, the Security Agent and ING Bank (**ING Bank**) in its capacity as administrator (the **Administrator**) and ING Belgium N.V./S.A. (**ING**) in its capacity as accounting services provider (the **Accounting Services Provider**);
- (d) the corporate services agreement (the **Corporate Services Agreement**) entered into on 12 January 2009 between the Issuing Company, the Security Agent and ING in its capacity as corporate services provider (the **Corporate Services Provider**) and to be supplemented on or before the Closing Date;
- (e) the GIC agreement (the **GIC Agreement**) to be entered into on or before the Closing Date between, *inter alios*, the Issuer, the Security Agent and ING in its capacity as the GIC provider (the **GIC Provider**);

- (f) the servicing agreement (the *Servicing Agreement*) to be entered into on or before the Closing Date between the Issuer, the Security Agent and ING in its capacity as the servicer (the *Servicer*);
- (g) the SME Receivables Purchase Agreement (the *SRPA*) to be entered into on or before the Closing Date between ING in its capacity as seller (the *Seller*), the Security Agent and the Issuer;
- (h) the clearing agreement (the *Clearing Agreement*) to be entered into on or before the Closing Date between the Issuer, the Domiciliary Agent and the Securities Settlement System Operator;
- (i) the master definitions agreement (the *Master Definitions Agreement*) to be entered into on or before the Closing Date between, *inter alios*, the Issuer, the Seller and the Security Agent;
- (j) the liquidity facility agreement (the *Liquidity Facility Agreement*) to be entered into on or before the Closing Date between the Issuer, the Security Agent, the Administrator and ING, in its capacity as the liquidity facility provider (the *Liquidity Facility Provider*);
- (k) the issuer management agreements (the *Issuer Management Agreements*) entered into on 7 December 2018 between the Issuer, the Security Agent and each of the Issuer Directors;
- (l) the Stichting Holding Belgian Lion management agreements (the *Stichting Holding Belgian Lion Management Agreements*) entered into on 12 January 2009 between Stichting Holding Belgian Lion, the Security Agent and each of the Stichting Holding Directors; and
- (m) the Security Agent management agreement (the *Security Agent Management Agreement*) entered into on 12 January 2009 between the Security Agent and the Security Agent Director,

(together with all other agreements, forms and documents executed pursuant to or in relation to such documents collectively, the *Transaction Documents*).

Copies of the Domiciliary Agency Agreement, the Pledge Agreement, the Clearing Agreement and the other Transaction Documents are available for inspection at the specified offices of the Domiciliary Agent. By subscribing for or otherwise acquiring the Notes, the Noteholders will be deemed to have knowledge of, accept and be bound by all the provisions of the Transaction Documents.

Any reference in these Conditions to any Transaction Document, is to such document, as may be from time to time amended, varied or novated in accordance with its provisions and includes any deed or other document expressed to be supplemental to it, as from time to time so amended. References to the Transaction Parties shall, where the context permits, include references to its successors, transferees and permitted assigns.

1. FORM, DENOMINATION, TITLE, TRANSFER AND HOLDING RESTRICTIONS

1.1. Form

- (a) The Notes are issued in dematerialised form under the Company Code as amended from time to time. The Notes are accepted for clearance through the securities settlement system operated by the National Bank of Belgium or any successor thereto (the *Securities Settlement System*), and are accordingly subject to the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the terms and conditions of the Securities Settlement System and its annexes, as issued or modified by the NBB from time to time.

- (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 Securities Settlement System Operator or any additional clearing system and additional Securities Settlement System Operator (any such clearing system, an **Alternative Clearing System**).
- (c) The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the Securities Settlement System or the Securities Settlement System Participants of their obligations under their respective rules and operating procedures.

1.2. Denomination

The Notes will be issued in denominations of EUR 250,000.

1.3. Title and transfer

- (a) Each of the persons appearing from time to time in the records of the Securities Settlement System as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of the Securities Settlement System. Such persons shall have no claim directly against the Issuer in respect of payment due on the Notes.
- (b) Transfers of interests in the Notes will be effected between Securities Settlement System Participants in accordance with the rules and operating procedures of the Securities Settlement System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Securities Settlement System Participants through which they hold their Notes.
- (c) Each person who is for the time being shown in the records of the Securities Settlement System as the holder of a particular principal amount of Notes will be entitled to be treated by the Issuer, the Domiciliary Agent and the Security Agent as the holder of such principal amount of Notes, but without prejudice to the application of the provisions of the Company Code on dematerialisation including without limitation Article 471 thereof.

1.4. Selling, Holding and Transfer Restrictions - Only Eligible Holders

- (a) The Notes may only be acquired, by subscription, transfer or otherwise and may only be held by Eligible Holders. **Eligible Holders** are holders who satisfy each of the following criteria:
 - (i) they are 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 (a **Qualifying Investor**), acting for their own account;
 - (ii) they have not registered to be treated as non-professional investors in accordance with Annex A, (I), second indent, of the Royal Decree of 19 December 2017 concerning further rules for implementation of the directive on markets in financial instruments;
 - (iii) they are not retail clients (as defined in the Markets in Financial Instruments Directive 2014/65/EU, as amended);

- (iv) they are not consumers (*consumenten/consommateurs*) within the meaning of the Economic Law Code;
 - (v) they are holders of an exempt securities account (X-Account) with the Securities Settlement System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.
- (b) The Notes may not be acquired by an Excluded Holder. An ***Excluded Holder*** means an investor that satisfies any of the following criteria:
- (i) a Belgian or foreign transferee who is not subject to income tax or who is, as far as interest income is concerned, subject to a tax regime that is deemed by the Belgian tax authorities to be significantly more advantageous than the common Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, §1, 11° of the BITC 1992);
 - (ii) a a Belgian or foreign transferee (i) that qualifies as an “affiliated company” (within the meaning of Article 11 of the Belgian Company Code) of the Issuer, save where such transferee also qualifies as a “financial institution” referred to in Article 56, §2, 2° of the BITC 1992, or (ii) that qualifies as an “undertaking associated” (*entreprise associée/geassocieerde ondernemingen*) with the Issuer and/or a Borrower (within the meaning of Article 2, §1, 16° of the BITC 1992, when applicable) or (iii) which is part, with the Issuer and/or a Borrower, of the same undertaking (*même entreprise/dezelfde onderneming*) (within the meaning of Article 2, §1, 16° of the BITC 1992, when applicable);
 - (iii) a foreign transferee being a resident of or having an establishment in a tax haven jurisdiction as referred to in Article 307, §1/2, first to third indent of the BITC1992; or
 - (iv) a Belgian or foreign transferee acting, for the purposes of the Notes, through a bank account held with a credit institution located or having a permanent establishment in a tax haven jurisdiction as referred to in Article 307, §1/2, first to third indent of the Belgian Income Tax Code of 1992.
- (c) In the event that the Issuer becomes aware that any Notes are held by an investor that is not an Qualifying Investor in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes have been transferred to, and are held by a Qualifying Investor.

2. STATUS, SECURITY AND PRIORITY

2.1. Status and Priority

- (a) The Class A1 Notes constitute direct, secured and unconditional obligations of the Issuer and rank (subject to the provisions of Condition 10 (*Subordination*)) *pari passu* without preference or priority amongst themselves. The rights of the Class A1 Notes, in respect of priority of payment and security are set out in this Condition 2 (*Status, Security and Priority*) and in Condition 10 (*Subordination*).
- (b) The Class A2 Notes constitute direct, secured and unconditional obligations of the Issuer and rank (subject to the provisions of Condition 10 (*Subordination*)) *pari passu* without preference or priority amongst themselves. The rights of the Class A2 Notes, in respect of

priority of payment and security are set out in this Condition 2 (*Status, Security and Priority*) and in Condition 10 (*Subordination*).

- (c) The Class B Notes constitute direct and unconditional obligations and are equally secured by the Security as the Class A Notes. The Class B Notes rank *pari passu*, without preference or priority amongst themselves. The Class B Notes are subordinated to the Class A Notes in the event of the Security being enforced as well as prior to such event, as set out in this Condition 2 (*Status, Security and Priority*) and in Condition 10 (*Subordination*).
- (d) The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other parties to the Transaction Documents.
- (e) The Notes are allocated exclusively to Compartment Belgian Lion SME III.

2.2. Security

- (a) As Security for the obligations of the Issuer under the Notes and the Transactions Documents, the Issuer will pursuant to the Pledge Agreement, create a first ranking pledge in favour of the Secured Parties, including the Security Agent acting in its own name, as representative of the Noteholders over:
 - (i) all right and title of the Issuer to and under or in connection with all the SME Receivables, all Loan Security and all the Additional Security;
 - (ii) all right and title of the Issuer to and under all the Transaction Documents and all other documents to which the Issuer is a party;
 - (iii) the Issuer's right and title in and to the Issuer Accounts and any amounts standing to the credit thereof from time to time; and
 - (iv) all other assets of the Issuer (including, without limitation, the Loan Documents, the Contract Records and any other documents).
- (b) The security created by the Issuer (in favour of all the Secured Parties) pursuant to the Pledge Agreement is collectively referred to herein as the **Security**. The assets over which the Security is created are referred to herein as the **Collateral**. The Collateral will, amongst other things, provide security for the Issuer's obligation to pay amounts due to the Secured Parties under the Transaction Documents, including amounts payable to:
 - (i) the Noteholders;
 - (ii) the Security Agent under the Pledge Agreement;
 - (iii) the Servicer (or the Back-Up Servicer) under the Servicing Agreement;
 - (iv) the Administrator and the Accounting Services Provider under the Administration Agreement and the Corporate Services Provider under the Corporate Services Agreement;
 - (v) the Seller under the SRPA;
 - (vi) the Liquidity Facility Provider under the Liquidity Facility Agreement;
 - (vii) the GIC Provider under the GIC Agreement;

- (viii) the Domiciliary Agent and the Calculation Agent under the Domiciliary Agency Agreement;
- (ix) the Listing Agent; and
- (x) the Issuer Directors under the Issuer Management Agreements,

(all such beneficiaries of such security referred to as the *Secured Parties*), in accordance with the applicable Priority of Payments, but only to the extent that such amounts have been properly and specifically allocated to Compartment Belgian Lion SME III.

- (c) The Noteholders will be entitled to the benefit of the Pledge Agreement and by subscribing for or otherwise acquiring the Notes, the Noteholders shall be deemed to have knowledge of, accept and be bound by, the terms and conditions set out therein, including the appointment of the Security Agent to hold the Security and to exercise the rights arising under the Pledge Agreement for the benefit of the Noteholders and the other Secured Parties.
- (d) The Pledge Agreement also contains provisions regulating the priority of the application of amounts forming part of the Security among the persons entitled thereto.

2.3. Pre-enforcement Interest Priority of Payments

- (a) On each Quarterly Calculation Date, the Administrator shall calculate the amount of interest funds which will be available to the Issuer in the Transaction Account on the following Quarterly Payment Date.
- (b) The interest funds available shall be calculated by reference to the interest receipts received in respect of any relevant Quarterly Payment Date, as from the period from (and including) the first (1st) calendar day of the month in which the immediately preceding Quarterly Payment Date fell to (but excluding) the first (1st) calendar day of the month in which such relevant Quarterly Payment Date falls shall be the Collection Period, except for the first Collection Period which shall be, in relation to interest receipts, the period from (and including) 1 October 2018 to (but excluding) 1 January 2019 and, in relation to principal receipts, the period from (and including) 1 October 2018 to (but excluding) 1 January 2019. Such interest funds (the *Interest Available Amount*) shall be the sum of the following:
 - (i) any interest on the SME Receivables and any Prepayment Penalties and default interest under the SME Receivables received by the Issuer;
 - (ii) any interest accrued on sums standing to the credit of the Transaction Account and the Further Drawdown Account and the Expenses Account;
 - (iii) the aggregate amount of the net proceeds of Foreclosure Procedures in respect of any SME Loan (Net Proceeds) to the extent such proceeds do not relate to principal;
 - (iv) the aggregate amount of any amounts received:
 - (A) in respect of a repurchase by the Seller under the SRPA; and
 - (B) in respect of any other amounts received by the Issuer under the SRPA in connection with the SME Receivables;
 in each case, to the extent such amounts do not relate to principal amounts; and
 - (v) any amounts received in respect of Foreclosed Loans (the *Recoveries*) to the extent such amount relate to interest;

- (vi) on the Final Redemption Date or, if earlier, the Quarterly Payment Date on which the Notes are redeemed in full and any other obligations have been paid in full, the remaining balance standing to the credit of the Transaction Account (if any) which is not included in items (i) up to and including (v) above on such Quarterly Payment Date;
- (vii) any amounts available under the Liquidity Facility (other than a Standby LF Drawing) on the immediately following Quarterly Payment Date;
- (viii) any amounts (as indemnity for losses of scheduled interest on the SME Loans as a result of Commingling Risk or as a result of Set-Off Risk) to be received from the Reserve Amount in accordance with clause 6.10 of the SRPA, which are to be transferred from the Reserve Account to the Transaction Account,

minus,

funds deducted from the Transaction Account during the applicable Collection Period in accordance with Condition 2.4.

- (c) On each Quarterly Payment Date prior to the issuance of an Enforcement Notice, the Administrator, on behalf of the Issuer, shall apply the Interest Available Amount in making the following payments or provisions, in the following order of priority (in each case, only if, and to the extent that the Transaction Account would not be overdrawn, and to the extent that payments or provisions of a higher order or priority have been made in full, and to the extent that such liabilities are due by and recoverable against the Issuer) (the ***Interest Priority of Payments***):
 - (i) *first*, in or towards satisfaction of all amounts due and payable to the Security Agent;
 - (ii) *second*, in or towards satisfaction of, *pari passu* and *pro rata*:
 - (A) all amounts due and payable to the Administrator (or Back-up Administrator);
 - (B) all amounts due and payable to the Servicer (or Back-up Servicer);
 - (C) all amounts due and payable to the Corporate Services Provider and the Accounting Services Provider; and
 - (D) all amounts due and payable to the Issuer Directors, if any;
 - (iii) *third*, in or towards satisfaction of, *pari passu* and *pro rata* (and, as far as Third Party Expenses are concerned, to the extent not yet paid out of the Expenses Account):
 - (A) all amounts due and payable to the National Bank of Belgium in relation to the use of Securities Settlement System;
 - (B) all amounts due and payable to the FSMA;
 - (C) all amounts due and payable to Euronext Brussels;
 - (D) all amounts due and payable to the CFI (*Controledienst voor Financiële Informatie/Service de Contrôle de l'Information Financière*);
 - (E) all amounts due and payable to the Auditor;
 - (F) all amounts due and payable to the Rating Agencies;

- (G) all amounts due and payable to the GIC Provider;
 - (H) all amounts due and payable to the Domiciliary Agent;
 - (I) all other amounts due and payable to third parties for any payment of the Issuer's liability, if any, for taxes; and
 - (J) all amounts that the Administrator certifies are due and payable by the Issuer to third parties (other than any Secured Parties) that are not yet included in items (A) to (I) above in the normal course of its business conducted in accordance with its by-laws and the Transaction Documents;
- (iv) *fourth*, in or towards satisfaction of any amount to be deposited on the Expenses Account to replenish the Expenses Account up to the amount of the Expenses Account Target Level;
 - (v) *fifth*, in or towards satisfaction of, *pari passu* and *pro rata*, (a) all amounts of Accrued Interest due in respect of the Class A1 Notes; and (b) all amounts of Accrued Interest due in respect of the Class A2 Notes;
 - (vi) *sixth*, in or towards satisfaction of all amounts due or overdue to the Liquidity Facility Provider (other than the amounts referred to in item (xi) below);
 - (vii) *seventh*, in or towards satisfaction of all amounts debited to the Class A Principal Deficiency Ledger, until any debit balance on the Class A Principal Deficiency Ledger is reduced to zero;
 - (viii) *eighth*, in or towards satisfaction of, *pari passu* and *pro rata*, all amounts of Accrued Interest in respect of the Class B Notes
 - (ix) *ninth*, in or towards satisfaction of all amounts debited to the Class B Interest Deficiency Ledger, until any debit balance on the Class B Interest Deficiency Ledger is reduced to zero;
 - (x) *tenth*, in or towards satisfaction of all amounts debited to the Class B Principal Deficiency Ledger, until any debit balance on the Class B Principal Deficiency Ledger is reduced to zero;
 - (xi) *eleventh*, in or towards satisfaction of all Subordinated Liquidity Amounts due or overdue to the Liquidity Facility Provider;
 - (xii) *twelve*, in or towards satisfaction of the Deferred Purchase Price then due and payable to the Seller.

2.4. Payments During Any Interest Period

Provided no Enforcement Notice has been given, amounts due and payable by the Issuer in respect of:

- (i) obligations incurred under the Issuer's business to third parties (other than to the Secured Parties as provided for in the Transactions Documents)(the ***Third Party Expenses***); and
- (ii) payments to the Servicer of any amount previously credited to the Issuer Accounts in error;

may be paid by the Issuer on a date that is not a Quarterly Payment Date provided:

- (i) as far as the Third Party Expenses are concerned, there are sufficient funds available in the Transaction Account; and
- (ii) as far as the payments under (ii) are concerned, there are sufficient funds available in the Transaction Account.

2.5. Pre-enforcement Principal Priority of Payments

- (a) On each Quarterly Calculation Date, the Administrator will calculate the amount of the principal funds which will be available to the Issuer in the Transaction Account on the following Quarterly Payment Date to satisfy its obligations under the Notes. The principal funds available shall be calculated by reference to the principal receipts received in the relevant Collection Period (or, in respect of the first Quarterly Calculation Date, by reference to the first Collection Period which for these purposes only will be deemed to have started, as far as the Business Loans are concerned, on 28 September 2018 (inclusive), as far as the Recurring Business Loans are concerned, on 28 September 2018 (inclusive), as far as the Investment Credits are concerned, on 28 September 2018 (inclusive) and as far as the Roll Over Term Loans are concerned, on 28 September 2018. Such principal funds (the *Principal Available Amount*) shall be the sum of the following:
 - (i) the aggregate amount of any repayment and prepayment of principal amounts under the SME Receivables from any person, whether by set-off or otherwise (but excluding Prepayment Penalties, if any), including, in relation to any Roll Over Term Loan, the aggregate principal amount of all advances under such Roll Over Term Loan for which a roll-over date occurred during the relevant Collection Period expired (regardless of whether such advances were extended by way of a roll-over on such roll-over date);
 - (ii) the aggregate amount of any Net Proceeds in respect of any SME Receivables, to the extent such proceeds relate to principal amounts;
 - (iii) the aggregate of any amounts received:
 - (A) in respect of a repurchase of SME Receivable by the Seller under the SRPA; and
 - (B) in respect of any other amounts received by the Issuer under the SRPA in connection with the SME Receivables;in each case, to the extent such amounts relate to principal amounts;
 - (iv) any amounts to be credited to the Principal Deficiency Ledgers on the immediately following Quarterly Payment Date pursuant to items (vii) and (x) of the Interest Priority of Payments;
 - (v) any Recoveries, to the extent they relate to principal amounts;
 - (vi) any amounts received from the Further Drawdown Account on the Transaction Account which have not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date;
 - (vii) any amounts (as indemnity for losses of scheduled principal payments on the SME Loans as a result of Commingling Risk or as a result of Set-Off Risk) to be received

from the Reserve Amount in accordance with clause 6.2 of the SRPA, which are to be transferred from the Reserve Account to the Transaction Account; and

- (viii) any other Principal Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date;

minus,

- (ix) in relation to any Roll Over Term Loan, the aggregate principal amount of all advances resulting from extension of such advances by way of a roll-over that occurred during the relevant Collection Period; and
 - (x) on each Quarterly Calculation Date related to a Quarterly Payment Date prior to the Mandatory Amortisation Date, an amount equal to the part of the Replenishment Available Amount applied by the Issuer to the purchase of New SME Receivables on the immediately succeeding Quarterly Payment Date or which the Issuer decides to keep on the Transaction Account with a view to purchase New SME Receivables after that Quarterly Payment Date.
- (b) On each Quarterly Payment Date prior to the Mandatory Amortisation Date (and provided (i) no Enforcement Notice has been issued and (ii) no Notification Event has occurred), the Issuer may (but is not obliged to), apply the Principal Available Amount (if any) to redeem the Notes (save, in case the Replenishment Available Amount held in the Transaction Account on such date exceeds EUR 500 million, the Issuer shall have the obligation to apply part of the Replenishment Available Amount in excess of EUR 500 million to redeem the Notes). On each Quarterly Payment Date falling (A)(i) on or after the Mandatory Amortisation Date or (ii) after the occurrence of a Notification Event and (B) prior to the issuance of an Enforcement Notice, the Issuer shall however be obliged to apply the Principal Available Amount (if any) to redeem the Notes. If applied, the Principal Available Amount shall be applied in making the following payments or provisions in the following order of priority (in each case, only if, and to the extent that the Transaction Account would not be overdrawn, and to the extent that payments or provisions of a higher order or priority have been made in full, and to the extent that such liabilities are due by and recoverable against the Issuer) (the ***Principal Priority of Payments***):
- (i) *first*, in redeeming, *pari passu* and *pro rata*, all principal amounts outstanding in respect of the Class A1 Notes until all of the Class A1 Notes have been redeemed in full;
 - (ii) *second*, in redeeming, *pari passu* and *pro rata*, all principal amounts outstanding in respect of the Class A2 Notes until all of the Class A2 Notes have been redeemed in full; and
 - (iii) *third*, in redeeming, *pari passu* and *pro rata*, all principal amounts outstanding in respect of the Class B Notes until all of the Class B Notes have been redeemed in full.

2.6. Post-enforcement Priority of Payments

Following the issue of an Enforcement Notice, all monies standing to the credit of the Issuer Accounts received by the Issuer (or the Security Agent or the Administrator) will be applied in the following priority (the ***Post-enforcement Priority of Payments*** and, together with the Interest Priority of Payments and the Principal Priority of Payments, the ***Priority of***

Payments) (if, and to the extent that payments or provisions of a higher order have been made and to the extent that such liabilities are due by and recoverable against the Issuer):

- (i) *first*, in or towards satisfaction of all amounts due and payable to any receiver or agent appointed by the Security Agent for the enforcement of the security and any costs, charges, liabilities and expenses incurred by such receiver or agent together with interest as provided in the Pledge Agreement;
- (ii) *second*, in or towards satisfaction of all amounts due and payable to the Security Agent, together with interest thereon as provided in the Pledge Agreement;
- (iii) *third*, in or towards satisfaction of *pari passu* and *pro rata*:
 - (A) all amounts due and payable to the Administrator (or Back-up Administrator);
 - (B) all amounts due and payable to the Servicer (or Back-up Servicer);
 - (C) all amounts due and payable to the Corporate Services Provider and the Accounting Services Provider; and
 - (D) all amounts due and payable to the directors of the Issuer, if any;
- (iv) *fourth*, in or towards satisfaction of *pari passu* and *pro rata*:
 - (A) all amounts due and payable to the National Bank of Belgium in relation to the use of Securities Settlement System;
 - (B) all amounts due and payable to the FSMA;
 - (C) all amounts due and payable to Euronext Brussels;
 - (D) all amounts due and payable to the CFI (*Controledienst voor Financiële Informatie/Service de Contrôle de l'Information Financière*);
 - (E) all amounts due and payable to the Auditor;
 - (F) all amounts due and payable to the Rating Agencies;
 - (G) all amounts due and payable to the GIC Provider;
 - (H) all amounts due and payable to the Domiciliary Agent; and
 - (I) all other amounts due and payable to third parties for any payment of the Issuer's liability, if any, for taxes;
- (v) *fifth*, in or towards satisfaction of, *pari passu* and *pro rata*, (a) all amounts of interest due or overdue in respect of the Class A1 Notes; and (b) all amounts of interest due or overdue in respect of the Class A2 Notes;
- (vi) *sixth*, in or towards satisfaction of all amounts due or overdue to the Liquidity Facility Provider (other than the amounts referred to in item (x)) below;
- (vii) *seventh*, in or towards redemption of, *pari passu* and *pro rata*, (a) all amounts of principal outstanding in respect of the Class A1 Notes until redeemed in full; and (b) all amounts of principal outstanding in respect of the Class A2 Notes until redeemed in full;

- (viii) *eighth*, in or towards satisfaction of, *pari passu* and *pro rata*, all amounts of interest due or overdue in respect of the Class B Notes;
- (ix) *ninth*, in or towards redemption of, *pari passu* and *pro rata*, all amounts of principal outstanding in respect of the Class B Notes until redeemed in full;
- (x) *tenth*, in or towards satisfaction of all Subordinated Liquidity Amounts due or overdue to the Liquidity Facility Provider;
- (xi) *eleventh*, in or towards satisfaction of the Deferred Purchase Price then due and payable to the Seller,

it being understood that amounts standing to the credit of the Reserve Account shall only be applied in accordance with the Post-enforcement Priority of Payments to the extent such amounts cover for losses incurred by the Issuer of scheduled interest or principal on the SME Loans as a result of Commingling Risk or Set-Off Risk, the remainder of the amount standing to the credit of the Reserve Account shall be released directly to the Seller.

3. COVENANTS

3.1. Save with the prior written consent of the Security Agent or as otherwise provided in, or envisaged by the Transaction Documents, the Issuing Company undertakes to the Secured Parties, that so long as any Note remains outstanding, it shall not:

- (i) engage in or carry on any business or activity other than the business of purchasing receivables from a third party by using different compartments and to finance such acquisitions by issuing securities or by attracting other forms of funding through such compartments and the related activities described therein and in respect of that business;
- (ii) in relation to Compartment Belgian Lion SME III and the Transaction, engage in any activity or do anything whatsoever except:
 - (A) own and exercise its rights in respect of the Collateral and its interests therein and perform its obligations in respect of the Collateral;
 - (B) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Transaction Documents;
 - (C) to the extent permitted by the terms of any of the Transaction Documents, pay dividends or make other distributions in the manner permitted by applicable law;
 - (D) use, invest or dispose of any of its property or assets in the manner provided in or contemplated by the Transaction Documents; and
 - (E) perform any act incidental to or necessary in connection with (A), (B), (C) or (D) above;
- (iii) in relation to Compartment Belgian Lion SME III and the Transaction, save as permitted by the Transaction Documents, create, incur or suffer to exist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness;

- (iv) in relation to Compartment Belgian Lion SME III and the Transaction, create or agree to create or permit to exist (or consent to cause or permit in the future upon the occurrence of a contingency or otherwise) any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets other than as expressly contemplated by the Transaction Documents;
- (v) sell, transfer, exchange or otherwise dispose of any part of its property or assets or undertaking, present or future (including any Collateral) in relation to Compartment Belgian Lion SME III other than as expressly contemplated by the Transaction Documents;
- (vi) consolidate or merge with or into any other person or convey or transfer its property or assets substantially or as an entirety to any person, other than as contemplated by the Transaction Documents;
- (vii) in relation to Compartment Belgian Lion SME III and the Transaction, permit the validity or effectiveness of the Pledge Agreement or any other Transaction Document or the priority of the Security to be amended, terminated postponed or discharged, or permit any person whose obligations form part of the Collateral to be released from such obligations;
- (viii) amend, supplement or otherwise modify its by-laws (*statuten/statuts*) or any provisions of these covenants save to the extent that such modifications are required by law or relate only to other securitisation transactions that do not adversely affect the assets and liabilities of Compartment Belgian Lion SME III or as agreed upon by the Security Agent;
- (ix) have any employees or premises or own shares in or otherwise form or cause to be formed any subsidiary or any company allowing the Issuer to exercise a significant influence on the Administrator;
- (x) in relation to Compartment Belgian Lion SME III and the Transaction, have an interest in any bank account, other than the Issuer Accounts, unless such account or interest is pledged or charged to the Secured Parties on terms acceptable to the Security Agent;
- (xi) in relation to Compartment Belgian Lion SME III and the Transaction, issue any further Notes or any other type of security;
- (xii) reallocate any assets from Compartment Belgian Lion SME III to any other Compartment that it may set up in the future;
- (xiii) have an established place of business in any other jurisdiction than Belgium;
- (xiv) enter into transactions which are not at arm's length;
- (xv) sell, exchange or transfer any property or assets of Compartment Belgian Lion SME III to any third party except in accordance with the Transaction Documents;
- (xvi) amend or procure that the Servicer does not amend, any terms of the SME Loans other than in accordance with the provisions or variations as set out in the Pledge Agreement and/or the Servicing Agreement;
- (xvii) waive or alter any rights it may have with respect to the Transaction Documents or take any action, or fail to take any action, if such action or failure to take action may

interfere with the validity, effectiveness or enforcement of any rights under the Transaction Documents with respect to the rights, benefits or obligations of the Security Agent; and

- (xviii) fail to pay any tax which it is required to pay, or fail to defend any action, if such failure to pay or defend may adversely affect the priority or enforceability of the security created by or pursuant to the Pledge Agreement or which would have the direct or indirect effect of causing any amount to be deducted or withheld from any payment in relation to the Notes or the Transaction Documents to which it is a party on account of tax.
- 3.2. In giving any consent to any of the foregoing, the Security Agent may, without the consent of the Noteholders, require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Security Agent may deem necessary (in its absolute discretion) in the interest of the Noteholders.
- 3.3. In determining whether or not to give any proposed consent, 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 or adviser (other than the Rating Agencies) whether obtained by itself or the Issuer and it shall not be liable for any loss occasioned by such action, save where such loss is due to its gross negligence, being negligence of such a serious nature that no other prudent security agent would have acted similarly (**Gross Negligence**), wilful misconduct or fraud.
- 3.4. The Issuer further covenants for the benefit of the Secured Parties as follows:
- (i) at all times to carry on and conduct its affairs in a proper, prudent and efficient manner in accordance with Belgian law;
 - (ii) to give to, and procure that is given to, the Security Agent such information and evidence (and in such form) as the Security Agent shall reasonably require for the purpose of the discharge of the duties, powers, authorities and discretions vested in it under or pursuant to Condition 12 (*The Security Agent*) and the Pledge Agreement;
 - (iii) to cause to be prepared and certified by its Auditor, in respect of each financial year, accounts in such forms as will comply with the requirements for the time being of Belgian laws and regulations;
 - (iv) in respect of Compartment Belgian Lion SME III, to keep proper books of accounts at all times separate from any other person or entity (or Compartment) and allow the Security Agent and any person appointed by the Security Agent free access to such books of account at all reasonable times during normal business hours;
 - (v) forthwith after becoming aware thereof and without waiting for the Security Agent to take any action, to give notice in writing to the Security Agent of the occurrence of any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate would constitute an Event of Default;
 - (vi) at all times to execute all such further documents and do all such acts and things as may be necessary or appropriate at any time or times to give effect to the Transaction Documents;

- (vii) at all times to comply with and perform all its obligations under or pursuant to the Transaction Documents and to use its best endeavours to procure, so far as it is lawfully able to do so, that the other parties thereto, comply with and perform all their respective obligations thereunder and pursuant thereto and not to terminate any of the Transaction Documents or any right or obligation arising pursuant thereto or make any amendment or modification thereto or agree to waive or authorise any material breach thereof, except as permitted under the Transaction Documents;
- (viii) at all times to comply with any reasonable direction given by the Security Agent in relation to the Security in accordance with the Pledge Agreement;
- (ix) upon occurrence of a termination event under the GIC Agreement, subject to the terms of the GIC Agreement, to use its best endeavours to appoint a substitute GIC provider within thirty (30) (or sixty (60) days in case only a downgrade of the Fitch required ratings occurs) calendar days;
- (x) upon resignation of the Domiciliary Agent or upon the revocation of its appointment of the Domiciliary Agent to use its best endeavours to appoint a substitute domiciliary agent within twenty (20) Business Days, in accordance with the provisions of the Domiciliary Agency Agreement;
- (xi) at no time to pledge, change or encumber the assets allocated to Compartment Belgian Lion SME III otherwise than pursuant to the Pledge Agreement;
- (xii) at all times to keep bank accounts and financial statements allocated to Compartment Belgian Lion SME III separate from the other Compartments of the Issuing Company;
- (xiii) at all times to keep separate stationery and to use separate invoices and cheques for Compartment Belgian Lion SME II;
- (xiv) at all times pay the liabilities allocated to Compartment Belgian Lion SME III with the funds of such Compartment;
- (xv) at all times to have adequate corporate capital to run its business in accordance with the corporate purpose as set out in its by-laws;
- (xvi) at all times not to commingle its own assets allocated to Compartment Belgian Lion SME III with the assets of another Compartment of the Issuing Company or the assets of any third parties;
- (xvii) to observe at all times all applicable corporate formalities set out in its by-laws, the UCITS Act, the Company Code and any other applicable legislation, including any requirement applicable as a consequence of admission of the Notes to Euronext;
- (xviii) to comply in all respects with the specific statutory and regulatory provisions applicable to an *institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge* and to refrain from all acts which could prejudice the continuation of such status at any time;
- (xix) it will procure that at all times, in respect of the shares of the Issuing Company:
 - (A) the shares of the Issuing Company will be registered shares;

- (B) the by-laws of the Issuing Company contain transfer restrictions stating that its shares can only be transferred to Qualifying Investors acting for their own account;
 - (C) the by-laws of the Issuing Company provide that the Issuing Company will refuse the registration (in its share register) of the prospective purchase of shares, if it becomes aware that the prospective purchaser is not a Qualifying Investor acting for its own account; and
 - (D) the by-laws of the Issuing Company provide that the Issuing Company will suspend the payment of dividends in relation to its shares of which it becomes aware that these are held by a person who is not a Qualifying Investor acting for its own account;
- (xx) it will procure that, in respect of the Notes:
- (A) the Notes will have the selling and holding restrictions set out in Condition 1.4 (*Selling, Holding and Transfer Restrictions - Only Eligible Holders*);
 - (B) the Manager will undertake pursuant to the Subscription Agreement to sell the Notes in the primary sales only to Qualifying Investors acting for their own account;
 - (C) the Notes are issued in dematerialised form and are cleared through the Securities Settlement System operated by the National Bank of Belgium;
 - (D) the nominal value of each individual Note is EUR 250,000 on the Closing Date;
 - (E) in the event that the Issuer becomes aware that Notes are held by investors other than Qualifying Investors acting for their own account in breach of the above requirement, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and are held by Qualifying Investors acting for their own account;
 - (F) the Conditions of the Notes, the by-laws of the Issuing Company, the Prospectus and any other document issued by the Issuer in relation to the issue and initial placing of the Notes will state that the Notes can only be acquired, held by and transferred to Qualifying Investors acting for their own account;
 - (G) all notices, notifications or other documents issued by the Issuer (or a person acting on its account) and relating to transactions with the Notes or the trading of the Notes on Euronext Brussels will state that the Notes can only be acquired, held by and transferred to Qualifying Investors acting for their own account; and
 - (H) the Conditions provide that the Notes may only be held by persons that are holders of an X-Account with the Securities Settlement System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system;
- (xxi) to conduct at all times its business in its own name; for the avoidance of doubt, this requirement does not prejudice those provisions under the Transaction Documents

which provide that certain transaction parties (including the Administrator, the Servicer and the GIC Provider) shall for certain purposes act on behalf of the Issuer;

- (xxii) if it becomes aware of any event which is or may become (with the lapse of time and/or the giving of notice and/or the making of any determination) a Notification Event or an Event of Default under this Agreement, it will without delay inform the Security Agent of such event; and
- (xxiii) if it has been informed that a substantial change has occurred in the development of the SME Receivables, the SME Loans or the cash flows generated by the SME Loans or that any particular event has occurred which may materially change the ratings of the Notes, the expected financial results of the Transaction or the expected cash flows, it will without delay inform the Security Agent of such change or event.

3.5. As long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a provider of administration services and a servicer for the SME Loans, the relating SME Loan Security and the Additional Security. The appointment of the Security Agent, the Administrator, the Calculation Agent, the Domiciliary Agent, the Corporate Servicer Provider, the Servicer, the Accounting Services Provider, the Listing Agent, the GIC Provider, the Liquidity Facility Provider and the Securities Settlement System Operator may be terminated only as provided in the Transaction Documents.

4. INTEREST

4.1. Period of Accrual

- (a) Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Interest on each Class of Notes will accrue at an annual rate equal to the Interest Rate (as defined in Condition 4.3 (*Interest Rate*)) in respect of the Principal Amount Outstanding on the first day of the applicable Interest Period and payable in each case on the Quarterly Payment Date at the end of an Interest Period. Interest shall cease to accrue on any part of the Principal Amount Outstanding of a Note as from (and including) the due date for redemption of such part unless, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Condition (as well after as before any judgment) up to (but excluding) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, or (if earlier) the seventh (7th) calendar day after notice is duly given by the Domiciliary Agent to the relevant Noteholder (in accordance with Condition 14 (*Notice to Noteholders*)) that it has received all sums due in respect of such Note (except to the extent that there is any subsequent default in payment).
- (b) Whenever it is necessary to compute an amount of interest in respect of any Note for any period (including any Interest Period (as defined in Condition 4.2 (Quarterly Payment Dates and Interest Periods))), such interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 360 day year.

4.2. Quarterly Payment Dates and Interest Periods

- (a) Interest on a Note is payable quarterly in arrears in Euro in respect of its Principal Amount Outstanding on each day which is the tenth (10th) calendar day of February, May, August and November in every year (or, if such day is not a Business Day, the immediately succeeding Business Day) (each a *Quarterly Payment Date*), the first Quarterly Payment Date, being 11 February 2019. The period from (and including) a Quarterly Payment Date (or the Closing

Date in respect of the first Interest Period) to (but excluding) the immediately succeeding (or first) Quarterly Payment Date is called an Interest Period in these Conditions.

(b) **Business Day** means a day:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in the principal financial centre for such currency; and
- (ii) in the case of euro, a day (a) other than a Saturday or Sunday on which the NBB-SSS is operating and (b) on which banks are open for general business in Belgium and (c) (if a payment in euro is to be made on that day), which is a business day for the TARGET2 System (a **TARGET Business Day**); and
- (iii) in the case of a currency other than euro and one or more business centres (the **Business Centre(s)**), as specified in the applicable Final Terms, a day (other than a Saturday or a Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in such currency in each of the Business Centres;

(c) The first Interest Period will commence on (and include) the Closing Date and will end on (but exclude) the first Quarterly Payment Date.

4.3. Interest Rate

The rate of interest payable from time to time in respect of each Class of Notes (each an **Interest Rate**) and the relevant Interest Amount (as defined in Condition 4.5 (*Calculation of Interest Amounts by the Administrator*) below) will be determined on the basis of the provisions set out below.

(a) **Interest on the Notes**

Interest applicable to the Class A1 Notes will accrue at an annual rate equal to the sum of Euro Reference Rate determined in accordance with Condition 4.3 (b) (*Determination of the Euro Reference Rate*), plus a margin of 0.45% per annum.

Interest applicable to the Class A2 Notes will accrue at an annual rate equal to 0.70% per annum.

Interest applicable to the Class B Notes will accrue at an annual rate equal to 2% per annum.

(b) **Determination of the Euro Reference Rate**

The Calculation Agent shall calculate the Euro Reference Rate for each Interest Period and the **Euro Reference Rate** shall mean EURIBOR as determined in accordance with the following:

- (i) EURIBOR shall mean for any Interest Period the rate per annum equal to the European Interbank Offered Rate for three (3) months euro deposits (except in the case of the first Interest Period in which case it shall be the rate equal to the linear interpolation between the European Interbank Offered Rate for the relevant periods euro deposits) as determined by the Calculation Agent in accordance with this Condition 4.3 (*Interest Rate*).

- (ii) Two (2) Business Days prior to the Closing Date (in respect of the first Interest Period) and two (2) Business Days prior to each Quarterly Payment Date in respect of the subsequent Interest Periods (each of these days an *Interest Determination Date*), the Calculation Agent shall determine EURIBOR by using the EURIBOR rate determined and published by the European Money Market Institute 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 (including, without limitation, the Bloomberg Service)) for the display of the EURIBOR rate and which shall be selected by the Calculation Agent as at or about 11.00 am (CET time).
 - (iii) If, on the relevant Interest Determination Date, the EURIBOR rate in paragraph (ii) above, is not determined and published jointly by the European Banking Association and ACI — The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under paragraph (ii) above, the Calculation Agent will:
 - (A) request the principal euro-zone office of each of four (4) major banks in the euro-zone interbank market (each a *Euro-Reference Bank* and together the *Euro-Reference Banks*) to provide a quotation for the rate at which three (3) months euro deposits (except in the case of the first Interest Period in which case it shall be the rate equal to the linear interpolation between the relevant periods euro deposits) offered by it in the euro-zone interbank market at approximately 11.00 am (CET time) on the relevant 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;
 - (B) if at least two (2) quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth (5th) decimal place with 0.000005 being rounded upwards) of such quotations as provided; and
 - (C) if fewer than two (2) such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary to the fifth (5th) decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two (2) in number, in the euro-zone, selected by the Calculation Agent, at approximately 11.00 am (CET time) on the relevant Interest Determination Date for three months euro deposits (except in the case of the first Interest Period in which case it shall be the rate equal to the linear interpolation between the relevant periods euro deposits) to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time.
 - (iv) If the Calculation Agent is unable to determine EURIBOR in accordance with this Condition 4.3 (*Interest Rate*) in relation to any Interest Period, EURIBOR applicable to the Notes during such Interest Period will be EURIBOR last determined in relation thereto.
- (c) **Minimum and maximum Interest Rate on the Class A1 Notes**
- (i) the Interest Rate for the Class of A1 Notes shall never be less than zero; and
 - (ii) the Interest Rate (including, for the avoidance of doubt, the applicable margin) of the Class A1 Notes shall never be more than 2.5%.

4.4. Determination and notification of Interest Rates

- (a) The Calculation Agent shall, as soon as practicable after 11.00 a.m. (CET) on each Interest Determination Date, determine and notify the Domiciliary Agent and the Administrator of the Interest Rate applicable to the Interest Period beginning on and including the first succeeding Quarterly Payment Date in respect of the Notes of each Class of Notes.
- (b) If the Calculation Agent does not at any time for any reason determine the Interest Rate for the Notes in accordance with the foregoing paragraphs, the Calculation Agent shall forthwith notify the Administrator, the GIC Provider and the Security Agent thereof and the Administrator shall, after consultation with the Security Agent, determine the Interest Rate at such rate as, in its reasonable opinion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all circumstances and any such determination and/or calculation shall be deemed to have been made by the Calculation Agent.

4.5. Calculation of Interest Amounts by the Administrator

The Administrator shall calculate the Euro amount of interest payable on each of relevant Class of Notes for the relevant Interest Period (the Interest Amount) and shall notify the Interest Amount and the Principal Amount Outstanding in respect of each Note to the Domiciliary Agent by no later than 11:00 am (CET) on the Quarterly Calculation Date.

4.6. Calculation of Interest Amounts

- (a) The Interest Amount for the Class A1 Notes will be equal to the Accrued Interest for the Class A1 Notes.
- (b) The Interest Amount for the Class A2 Notes will be equal to the Accrued Interest for the Class A2 Notes.
- (c) The Interest Amount for the Class B Notes will be equal to the Accrued Interest for the Class B Notes plus (A) the Class B Interest Surplus and (B) minus the Class B Interest Deficiency, in accordance with Condition 4.13 (*Class B Interest Roll-Over*).
- (d) With respect to the payment of Interest Amounts on the Notes, for rounding purposes only, the Interest Amounts due and payable to any Class of Notes will be calculated:
 - (i) for the purpose of providing the Securities Settlement System with the necessary funds for the payment of the Interest Amounts on a Quarterly Payment Date to the Noteholders, by multiplying the Interest Amount for a Note of a particular Class of Notes by the aggregate number of all Notes of such Class of Notes and rounding the resultant figure to the nearest Euro cent (half a Euro cent being rounded upwards); and
 - (ii) in the event of the payment of the Interest Amounts on a Quarterly Payment Date by the Securities Settlement System, by multiplying the Interest Amount for a Note of a particular Class of Notes by the aggregate number of all Notes of such Class of Notes and rounding the resultant figure down to the lower Euro cent.
- (e) ***Accrued Interest*** means, in respect of any Quarterly Calculation Date and in respect of any Class of the Notes then outstanding, the amount obtained by applying the relevant Interest Rate to the Principal Amount Outstanding of the relevant Class of the Notes (minus, in respect of the Class B Notes, the amount standing to the Class B Principal Deficiency Ledger)

on the first (1st) day of the relevant Interest Period, multiplied by the actual number of days elapsed in the then current Interest Period (or such other period) divided by 360.

4.7. Publication of Interest Rate, Interest Amount and other Notices

As soon as practicable after receiving notification thereof and in any event by 11:00 a.m. (CET) on the Quarterly Calculation Date, the Administrator will cause the Interest Rate and the Interest Amount applicable to each Class of Notes for each Interest Period and the Quarterly Payment Date falling at the end of such Interest Period to be notified to the Securities Settlement System Operator, the Issuer, the Administrator, the Servicer, the Security Agent, , the Domiciliary Agent and will cause notice thereof to be given to the relevant Class of Noteholders. The Interest Rate, the Interest Amount and the Quarterly Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period or of a manifest error.

4.8. Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Euro-Reference Banks (or any of them), the Calculation Agent, the Administrator or the Security Agent shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer, the Euro-Reference Banks, the Calculation Agent, the Security Agent and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Euro-Reference Banks, the Calculation Agent, , the Administrator or the Security Agent in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

4.9. Calculation Agent

The Issuer will procure that, as long as any of Notes remain outstanding, there will at all times be a Calculation Agent. The Issuer has, subject to prior written consent of the Security Agent, the right to terminate the appointment of the Calculation Agent by giving at least ninety (90) calendar days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 14 (*Notice to Noteholders*). If any person shall be unable or unwilling to continue to act as a Euro-Reference Bank, or the Calculation Agent (as the case may be) or if the appointment of the Calculation Agent shall be terminated, the Issuer will, with the prior written consent of the Security Agent, appoint a successor Calculation Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Calculation Agent shall take effect until a successor approved in writing by the Security Agent has been appointed.

4.10. Benchmark discontinuation

(a) Independent Advisor

If a Benchmark Event occurs in relation to EURIBOR when any Interest Rate (or any component part thereof) remains to be determined by reference to EURIBOR, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in each case in accordance with Condition 4.10 (b) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.10 (c) and any Benchmark Amendments (in accordance with Condition 4.10 (d)).

An Independent Adviser appointed pursuant to this Condition 4.10 shall act in good faith as an expert and (in the absence of fraud) shall have no liability whatsoever to the Issuer or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.10.

For the purposes of this Condition 4.10, capitalised terms will have the following meaning:

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of EURIBOR with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

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

Alternative Rate means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 4.10(b) and which has replaced EURIBOR in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes.

Benchmark Event means:

- (i) EURIBOR ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of EURIBOR stating that it will, by a specified date within the following six months, cease to publish EURIBOR permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of EURIBOR); or
- (iii) a public statement by the supervisor of the administrator of EURIBOR stating that EURIBOR has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of EURIBOR that means the EURIBOR will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

- (v) it has become unlawful for any paying agent, Calculation Agent, the Issuer or any other party to the Administration Agreement to calculate any payments due to be made to any Note.

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4.10 (a).

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

Successor Rate means a successor to or replacement of EURIBOR which is formally recommended by any Relevant Nominating Body.

(b) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.10(c)) subsequently be used in place of EURIBOR to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.10); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.10(c)) subsequently be used in place of EURIBOR to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.10).

(c) Adjustment Spread

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

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.10 and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions are necessary to

ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of such Benchmark Amendments, then the Issuer may, without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in a notice given in accordance with Condition 4.10(e).

At the request of the Issuer, but subject to receipt by the Domiciliary Agent of a notice from the Issuer pursuant to Condition 4.10(e), the Domiciliary Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of an agreement supplemental to or amending the Administration Agreement), provided that the Domiciliary Agent shall not be obliged so to concur if in the opinion of the Domiciliary Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Domiciliary Agent in these Conditions or the Administration Agreement (including, for the avoidance of doubt, any supplemental administration agreement) in any way.

In connection with any such variation in accordance with this Condition 4.10(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.10 will be notified promptly by the Issuer to the Domiciliary Agent, the Calculation Agent and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Domiciliary Agent shall be entitled to rely on such notice (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Domiciliary Agent's ability to rely on such notice as aforesaid) be binding on the Issuer, the Domiciliary Agent, the Calculation Agent, the paying agents and the Noteholders.

(f) Survival of EURIBOR

Without prejudice to the obligations of the Issuer under Condition 4.10 (a),(b),(c) and (d), EURIBOR and the fallback provisions provided for in Condition 4.3(b)(iii) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4.10 (e).

4.11. Payments subject to Priority of Payments

All payments of interest and principal in respect of the Notes are subject to the applicable Priority of Payments and all other fiscal laws and regulations applicable in the place of payment.

4.12. Class A Interest Shortfall

Subject to Condition 9 (*Events of Default*), it shall be an Event of Default under the Class A1 Notes and the Class A2 Notes if on any Quarterly Payment Date, the Interest Amounts then due and payable under and in respect of the Class A1 Notes or the Class A2 Notes have not been paid in full.

4.13. Class B Interest Roll-Over

To the extent that on any Quarterly Payment Date, the amount of Interest Available Amount is not sufficient to pay the Accrued Interest in respect of all Class B Notes, the amount of such shortfall (the *Class B Interest Deficiency*) shall be recorded in the Class B interest deficiency ledger (the *Class B Interest Deficiency Ledger*). The balance of the Class B Interest Deficiency Ledger existing on any Quarterly Calculation Date (the *Class B Interest Deficiency Balance*) shall be aggregated with the Accrued Interest otherwise due on the Class B Notes on the next succeeding Quarterly Payment Date (in accordance with Condition 4.6 (*Calculation of Interest Amounts*)) to the extent sufficient Interest Available Amount is available on such date (the amount of Interest Available Amount, if any, which is available on the next succeeding Quarterly Payment Date after payment of the Accrued Interest on the Class B Notes, in accordance with the Interest Priority of Payments, to reduce the balance of the Class B Interest Deficiency Ledger, the *Class B Interest Surplus*) and such Class B Interest Surplus will be paid under the Class B Notes and recorded on the Class B Interest Deficiency Ledger to reduce any debit balance on it (if any).

5. REDEMPTION AND CANCELLATION

5.1. Final Redemption

- (a) Unless previously redeemed or cancelled as provided in this Condition and subject always to Condition 10 (*Subordination*) the Issuer shall redeem the Notes at their Principal Amount Outstanding together with the accrued interest thereon on the Quarterly Payment Date falling in December 2046 (the *Final Redemption Date*).
- (b) The Issuer may not redeem Notes in whole or in part prior to the Final Redemption Date except as provided in this Condition 5 (Redemption and Cancellation), but without prejudice to Condition 9 (*Events of Default*).

5.2. Mandatory *pro rata* and *pari passu* Redemption in whole or in part

- (a) Subject to and in accordance with the Principal Priority of Payments, the Issuer will be obliged to apply the Principal Available Amount on the Quarterly Payment Date falling in November 2021 (the *Mandatory Amortisation Date*) and on each Quarterly Payment Date thereafter as set out in this Condition prior to enforcement.
 - (i) The Class A1 Notes shall be subject to mandatory *pari passu* and *pro rata* redemption in whole or in part on each Quarterly Payment Date, if, on the Quarterly Calculation Date relating thereto there is any Principal Available Amount.
 - (ii) If there are no Class A1 Notes outstanding the Class A2 Notes shall be subject to mandatory *pari passu* and *pro rata* redemption in part on each Quarterly Payment Date (including the Quarterly Payment Date on which the Class A1 Notes are redeemed in full) if on the Quarterly Calculation Date relating thereto there is any Principal Available Amount (after providing for all payments to be made in respect of the redemption of the Class A1 Notes).

- (iii) If there are no Class A2 Notes outstanding the Class B Notes shall be subject to mandatory *pari passu* and *pro rata* redemption in part on each Quarterly Payment Date (including the Quarterly Payment Date on which the Class A2 Notes are redeemed in full) if on the Quarterly Calculation Date relating thereto there is any Principal Available Amount (after providing for all payments to be made in respect of the redemption of the Class A2 Notes).
- (iv) The principal amount so redeemable in respect of a Note on any Quarterly Payment Date shall be (i) the amount (if any) of Principal Available Amount that can be applied in redemption of Notes of the relevant Class subject to the appropriate priority of payments on the applicable Quarterly Calculation Date (rounded down to the nearest Euro cent), divided by (ii) the number of Notes of that Class then outstanding.

On any Quarterly Payment Date prior to the Mandatory Amortisation Date, the Issuer will under the circumstances as set out in Condition (b) be obliged to redeem the Notes in accordance with the priority set out in this Condition (a).

- (b) Following the making of a payment of a principal amount in respect of a Note, the Principal Amount Outstanding of the relevant Note shall be reduced accordingly.

5.3. Calculation of payments of principal

- (a) On each Quarterly Calculation Date, the Administrator shall determine (a) the amount (if any) of any principal amounts due in respect of each Note of each Class on the next Quarterly Payment Date and (b) the Principal Amount Outstanding of each Note of each Class on the next Quarterly Payment Date (after taking account of the amount in (a) and (c) the fraction expressed as a decimal to the twelfth point (the **Note Factor**), of which the numerator is the Principal Amount Outstanding of a Note of each Class of Notes (as referred to in (b) above) and the denominator is the Principal Amount Outstanding of a Note of such Class of Notes on the Closing Date). Each determination by or on behalf of the Issuer of any payment of principal, and the Principal Amount Outstanding of each Note of each Class of Notes shall in each case (in the absence of wilful misconduct, bad faith or manifest error) be final and binding on all persons.
- (b) The Administrator on behalf of the Issuer will determine the payment of principal in respect of each Class of Notes, the Note Factor and the Principal Amount Outstanding and shall notify forthwith the Security Agent, the Issuer, the Domiciliary Agent, the Servicer, the Calculation Agent, and (for so long as the Notes are listed on one or more stock exchanges) the relevant stock exchanges, of each determination of the payment of principal, the Note Factor and the Principal Amounts Outstanding in respect of each Class of Notes in accordance with Condition 14 (*Notice to Noteholders*) by no later than 11:00 a.m. (CET time) on that Quarterly Calculation Date.
- (c) If the Issuer does not at any time for any reason determine (or cause the Administrator to determine) a payment of principal or the Principal Amount Outstanding in respect of any Class of Notes in accordance with the preceding provisions of this paragraph, such payment of principal and Principal Amount Outstanding may be determined by the Security Agent in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall be binding on the Issuer, the Servicer, the Administrator, the Domiciliary Agent and the Calculation Agent.

5.4. Optional Redemption Call and Clean-Up Call

(a) Optional Redemption Call

Upon giving not more than sixty (60) calendar days' notice nor less than thirty (30) calendar days' notice in accordance with Condition 14 (*Notice to Noteholders*), the Issuer shall have the right (but not the obligation) to redeem all (but not some only) of the Notes at their Principal Amount Outstanding (*less*, in case of the Class B Notes, the Principal Shortfall) on the Quarterly Payment Date falling in November 2023 (the **First Optional Redemption Date**), or on any Quarterly Payment Date thereafter (each such date, an **Optional Redemption Date**).

(b) Clean-Up Call

Upon giving not more than sixty (60) calendar days' notice nor less than thirty (30) calendar days' notice in accordance with Condition 14 (*Notice to Noteholders*), the Issuer shall have the right (but not the obligation) to redeem all (but not some only) of the Notes at their Principal Amount Outstanding (*less*, in case of the Class B Notes, the Principal Shortfall) on each Quarterly Payment Date if on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date the aggregate Principal Amount Outstanding of the Notes is less than 10 per cent of the aggregate Principal Amount Outstanding of the Notes on the Closing Date.

(c) Exercise of Optional Redemption Call or Clean-Up Call

- (i) The Optional Redemption Call or Clean-Up Call may be exercised by the Issuer provided in each case that:
 - (A) prior to giving any such notice, no Enforcement Notice has been served by the Security Agent in respect of any of the Notes;
 - (B) prior to giving any such notice, the Issuer shall have provided to the Security Agent a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to discharge all its liabilities in respect of the Notes and any amounts required under the Pledge Agreement to be paid in priority to or *pari passu* with the Notes in accordance with these Conditions.
- (ii) The amount of principal and accrued interest payable by the Issuer to the Noteholders upon such redemption pursuant to an Optional Redemption Call or a Clean-Up Call will be equal to the Optional Redemption Amount.
- (iii) **Optional Redemption Amount** shall, in all cases of early redemption in full of the Notes, be equal to:
 - (A) in respect of the Class A Notes, the aggregate Principal Amount Outstanding of the Class A Notes, *plus* all accrued and unpaid interest thereon up to, but excluding, the date of the redemption; and
 - (B) In respect of the Class B Notes, the aggregate Principal Amount Outstanding of the Class A Notes, *plus* all accrued and unpaid interest thereon up to, but excluding, the date of the redemption, *less* the Principal Shortfall.

Principal Shortfall means, in respect of any Quarterly Payment Date, an amount equal to the quotient of (i) the sum of the balance of the Class B Principal Deficiency

Ledger (ii) divided by the number of the Class B Notes outstanding on such Quarterly Payment Date.

- (iv) The amounts payable by the Issuer upon such redemption will be calculated by the Administrator. For these purposes, interest will accrue on the Notes up to, but excluding, the date of redemption.

5.5. Optional Redemption for Tax Reasons

- (a) The Issuer shall have the right (but not the obligation) to redeem all (but not some only) of the Notes at the Optional Redemption Amount, on any Quarterly Payment Date, on the occurrence of one or more of the following circumstances:

- (i) if, on the next Quarterly Payment Date, the Issuer, the Securities Settlement System Operator or the Domiciliary Agent is or would become required to deduct or withhold any amounts 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 thereof or therein) from any payment of principal or interest in respect of Notes of any Class held by or on behalf of any Noteholder who would, but for any amendment to, or change in, the tax laws or regulations of the Kingdom of Belgium (or any sub-division thereof or therein) or of any authority therein or thereof 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 after the Closing Date, have been an Eligible Investor; or
- (ii) if, on the next Quarterly Payment Date, the Issuer, the Securities Settlement System Operator or the Domiciliary Agent is or would become required to deduct or withhold any amounts for or on account of FATCA in respect of any payment of principal or interest in respect of Notes of any Class held by or on behalf of any Noteholder; or
- (iii) if, the total amount payable in respect of a Collection Period as interest on any of the SME Loans ceases to be receivable by the Issuer during such Collection Period due to withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature in respect of such payments; or
- (iv) if, after the Closing Date, the Belgian tax regulations introducing income tax, withholding tax and VAT concessions for Belgian companies for investment in receivables (including the Issuer) (the *IIR Tax Regulations*) are changed (or their application is changed in a materially adverse way to the Issuer or in the event that the IIR Tax Regulations would no longer be applicable to the Issuer),

by giving not more than sixty (60) calendar days' nor less than thirty (30) calendar days' notice in accordance with Condition 14 (*Notice to Noteholders*), provided that:

- (i) prior to giving any such notice, no Enforcement Notice has been served by the Security Agent in respect of any of the Notes;
- (ii) prior to giving such notice, the Administrator shall have provided to the Security Agent a certificate signed by two directors of the Issuer to the effect that it will have the funds in the Issuer Accounts, not subject to the interest of any other person, required to discharge all its liabilities in respect of the Notes as provided in the Conditions;

- (iii) the Security Agent is satisfied in its reasonable opinion, following such certification, that the Issuer is able to discharge such liabilities as provided in the Conditions;
 - (iv) all payments that are due and payable in priority to such Notes have been made; and
 - (v) no Class of Notes may be redeemed under such circumstances unless the higher ranking Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.
- (b) The amounts payable by the Issuer upon such redemption will be calculated by the Administrator and, for these purposes interest will accrue on the Notes up to but excluding the date of redemption. The amounts payable to the Noteholders shall be equal to the Optional Redemption Amount (as defined in Condition 5.4(c)(iii)).

5.6. Optional Redemption in case of Change of Law

- (a) In addition, on each Quarterly Payment Date, the Issuer may at its option (but shall not be under any obligation to do so) redeem all (but not some only) of the Notes, 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 Closing Date which would or could affect the Issuer or any Class of Notes, as certified by the Security Agent, by giving not more than sixty (60) calendar days' notice nor less than thirty (30) calendar days' notice in accordance with Condition 14 (*Notice to Noteholders*), provided that:
- (i) prior to giving any such notice, no Enforcement Notice has been served by the Security Agent in respect of any of the Notes;
 - (ii) prior to giving such notice, the Administrator shall have provided to the Security Agent a certificate signed by two directors of the Issuer to the effect that it will have the funds in the Issuer Accounts, not subject to the interest of any other person, required to discharge all its liabilities in respect of the Notes as provided in the Conditions;
 - (iii) the Security Agent is satisfied in its reasonable opinion, following such certification, that the Issuer is able to discharge such liabilities as provided in the Conditions; and
 - (iv) no Class of Notes may be redeemed under such circumstances unless the higher ranking Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.
- (b) The amounts payable by the Issuer upon such redemption will be calculated by the Administrator and, for these purposes interest will accrue on the Notes up to but excluding the date of redemption. The amounts payable to the Noteholders shall be equal to the Optional Redemption Amount (as defined in Condition 5.4(c)(iii)).

5.7. Redemption in case of Regulatory Change

- (a) On each Quarterly Payment Date, the Issuer shall redeem all (but not some only) of the Notes at the Optional Redemption Amount, if the Seller exercises its option to repurchase the SME Loans from the Issuer upon the occurrence of a change published after the Closing Date (i) in the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision (the *Basel Accord*) or in the international, European or Belgian regulations, rules and instructions (which includes the solvency regulation of the National Bank of Belgium or the European

Central Bank, as applicable) (the **Bank Regulations**) applicable to the Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord) or 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 any relevant international, European or other competent regulatory or supervisory authority) which, in the opinion of the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing its cost or reducing its benefit with respect to the transaction contemplated by the Notes or (ii) in the eligible collateral framework of the European Central Bank as 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 (a **Regulatory Change**), by giving not more than sixty (60) calendar days' notice nor less than thirty (30) calendar days' notice in accordance with Condition 14 (*Notice to Noteholders*), provided that no Class of Notes may be redeemed under such circumstances unless the higher ranking Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

- (b) The amounts payable by the Issuer upon such redemption will be calculated by the Administrator and, for these purposes interest will accrue on the Notes up to but excluding the date of redemption. The amounts payable to the Noteholders shall be equal to the Optional Redemption Amount (as defined in Condition 5.4(c)(iii)).

5.8. Notice of Redemption

Any such notice as is referred to in Conditions 5.4(a), 5.4(b), 5.5(a), 5.6(a) and 5.7(a) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes for an amount equal to the Optional Redemption Amount.

5.9. 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.

6. PAYMENTS

- 6.1. All payments of principal or interest owing under the Notes shall be made through the Domiciliary Agent and the Securities Settlement System in accordance with the rules of the Securities Settlement System.
- 6.2. No commissions or expenses shall be charged by the Domiciliary Agent to the Noteholders in respect of such payments.
- 6.3. 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 8 (Taxation).
- 6.4. 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.

7. PRESCRIPTION (VERJARING / PRÉSCRIPTION)

Claims for principal or interest under the Notes shall become time barred ten or five years, respectively, after their relevant due date.

8. TAXATION

- 8.1. 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 (a **Tax Deduction**), unless the Tax Deduction is required by law. In that event, the Issuer, the Securities Settlement System Operator, the Domiciliary Agent or any other person (as the case may be) will make the required Tax Deduction 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 the Securities Settlement System Operator nor any other person will be obliged to gross up the payments in respect of the Notes of any Class or to make any additional payments to any Noteholders.
- 8.2. The Issuer, the Securities Settlement System Operator, the Domiciliary Agent or any other person being required to make a Tax Deduction shall not constitute an Event of Default.

9. EVENTS OF DEFAULT

- 9.1. The Security Agent at its discretion may and, if so requested in writing by the holders of not less than twenty-five (25) per cent. in aggregate Principal Amount Outstanding of the highest ranking Class of Notes outstanding or if so directed by or pursuant to an Extraordinary Resolution of the holders of the highest ranking Class of Notes (subject, in each case, to being indemnified to its satisfaction) (but in the case of the events mentioned in Condition 9.2(b) to 9.2(f) inclusive below, only if the Security Agent shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders of the highest ranking Class of Notes then outstanding), shall be bound to give notice (an Enforcement Notice) to the Issuer declaring the Notes to be immediately due and payable at their Principal Amount Outstanding together with accrued interest at any time after the occurrence of an Event of Default, and a copy of such notice shall be sent to the Administrator, the Servicer and the Rating Agencies.
- 9.2. Each of the following events is an **Event of Default**:
- (a) default is made for a period of fifteen (15) Business Days or more in any payment of interest in respect of the Class A1 Notes, the Class A2 Notes or the Class B Notes when due to be paid in accordance with the Conditions or default is made for a period of fifteen (15) Business Days or more in any payment of principal in respect of the Notes when due to be paid in accordance with the Conditions (for the avoidance of doubt: (i) any suspension of payment of interest in accordance with Condition (c) and (ii) any roll-over of Accrued Interest on the Class B Notes in accordance with Condition 4.13, shall not be construed as an Event of Default); or
 - (b) the Issuer fails to perform or observe any of its other obligations or is in breach under any of the representations and warranties under or in respect of the Notes or the other Transaction Documents and, except where such failure or breach, in the reasonable opinion of the Security Agent, is incapable of remedy, such default or breach continues for a period of thirty (30) calendar days (or such longer period as the Security Agent may agree) after written notice by the Security Agent to the Issuer requiring the same to be remedied (save that if the Issuer fails to comply with the order of the Priority of Payments prior to the service of an Enforcement Notice), such period being reduced to fifteen calendar days to rectify any technical errors);

- (c) an order being made or an effective resolution being passed for the winding-up (*ontbinding / dissolution*) of the Issuing Company or Compartment Belgian Lion SME III 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
 - (d) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (c) 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 allocated to Compartment Belgian Lion SME III as and when they fall due or the value of its assets allocated to Compartment Belgian Lion SME III falling to less than the amount of its liabilities or otherwise becomes insolvent; or
 - (e) proceedings shall be initiated against or by the Issuing Company or Compartment Belgian Lion SME III under any applicable liquidation, reorganisation, insolvency or other similar law including the Book XX of the 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* (notice of demand) is notified to the Issuer under Articles 1499 or 1564 of the *Gerechtelijk 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 allocated to Compartment Belgian Lion SME III and in any of the foregoing cases it shall not be discharged within thirty (30) Business Days; or
 - (f) 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 Transaction.
- 9.3. Upon any declaration being made by the Security Agent in accordance with Condition 9.1 above that the Notes are due and repayable, the Notes shall, subject to Condition 10 (*Subordination*), immediately become due and repayable at their Principal Amount Outstanding together with accrued interest as provided in these Conditions and the Domiciliary Agency Agreement.
- 9.4. If an Event of Default has occurred, and unless the Security Agent shall be bound to give an Enforcement Notice in accordance with Condition 9.1 above, the Security Agent may call a meeting of Noteholders and propose to the Noteholders (a) not to give an Enforcement Notice, (b) to proceed with an amicable sale of the Portfolio, and where practical other Collateral, pursuant to a limited private auction procedure on terms set out in the Pledge Agreement (the private auction sale), and (c) to redeem in full all, but not some only, of the Notes, after completion of the sale of the Portfolio, in accordance with the priority of payments (***Enforcement***) set out in Condition 2 (*Status, Security and Priority*). Such proposal shall be deemed approved if the Noteholders shall have approved the proposal in accordance with the provisions (including the required majority and quorum) for a Basic Term Modification.

10. SUBORDINATION

The Class A Notes will be senior to the Class B Notes.

10.1. Class A Notes

Within the Class A Notes, the Class A2 Notes will be subordinated to the Class A1 Notes to the extent that prior to enforcement, no payment of principal by the Issuer on the Class A2 Notes will be made whilst any Class A1 Note remains outstanding.

In respect of:

- (a) payments of interest prior to enforcement; and
- (b) any amount due in respect of the Class A Notes in case of enforcement,

the Class A1 Notes and the Class A2 Notes shall however rank *pari passu* without any preference or priority among themselves.

10.2. Class B Notes

(a) Subordination to the Class A Notes

The Class B Notes will be subordinated to the Class A Notes as follows:

- (i) until all the Class A Notes have been redeemed in full, principal amounts under the Class B Notes shall not become due and payable;
- (ii) interest on the Class B Notes will only be paid in accordance with the Interest Priority of Payments prior to enforcement; and
- (iii) in the event of an Enforcement by the Security Agent, any amount due in respect of the Class B Notes will rank behind any amounts due in respect of the Class A Notes, which shall rank in priority in point of payment and security to the Class B Notes in accordance with the Post-Enforcement Priority of Payments following service of an Enforcement Notice.

(b) General subordination

In the event of insolvency (which term includes bankruptcy (*faillissement/faillite*), winding-up (*vereffening/liquidation*) and judicial reorganisation (*gerechtelijke reorganisatie/reorganisation judiciaire*) of Compartment Belgian Lion SME III, any amount due or overdue in respect of the Class B Notes will:

- (i) rank lower in priority in point of payment and security than any amount due or overdue in respect of the Class A Notes; and
- (ii) shall only become payable after any amounts due in respect of any Class A Notes have been paid in full.

10.3. Waiver in case of lack of funds on the Final Redemption Date

Subject to Condition 11.2 (*Limited Recourse*), to the extent that available funds are insufficient to repay any principal and accrued interest outstanding on any Class of Notes on the Final Redemption Date, any amount of the Principal Amount Outstanding of, and accrued interest on, such Notes in excess of the amount available for redemption or payment at such time, will cease to be payable by the Issuer and the Issuer shall be under no obligation to pay any interest or damages or other form of compensation to Noteholders in respect of any amounts of interest that remain unpaid as a result.

10.4. Principal Deficiencies and Allocation

(a) Principal Deficiency Ledgers

Principal deficiency ledgers will be established on behalf of the Issuer by the Administrator in respect of the Class A Notes (*Class A Principal Deficiency Ledger*) and the Class B Notes (*Class B Principal Deficiency Ledger*) and together the *Principal Deficiency Ledgers*) in order to record any Realised Losses incurred on the SME Loans.

(b) Allocation

Any Realised Losses will, on the relevant Quarterly Calculation Date, be debited to the Principal Deficiency Ledgers sequentially as follows:

- (i) *first*, to the Class B Principal Deficiency Ledger up to an amount equal to the aggregate Principal Amount Outstanding of the Class B Notes and if there is sufficient Interest Available Amount then any debit balance on Class B Principal Deficiency Ledger shall be reduced by crediting such funds at item (x) of the Interest Priority of Payments;
- (ii) *second* to the Class A Principal Deficiency Ledger up to an amount equal to the aggregate Principal Amount Outstanding of the Class A Notes, and if there is sufficient Interest Available Amount then any debit balance on Class A Principal Deficiency Ledger shall be reduced by crediting such funds at item (vii) of the Interest Priority of Payments.

Any debit balance recorded on the respective Principal Deficiency Ledgers shall be a *Class A Principal Deficiency* and a *Class B Principal Deficiency*, each a *Principal Deficiency*, as applicable and as the context requires.

Realised Losses means in relation to a Foreclosed Loan and in respect of any Quarterly Calculation Date, the positive amount by which:

- (i) the Current Balance of such Foreclosed Loan as of the relevant Cut-Off Date; exceeds
- (ii) the aggregate of all Principal Repayments or Net Proceeds relating to principal amounts received by the Issuer since the relevant Cut-Off Date.

An SME Loan which is in arrears or in default and in respect of which the Servicer has undertaken and completed applicable Foreclosure Procedures (a *Foreclosed Loan*) shall, to the extent a residual debt remains outstanding, be sold to Fiduciaire van het Krediet/Fiduciaire du Crédit NV/SA, an ING collection agency, in order to collect the residual debt.

Principal Repayments means in relation to an SME Loan, any amounts of repayments and prepayments of principal under or in respect of the relevant SME Loan other than any Recoveries (it being understood that, in respect of a Roll Over Term Loan, the roll-over of an advance will not constitute a repayment of principal for the entire amount rolled-over, but only for an amount equal to the positive amount by which the advance before exceeds the advance after the roll-over).

11. ENFORCEMENT OF NOTES – LIMITED RECOURSE AND NON-PETITION

11.1. Enforcement

- (a) At any time after the Notes have become due and repayable the Security Agent may, at its discretion and without further notice, take such steps and proceedings against the Issuer as it may think fit to enforce the Security and to enforce repayment of the Notes together with payment of accrued interest, but it shall not be bound to take any such proceedings unless:
 - (i) it shall have been so directed by an Extraordinary Resolution of the highest ranking Class of Notes then outstanding or so requested in writing by the holders of at least twenty-five (25) per cent. in aggregate Principal Amount Outstanding of the highest ranking Class of Notes; and
 - (ii) it shall have been indemnified to its satisfaction.
- (b) Only the Security Agent may enforce the security interests created by or pursuant to the Pledge Agreement and no other Secured Party or Noteholder shall be entitled to enforce such security or proceed against the Issuer to enforce the performance of any of the provisions of the Pledge Agreement, unless the Security Agent, having become bound to take such steps as provided in the Pledge Agreement, fails to do so within a reasonable period (30 days being deemed for this purpose to be a reasonable period) and such failure shall be continuing.
- (c) The Security Agent cannot, while any of the Notes are outstanding, be required to enforce the Security at the request of any Secured Party under the Pledge Agreement other than the Noteholders of the Notes.

11.2. Limited Recourse

- (a) If, on the earlier of (a) the Final Redemption Date; (b) or the date on which a Class of Notes is redeemed in full in accordance with Condition 5.2(a)(i) or 5.2(a)(ii); or (c) the date following the enforcement of the Security and after payment of all other claims ranking in priority to the Notes under the Pledge Agreement in accordance with the Post-enforcement Priority of Payments, to the extent that Principal Available Amount and Interest Available Amount are insufficient to repay any principal and accrued interest outstanding on any Class of Notes, any amount of the Principal Amount Outstanding of, and accrued interest on, such Notes in excess of the amount available for redemption or payment at such time, will cease to be payable by the Issuer. Each of the Noteholders of the Notes agrees with the Issuer and Security Agent that all obligations of the Issuer to the Noteholders and all other Secured Parties are limited in recourse such that only the assets of the Issuer allocated to Compartment Belgian Lion SME III subject to the relevant Security will be available to meet the claims of the Noteholders and the other Secured Parties.
- (b) Any claim remaining unsatisfied after the enforcement and realisation of the Security and the application of the proceeds thereof in accordance with the Post-enforcement Priority of Payments shall be extinguished and all unpaid liabilities and obligations of the Issuer will cease to be payable by the Issuer. Except as otherwise provided by Condition 11 (*Enforcement of Notes – Limited Recourse and Non-Petition*) or in Condition 12 (*The Security Agent*), none of the Noteholders or any other Secured Party shall be entitled to initiate proceedings or take any other steps to enforce any relevant Security.

11.3. Waiver

The Noteholders waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (*ontbinden/dissoudre*), or demand in legal proceedings the rescission (*ontbinding/dissolution*) of, the Notes and (ii) all rights whatsoever in respect of the Notes pursuant to Article 487 of the Belgian Companies Code (right to rescind (*ontbinden/dissoudre*)).

11.4. Non-Petition

Except as otherwise provided in this Condition 11 (*Enforcement of Notes – Limited Recourse and Non-Petition*) or in Condition 12 (*The Security Agent*), no Noteholder or any of the other Secured Parties, shall be entitled to take any steps:

- (a) to direct the Security Agent to enforce the relevant Security;
- (b) to take or join any person in taking steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;
- (c) to initiate or join any person in initiating against the Issuer any bankruptcy, winding up, reorganisation, arrangement, insolvency or liquidation proceeding under any applicable law until the expiry of a period of 1 (one) year after the last maturing Note is paid in full;
- (d) to take any steps or proceedings that would result in any applicable Priority of Payments not being observed; or
- (e) take any action or exercise any rights directly against the Issuer or in connection with the Security.

12. THE SECURITY AGENT

12.1. Appointment

The Security Agent has been appointed by the Issuer as representative of the Noteholders in accordance with Article 271/12, §1, first to seventh indent of the UCITS Act, as representative of the Secured Parties in accordance with Article 5 of the Financial Collateral Law, as representative (*vertegenwoordiger / représentant*) of the Secured Parties in accordance with Article 3 of Title XVII (*Real security on movable assets*) of Book III of the Belgian Civil Code (*Burgerlijk Wetboek / Code civil*) and as irrevocable agent and attorney (*mandataire / mandataris*) of the other Secured Parties upon the terms and conditions set out in the Pledge Agreement and herein.

12.2. Powers, authorities and duties

- (a) The Security Agent, acting in its own name and on behalf of the Noteholders and the other Secured Parties, shall have the power:
 - (i) to accept the Security (on behalf of the Noteholders);
 - (ii) upon service of an Enforcement Notice, to proceed against the Issuer to enforce the performance of the Transaction Documents (including the Notes) and to enforce the Security;
 - (iii) to collect all proceeds in the course of enforcing the Security;

- (iv) to apply or to direct the application of the proceeds of enforcement in accordance with the Conditions and the provisions of the Pledge Agreement;
 - (v) to open an account in the name of the Secured Parties or in the name of the Security Agent with a credit institution with a rating by the Rating Agencies equal or equivalent to the minimum rating imposed on the GIC Provider from time to time pursuant to the Transaction Documents (an *Eligible Institution*) for the purposes of depositing the proceeds of enforcement of the Security and to give all directions to the Eligible Institution to administer such account;
 - (vi) to exercise all other powers and rights and perform all duties given to the Security Agent under the Transaction Documents; and
 - (vii) generally, to do all things necessary in connection with the performance of such powers and duties.
- (b) The Security Agent may delegate the performance of any of the foregoing powers to any persons (including any legal entity) whom it may designate. Notwithstanding any sub-contracting or delegation of the performance of its obligations under the Pledge 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 the Pledge 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.
- (c) The Security Agent shall not be bound to take any action under its powers or duties other than those referred to in sub-paragraphs (i), (iii) and (v) of paragraph (a) above and paragraph (d) below unless:
- (i) it shall have been directed to do so by (i) an Extraordinary Resolution of the highest ranking Class of Notes then outstanding; or (ii) the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the highest ranking Class of Notes; and
 - (ii) it shall in all cases have been indemnified to its satisfaction against all liability, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith, save where these are due to its own Gross Negligence, wilful misconduct or fraud.
- (d) Whenever the interests of the Noteholders are or can be involved in the opinion of the Security Agent, the Security Agent may, if indemnified to its satisfaction, take legal action on behalf of the Noteholders and represent the Noteholders in any bankruptcy (*faillissement / faillite*), liquidation (*vereffening / liquidation*), judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*) and any other legal proceedings initiated against the Issuer or any other party to a Transaction Document.

12.3. Amendments to the Transaction Documents

- (a) The Security Agent may on behalf of the Noteholders without the consent of the Noteholders and the other Secured Parties, at any time and from time to time, concur with the Issuer and the other parties thereto in making:
- (i) any modification to the Transaction Documents which in the opinion of the Security Agent may be proper provided that the Security Agent is of the opinion that such modification is not materially prejudicial to the interests of the Noteholders and

provided that such modification will in its reasonable opinion not adversely affect the then current ratings assigned to the Notes; or

- (ii) any modification to the Transaction Documents which in the opinion of the Security Agent is of a formal, minor, or technical nature or is to correct a manifest error or to comply with the mandatory provisions of Belgian law.
- (b) Any such modification shall be binding on the Noteholders. In no event may such modification be a Basic Term Modification (as defined in Condition 13.7 (Basic Term Modification)). The Issuer shall cause notice of any such modification to be given to the Rating Agencies and the Noteholders.
- (c) In determining whether or not any proposed change, event or action will be materially prejudicial to the interests of Noteholders, 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 whether obtained by itself or the Issuer and it 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.
- (d) If, in the Security Agent's opinion it is not sufficiently established that the proposed amendment or variation can be approved by it in accordance with this paragraph, it will determine in its full discretion whether to submit the proposal to a duly convened meeting of Noteholders (in accordance with Schedule 2 to the Pledge Agreement) or to refuse the proposed amendment or variation.

12.4. Waivers

The Security Agent may, without the consent of the Secured Parties or the Issuer, without prejudice to its right in respect of any further or other breach, condition, event or act from time to time and at any time, but only if and in so far as in its opinion the interests of Noteholders will not be materially prejudiced thereby, (i) authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Pledge Agreement, these Conditions or any of the other Transaction Documents or (ii) determine that any breach, condition, event or act which constitutes (and/or which, with the giving of notice or the lapse of time and/or the Security Agent making any relevant determination and/or issuing any relevant certificate would constitute), but for such determination, an Event of Default shall not, or shall not subject to specified conditions, be treated as such for the purposes of the Pledge Agreement. Any such authorisation, waiver or determination pursuant to this clause shall be binding on the Noteholders and if, but only if, the Security Agent shall so require, notice thereof shall be given to the Noteholders and the Rating Agencies. In determining whether or not the interests of the Noteholders will be materially prejudiced, 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 whether obtained by itself or the Issuer and it 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.

12.5. Conflicts of interest

(a) General

The Security Agent shall take account of the interests of the Secured Parties to the extent that there is no conflict amongst them. If:

- (i) an actual conflict exists or is likely to exist between the interests of Secured Parties in relation to any material action, decision or duty of the Security Agent under or in relation to the Pledge Agreement and the Conditions; and
- (ii) any of the Transaction Documents and the Conditions give the Security Agent a material discretion in relation to such action, decision or duty;

the Security Agent shall always have regard to the interests of the Noteholders in priority to the interests of the other Secured Parties. In connection with the exercise of its powers, authorities and discretions, the Security Agent shall have regard to the interests of the Noteholders as a Class and shall not have regard to the consequence of such exercise for individual Noteholders.

(b) Class A Noteholders

For so long as there are any Class A Notes outstanding, the Security Agent is to have regard solely to the interests of the Class A Noteholders if, in the Security Agent's opinion, there is a conflict between the interests of: (a) the Class A Noteholders and (b) the holders of the Class B Notes and/or any other Secured Parties (provided that if there is a conflict of interest in respect of such parties, the applicable Priority of Payments shall determine which interests shall prevail).

(c) Class B Noteholders

If there are no longer any Class A Notes outstanding, but for so long as there are any Class B Notes outstanding, the Security Agent is to have regard solely to the interests of the Class B Noteholders if, in the Security Agent's opinion, there is a conflict between the interests of (a) the Class B Noteholders and (b) any other Secured Parties (provided that if there is a conflict of interest in respect of such parties, the applicable Priority of Payments shall determine which interests shall prevail).

(d) Issuer and Secured Parties

- (i) Further, to the extent that:
 - (A) an actual conflict exists or is likely to exist between the interests of the Issuer and the Secured Parties, and the interests of the Seller in relation to any material action, decision or duty of the Security Agent under or in relation to the Pledge Agreement and any other Transaction Document; and
 - (B) the Pledge Agreement and any other Transaction Document gives the Security Agent a material discretion in relation to such action, decision or duty;

then the Security Agent shall have regard to the interests of the Issuer and the other Secured Parties (other than the Seller) in priority to the interests of the Seller.

- (ii) In relation to any duties, obligations and responsibilities of the Security Agent to the other Secured Parties in its capacity as agent of the Secured Parties in relation to the Collateral and under or in connection with the Pledge Agreement and any other Transaction Document, the Security Agent shall discharge these by performing and observing its duties, obligations and responsibilities as representative of the Noteholders in accordance with the provisions of the Pledge Agreement, the other Transaction Documents and the Conditions.

12.6. Replacement of the Security Agent

- (a) The Noteholders shall be entitled to terminate the appointment of the Security Agent by an Extraordinary Resolution notified to the Issuer and the Security Agent, provided:
- (i) in the same resolution a substitute security agent is appointed; and
 - (ii) such substitute security agent meets all legal requirements, if any, to act as security agent in respect of an Institutional VBS and accepts to be bound by the terms of the Pledge Agreement and all other Transaction Documents in the same way as its predecessor.
- (b) If any of the following events (each a *Security Agent Termination Event*) shall occur, namely:
- (i) an order is made or an effective resolution is passed for the dissolution (*ontbinding / dissolution*) of the Security Agent except a dissolution (*ontbinding / dissolution*) for the purpose of a merger where the Security Agent remains solvent; or
 - (ii) the Security Agent ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
 - (iii) the Security Agent defaults in the performance or observance of any of its material covenants and obligations under this Agreement or any other Transaction Document and (except where such default is incapable of remedy, when no such continuation and/or notice shall be required) such default continues unremedied for a period of thirty (30) Business Days after the earlier of the Security Agent becoming aware of such default and receipt by the Security Agent of written notice from the Issuer requiring the same to be remedied; or
 - (iv) the Security Agent becomes subject to any bankruptcy (*faillissement / faillite*), judicial reorganisation (*gerechtelijk reorganisatie / reorganisation judiciaire*) or other insolvency proceeding under applicable laws; or
 - (v) the Security Agent is rendered unable to perform its material obligations under the Pledge Agreement for a period of twenty (20) Business Days by circumstances beyond its reasonable control or *force majeure*, or
 - (vi) the management (*bestuur*) of the Security Agent is in one of the circumstances as set out under (b) or (d) above;

then the Issuer may by notice in writing terminate the powers delegated to the Security Agent under the Pledge Agreement and the Transaction Documents with effect from a date (not earlier than the date of the notice) specified in the notice and appoint a substitute security agent selected by the Issuer which shall act as security agent until a new security agent is appointed by the general meeting of Noteholders which shall promptly be convened by the Issuer. Upon such selection being made and notified by the Issuer to the Secured Parties in a way deemed appropriate by the Issuer, all rights and powers granted to the company then acting as Security Agent shall terminate and shall automatically be vested in the substitute security agent so selected. All references to the Security Agent in the Transaction 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 Condition.

- (c) 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 attorney (*mandataris / mandataire*) of the other Secured Parties on the terms and conditions set out in these Conditions and the Transaction Documents.

12.7. Accountability, Indemnification and Exoneration of the Security Agent

- (a) With respect to the exercise of its powers, authorities and discretions the Security Agent shall have regard to the interests of the Noteholders of a particular Class as a Class and shall not have regard to the consequences of such exercise for individual Noteholders.
- (b) If so requested in advance by the board of directors or the Noteholders, the Security Agent shall report to the general meeting of Noteholders on the performance of its duties under the Pledge Agreement provided such request is notified by registered mail no later than 10 Business Days prior to the relevant general meeting of Noteholders. The board of directors shall require such report if so requested by those Noteholders who have requested that such general meeting be convened.
- (c) In determining whether or not the exercise of any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents will be materially prejudicial to the interests of Noteholders, 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 whether obtained by itself or the Issuer and it 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.
- (d) The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Security Agent and providing for its indemnification in certain circumstances, including provisions relieving the Security Agent from taking enforcement proceedings or enforcing the Security unless indemnified to its satisfaction.
- (e) The Security Agent shall not be liable to the Issuer, the Noteholders or any of the other Secured Parties in respect of any loss or damage which arises out of the exercise, or the attempted exercise of, or the failure to exercise any of its powers or any loss resulting there from, except that the Security Agent shall be liable for such loss or damage that is caused by its Gross Negligence, wilful misconduct or fraud.
- (f) The Security Agent shall not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Collateral, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Servicer or any agent or related company of the Servicer or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Security Agent.
- (g) The Security Agent shall have no liability for any breach of or default under its obligations under the Pledge Agreement and under any other Transaction Document if and to the extent that such breach is caused by any failure on the part of the Issuer to perform any of its material obligations under the Pledge Agreement or by any failure on the part of the Issuer or any of the Secured Parties to duly perform any of its material obligations under any of the other Transaction Documents. In the event that the Security Agent is rendered unable to duly

perform its obligations under any of the Transaction Documents by any circumstances beyond its control, the Security Agent shall not be liable for any failure to carry out the obligations under the Transaction Documents which are thus affected by the event in question and, for so long as such circumstances continue, its obligations under the Pledge Agreement and under any other Transaction Documents which are thus affected will be suspended without liability for the Security Agent.

- (h) The Security Agent shall not be responsible for ensuring that any Security is created by, or continues to be managed by, the Issuer, the Security Agent, or any other person in such a manner as to create or maintain sufficient control to obtain the type of Security described in the Pledge Agreement in relation to the assets of the Issuer which are purported to be secured thereby and the Security Agent may, until it has actual knowledge or express notice to the contrary, assume the Issuer is observing and performing all its obligations under the Pledge Agreement or any other Transaction Documents and in any notices or acknowledgements delivered in connection with any such documents.

12.8. Ratings withdrawal

- (a) In the event any of the Rating Agencies (other than upon request of the Issuer) would decide no longer to rate the Class A Notes and withdraw its rating of the Class A Notes, all references in the Transaction Documents to the “Rating Agencies” will be deemed to refer solely to the Rating Agency(ies) that rates the Class A Notes and all references to the Rating Agency(ies) that has(have) ceased to rate the Class A Notes, will be deemed no longer to be applicable.
- (b) A withdrawal of the ratings by the Rating Agencies would not constitute an Event of Default or a breach of the obligations of the Issuer.

13. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVERS

13.1. General

The Articles 568 to 580 of the Company Code shall only apply to the extent that the Conditions, the by-laws of the Issuer or the Transaction Documents do not contain provisions which differ from the provisions contained in such articles. The Transaction Documents contain in particular, but without limitation, the following provisions that differ from the provisions of the Company Code:

- (a) the board of directors or the Auditor may at all times convene a meeting of Noteholders and will be required to convene a meeting of the Noteholders at the request of the Security Agent or of Noteholders representing not less than one-tenth of the aggregate Principal Amount Outstanding of the Notes; and
- (b) the provisions of Article 570 of the Company Code will not apply and the notices in relation to meetings of the Noteholders will be published as set out in Condition 14 (*Notice to Noteholders*);
- (c) in addition to the provisions of Article 568 of the Belgian Company Code, the meeting of Noteholders and the Security Agent shall have all the powers given to them in the Transaction Documents, including, but not limited to, those given to them in the Conditions; and
- (d) the reasons for convening a meeting of Noteholders is not limited to the reasons set out in the Belgian Company Code.

13.2. Access to meetings of Noteholders

Schedule 2 of the Pledge Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting the interests of Noteholders, including proposals by Extraordinary Resolution to modify, or to sanction the modification of the Notes (including these Conditions) or the provisions of any of the Transaction Documents.

13.3. Conflicts of interests

The following provisions shall apply where outstanding Notes belong to more than one Class:

- (a) business which in the opinion of the Security Agent affects the Notes of only one Class shall be transacted at a separate meeting of the Noteholders of that Class;
- (b) business which in the opinion of the Security Agent affects the Notes of more than one Class but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class and the Noteholders of any other Class shall be transacted either at separate meetings of the Noteholders of each such Class or at a single meeting of the Noteholders of all such Classes as the Security Agent shall in its absolute discretion determine;
- (c) business which in the opinion of the Security Agent affects the Notes of more than one Class and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class and the Noteholders of any other such Class shall be transacted at separate meetings of the Noteholders of each such Class; and
- (d) as may be necessary to give effect to the above provisions, the preceding paragraphs shall be applied as if references to the Notes and Noteholders were to the Notes of the relevant Class and to the Noteholders of such Notes.

13.4. Binding Resolutions

- (a) Any resolution passed at a meeting of the Noteholders of a particular Class of Notes duly convened and held in accordance with the Conditions shall be binding upon all the Noteholders of such Class whether present or not present at such meeting and whether or not voting, provided that:
 - (i) no Basic Term Modification shall be effective unless the modification is approved by an Extraordinary Resolution passed at a general meeting of the Noteholders duly convened and held in accordance with the rules set out in Schedule 2 of the Pledge Agreement for approving a Basic Term Modification; and
 - (ii) no Extraordinary Resolution of the Class B Noteholders shall be effective unless (i) the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders; (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders; or (iii) none of the Class A Notes remain outstanding.
- (b) An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all Class B Noteholders irrespective of the effect upon them, except an Extraordinary Resolution to sanction a Basic Term Modification (as defined below), which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the relevant Class of Noteholders.

- (c) An Extraordinary Resolution passed at any meeting of Class B Noteholders shall not be effective for any purpose while any Class A Notes remain outstanding unless either (a) the Security Agent is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, or (b) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

13.5. Written Resolutions

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 these Conditions shall for all purposes be as valid and binding as an Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in these Conditions.

13.6. Requisitions

The board of directors or the Auditor for the time being of the Issuer may at any time and must upon a request in writing of (a) Noteholders holding not less than one-tenth of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or (b) the Security Agent (subject to its being indemnified to its satisfaction against all costs and expenses thereby occasioned), convene a general meeting of the Noteholders of the relevant Class of Notes.

13.7. Basic Term Modification

Any variation, modification, abrogation, cancellation or waiver of certain terms, including the date or priority of redemption of any of the Notes, any modification which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal payable in respect of the Notes or the rate of interest applicable thereto or altering the currency of payment thereof or of the majority required to pass an Extraordinary Resolution or altering the definition of an Event of Default, or altering the Security Agent's duties in respect of the Security is referred to herein as a *Basic Term Modification*.

13.8. Quorum

- (a) The quorum at any general meeting of Noteholders of the relevant Class (other than where the business of such meeting includes the proposal of a Basic Term Modification (as defined above)) will be one or more persons holding or representing over fifty (50) per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class of Notes or at any adjourned meeting one or more persons holding or representing Notes of the relevant Class of Notes whatever the aggregate Principal Amount Outstanding of the relevant Class of Notes so held or represented and no business (other than the choosing of a chairman) shall be transacted at any such meeting unless the requisite quorum be present at the commencement of business.
- (b) The quorum at any general meeting of Noteholders for passing an Extraordinary Resolution in respect of a Basic Term Modification shall be one or more persons holding or representing not less than seventy-five (75) per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class of Notes or, at any adjourned meeting, one or more persons holding or representing not less than twenty-five (25) per cent. of the aggregate Principal Amount Outstanding of the Notes in the relevant Class of Notes at the time of the meeting.
- (c) At any adjourned meeting (other than a meeting convened at the request of the Noteholders) the quorum for:

- (i) approving a Basic Term Modification at the general meeting shall be one or more persons present in person holding Notes and/or voting certificates and/or being proxies and being or representing in the aggregate the holders of not less than twenty-five (25) per cent. of the aggregate Principal Amount Outstanding of the relevant Class of Notes; and
- (ii) approving any other resolution shall be one or more persons present in person holding Notes and/or voting certificates and/or being proxies.

13.9. Voting

At any meeting (a) on a show of hands every Noteholder (being an individual) who is present in person and produces a declaration of a Securities Settlement System Participant of its Notes being blocked until that date of the meeting (*blocking certificate*) or is a proxy shall have one vote in respect of each Note and (b) on a poll every person who is so present shall have one vote in respect of each EUR 10,000 of Principal Amount Outstanding of Notes referred to on the blocking certificate or in respect of which that person is a proxy.

13.10. Majorities

- (a) The majority required for an Extraordinary Resolution shall be seventy-five (75) per cent. of the votes cast on that resolution, whether on a show of hands or a poll.
- (b) The majority for every resolution other than an Extraordinary Resolution shall be a simple majority.

13.11. Powers

The meeting shall have all the powers expressly given to it by the by-laws of the Issuer, the Pledge Agreement, these Conditions or any other Transaction Document. The following powers may only be exercised by way of an Extraordinary Resolution:

- (n) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether such rights shall arise under the Conditions, the Notes or otherwise;
- (o) power to sanction the exchange or substitution of the Notes or the conversion of the Notes into shares, stock, convertible Notes, or other obligations or securities of the Issuer or any other body corporate formed or to be formed;
- (p) power to assent to any alteration of the provisions contained in the Conditions, the Notes, the Pledge Agreement or any of the Transaction Documents or which shall be proposed by the Issuer and/or the Security Agent;
- (q) power to authorise the Security Agent to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (r) power to discharge or exonerate the Security Agent from any liability in respect of any act or omission for which the Security Agent may have become responsible under or in relation to the Conditions, the Notes, the Pledge Agreement or any of the Transaction Documents;
- (s) power to give any authority, direction or sanction, which under the provisions of the Conditions or the Notes is required to be given by Extraordinary Resolution;

- (t) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (u) power to sanction the release of the Issuer or of the whole or any part of the Collateral from all or any part of the principal moneys and interest owing in respect of the Notes; and
- (v) power to authorise the Security Agent or any receiver appointed by it where it or he shall have entered into possession of the Collateral or otherwise enforced the Security in relation thereto to discontinue enforcement of any security constituted by the Pledge Agreement either unconditionally or upon any conditions.

13.12. Compliance

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.

13.13. Conflicts of Interest

In order to avoid any potential conflict of interest, if and as long as any Notes are held by ING or any of its affiliates (*ING Related Noteholders*), all quorums and voting majorities set out above required to pass a Noteholders' resolution, will have to be met in respect of (the group consisting of ING Related Noteholders on the one hand) and the group of all other Noteholders (excluding the ING Related Noteholders).

14. NOTICE TO NOTEHOLDERS

- 14.1. All notices, other than notices given in accordance with the next paragraph, to Noteholders of any Class shall be deemed to have been duly given if a notice in English and Dutch is published in a leading daily newspaper with general circulation in Belgium. If any such publication is not practicable, publication may be in another leading newspaper printed in the relevant language having general circulation in Europe or Belgium, as the case may be, previously approved in writing by the Security Agent. Notices of meetings of Noteholders shall in addition be published in the Belgian State Gazette (*Belgisch Staatsblad / Moniteur Belge*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in one of the newspapers referred to above. Notices of meetings of Noteholders shall be published twice, with an interval of eight (8) calendar days between each publication, the second publication being at least three (3) calendar days before the date of the meeting, but the Security Agent shall not be responsible for any failure to comply with such publication requirements if nevertheless any meeting of Noteholders is duly convened and held in accordance with the Company Code, Condition 13 (*Meetings of Noteholders, Modifications and Waivers*) hereof and the relevant provisions contained in Schedule 4 of the Pledge Agreement. Notices to the Noteholders of the availability of the reports and of meetings of Noteholders will also be given by delivery of the relevant notice to that Securities Settlement System Operator for communication by it to the relevant account holders. No notifications in any such form will be required for convening meetings of Noteholders if all Noteholders have been identified and have been given an appropriate notice by registered mail.
- 14.2. Notices specifying a Payment Date, an Interest Rate, an Interest Amount, a payment of principal (or absence thereof), a Principal Amount Outstanding or a Note Factor or relating

generally to payment dates, payments of interest, repayments of principal and other relevant information with respect to the Notes shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of Bloomberg or such other medium for the electronic display of data as may be approved by the Security Agent and notified to the Noteholders (the *Relevant Screen*) at least two Business Days before a Payment Date. Any such notice shall be deemed to have been given on the first date on which such information appeared on the Relevant Screen or if it is impossible or impracticable to give notice in accordance with this paragraph then notice of the matters referred to in this Condition shall be given in accordance with the preceding paragraph. Such notices may also be distributed by the Manager or the Security Agent to the extent the Noteholders have been identified.

15. GOVERNING LAW

- 15.1. These Conditions are governed by and shall be construed in accordance with, Belgian law.
- 15.2. The courts of Brussels, Belgium have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Notes.

SECTION 21

QUALIFYING INVESTORS UNDER THE UCITS ACT

Pursuant to Article 5, §3 and §3/1 of the UCITS Act, Professional Investors (as defined below) are Qualifying Investors, subject to restrictions or extensions as determined by royal decree.

For purposes of the definition of Qualifying Investors, *Professional Investors* means the professional clients listed under Annex A to the royal decree of 3 June 2007 concerning further rules for implementation of the directive on markets in financial instruments (the *MiFID I RD*) and the eligible counterparties in the meaning of Article 3, §1 of the MiFID I RD. As from 3 January 2018, the MiFID I RD has been abrogated by the new royal decree of 19 December 2017 concerning further rules for implementation of the directive on markets in financial instruments (the *MiFID II RD*). The list of Professional Investors as included in the MiFID II RD is as follows:

- (a) entities that must be licensed or regulated to be active on the financial markets. The below list should be seen as a list of all licensed entities that perform the typical tasks of these entities: entities licensed by a member state on the basis of a directive, entities licensed by a member state or that is regulated by a member state, not on the basis of a directive, and entities licensed by a third country or that are regulated by a third country:
 - (i) credit institutions;
 - (ii) investment firms;
 - (iii) other licensed or regulated financial institutions;
 - (iv) insurance companies;
 - (v) collective investment undertakings and their management companies;
 - (vi) pension funds and their management companies;
 - (vii) traders in commodities futures and derivated instruments (*handelaren in grondstoffen en grondstoffenderivaten / intermediaries en matières premières et instruments dérivés sur celles-ci*);
 - (viii) local companies (“locals”);
 - (ix) other institutional investors;
- (b) large companies other than those contemplated in item (a) above, that satisfy at least two of the following three criteria, on individual basis:
 - (i) balance sheet total of EUR 20 million;
 - (ii) net turnover of EUR 40 million;
 - (iii) equity of EUR 2 million;
- (c) the Belgian state, Communities and Regions, foreign national and regional authorities, public undertakings in charge of the public debt, central banks, international and supranational institutions such as the World Bank, the IMF, the European Central Bank, the European Investment Bank, and other similar international institutions;

- (d) other institutional investors of whom the main activity is the investment in financial instruments, in particular entities in relation to assets securitisation and other financing operations.

The Royal Decree of 26 September 2006 (as amended by the Royal Decree of 26 September 2013) has further modified the definition of Professional Investors for the purposes of the definition of Qualifying Investors as follows:

- (a) other legal persons than those listed in paragraphs (a) to (d) above may request to be recognised as Qualifying Investors by the FSMA, which will be included in the register of qualifying investors held by the FSMA following a duly completed explicit request;
- (b) private individuals are not considered as Professional Investors for purposes of the definition of Qualifying Investors; and
- (c) Professional Investors that have elected to be treated as non-Professional Investors under the MiFID II RD are still considered as Professional Investors for purposes of the definition of Qualifying Investors under the UCITS Act.

SECTION 22

GENERAL INFORMATION

- 22.1. The issue of the Notes has been authorised by a resolution of the board of directors of the Issuer adopted on or about 7 December 2018.
- 22.2. The Notes have been accepted for clearance through the securities settlement system operated by the National Bank of Belgium and by the Clearing System Participants with the following ISIN and Common Codes:
- (1) the ISIN Code for the Class A1 Notes is BE0002624055 and the Common Code is 191945719;
 - (2) the ISIN Code for the Class A2 Notes is BE0002625060 and the Common Code is 191945786; and
 - (3) the ISIN Code for the Class B Notes is BE0002626076 and the Common Code is 191945808.
- 22.3. The Issuing Company and Issuer are not involved in any legal or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on their financial position nor are the Issuing Company or Issuer aware that any such proceedings are pending or threatened against them.
- 22.4. To date only the first five Compartments have effectively started their activities (the Belgian Lion RMBS I Securitisation as far as Compartment Belgian Lion RMBS I is concerned, the Belgian Lion SME I Securitisation as far as Compartment Belgian Lion SME I is concerned (this transaction has been unwound), the Belgian Lion RMBS II Securitisation as far as Compartment Belgian Lion RMBS II is concerned, the Belgian Lion SME II Securitisation as far as Compartment Belgian Lion SME II is concerned (this transaction will be unwound on or about the date hereof) and the transaction described in the current Prospectus as far as Compartment Belgian Lion SME III is concerned).
- 22.5. Since the date of its incorporation, the Issuing Company has not entered into any material contract other than a contract entered into in its ordinary course of business (including the transaction documents under the Belgian Lion RMBS I Securitisation, the Belgian Lion SME I Securitisation, the Belgian Lion RMBS II Securitisation, the unwinding of the Belgian Lion SME I, the SME II Securitisation and the unwinding of the Belgian Lion SME II).
- 22.6. Since 10 December 2008 (being the date of incorporation of the Issuing Company), there has been:
- (1) no material adverse change in the financial position or prospects of the Issuing Company; and
 - (2) other than the Belgian Lion RMBS I Securitisation, the Belgian Lion SME I Securitisation, Belgian Lion RMBS II Securitisation, the unwinding of the Belgian Lion SME I Transaction, Belgian Lion SME II Securitisation, the unwinding of the Belgian Lion SME II Transaction and the Transaction, no significant change in the trading or financial position of the Issuing Company.
- 22.7. The Issuing Company has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, and the Issuing Company has not created any mortgages, charges or given any guarantees other than under the Belgian Lion RMBS I Securitisation, the Belgian Lion SME I

Securitisation, the Belgian Lion RMBS II Securitisation, the Belgian Lion SME II Securitisation and the transaction described in this Prospectus.

- 22.8. The Issuer shall publish the following accounts and reports and shall make available to the public as a whole on www.ing.be/investor-relations the Investor reports to be prepared by the Administrator pursuant to the Administration Agreement.

In addition, the Issuer is required to make available certain other information in particular information in respect of important facts that are not known to the public and that, due to their impact on the assets, financial situation or general state of the Issuer, could influence the price of the relevant Notes (privileged information and mandatory information).

The audited annual financial statements of the Issuing Company prepared annually will be made available, free of charge, at the specified offices of the Domiciliary Agent and on www.ing.be/investor-relations.

- 22.9. A copy of the Issuing Company's articles of association is available, free of charge, at the office of the Issuer and at the offices of the Domiciliary Agent and on www.ing.be/investor-relations.

- 22.10. Copies of the following documents may be inspected during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Issuer and at the specified offices of the Domiciliary Agent at any time after the Closing Date:

- (1) GIC Provider Agreement;
- (2) Administration Agreement;
- (3) Corporate Services Agreement;
- (4) Clearing Agreement;
- (5) Domiciliary Agency Agreement;
- (6) Master Definitions Agreement;
- (7) SRPA;
- (8) Liquidity Facility Agreements;
- (9) Pledge Agreement;
- (10) Servicing Agreement;
- (11) the most recent balance sheet of the Issuer and the auditor's report thereon.

- 22.11. The main transaction expenses are set out in Section 19 (*related Party Transactions – Material contracts*). Total expenses related to admission of the Notes to trading on Euronext Brussels are estimated to about EUR 48,750.

SECTION 23

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