

BASS MASTER ISSUER NV/SA

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

Legal Entity Identifier (LEI): 549300AK6YFXRPVDSO05

EUR 30,000,000,000

Residential Mortgage Backed Note Programme

C. TANS
Director

I. Florescu
Director

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

Notes may only be subscribed, purchased or held by **Eligible Holders**, meaning investors that qualify both as (a) **Qualifying Investors** under the UCITS Act (each as defined below) and (b) a holder of an X-Account with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system. The Issuer will suspend payments of interest and principal on Notes in respect of which it becomes aware that they are not held by **Eligible Holders**. See "Transfer and holding restrictions" on page 195.

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

Application has been made to Euronext Brussels (**Euronext Brussels**) for Notes issued under the Programme during the period of 12 months from the date of approval of the Base Prospectus to be listed on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. Further details regarding the listing and admission to trading of each issue of Notes will be set out in the applicable Final Terms.

The Notes issued will be in dematerialised form and represented by a book-entry in the records of the securities settlement system operated by the National Bank of Belgium (the **Clearing System**) or any successor thereto. Access to the Clearing System is available through its participants, including Euroclear Bank SA/NV and Clearstream Banking Frankfurt and certain others.

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

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

The "Risk factors" section starting on page 37 contains details of the risks and other factors that the Issuer deems most material and that should be given particular consideration before investing in the Notes.

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

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

The date of this Base Prospectus is 22 June 2021. This Base Prospectus is valid for a period of one year from its date of approval, *ie.* until 22 June 2022. The obligation to publish a supplement to this Base Prospectus (as referred to above) no longer applies after the expiry of the validity period of this Base Prospectus, even if important new factors, material mistakes or material imprecisions are discovered.

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

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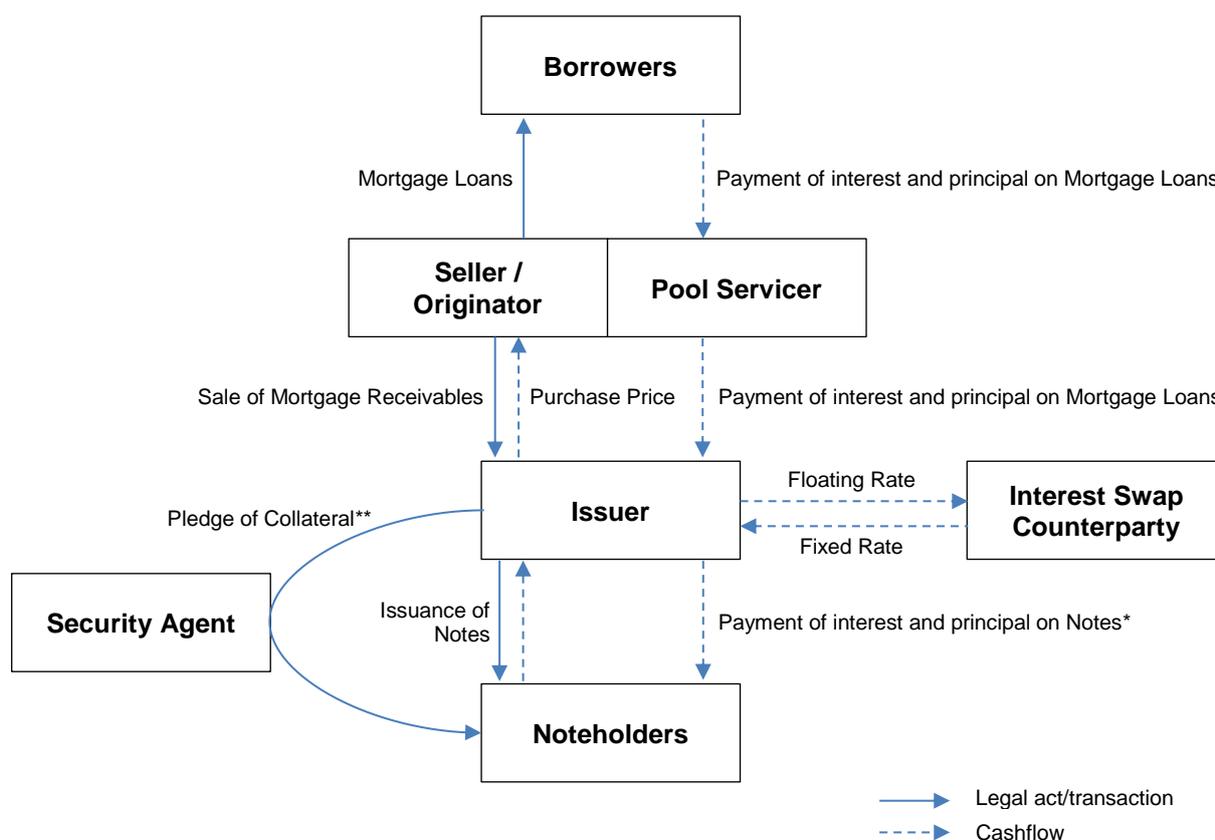
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GENERAL DESCRIPTION OF THE PROGRAMME

The information set out in this “General description of the Programme”, comprising Sections “Structure Diagram” on page 4 to and including “Fees” (starting on page 36), is not purported to be complete. It should be read in conjunction with, and is qualified in its entirety by the detailed information presented elsewhere in this Base Prospectus and, with respect to a particular Series and Tranche of Notes, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus have the same meanings in this “General description of the Programme”. A listing of the pages on which these terms are defined is found in the “Index of defined terms” on page 235.

STRUCTURE DIAGRAM



* Principal and interest on the Notes will be paid in accordance with the Conditions applicable to those Notes and in each case subject to the Priority of Payments. The Issuer may use collections in respect of the Mortgage Loans to purchase additional Mortgage Receivables. See section "Credit Structure" on page 73.

** The pledge of Collateral is also granted to the other Secured Parties and other Secured Parties may be paid out of the Collateral prior to the Noteholders (see section "Security for the Issuer’s obligations" on page 108).

OVERVIEW

Programme Establishment	<p>The Issuer has established the Programme on 23 June 2008 (the Programme Closing Date). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €30,000,000,000, subject to increase in accordance with the terms of the Dealer Agreement.</p>
Issuance in Series, Tranches, Classes and Sub-classes	<p>Notes issued under the Programme have been and will be issued in Series and Tranches. Each Tranche: (a) has been and will be issued on a single date; and (b) has been and will be subject to identical Terms and Conditions. Each Series consists of one or more Tranches, subject to identical Terms and Conditions except for the Issue Date and the initial Interest Period.</p> <p>Each Series will contain Notes of one or more Classes, and each Class of Notes may have Sub-classes. Notes of the same Class or Sub-class will rank <i>pari passu</i> and <i>pro rata</i> among themselves. Each Series of the same Class or Sub-class will not, however, be subject to identical terms in all respects (for example, interest rates, interest calculations, expected maturity and final maturity dates may differ).</p> <p>Notes of the same Class and Sub-class (if applicable) within each Series are fungible.</p>
Final Terms	<p>Each Tranche will be subject to Final Terms, which, for the purpose of that Tranche only, supplements the Terms and Conditions of the Notes in this Base Prospectus and must be read in conjunction with this Base Prospectus.</p>
Underlying Assets	<p>The Issuer's primary source of funds to make payments on the Notes will be derived from a portfolio comprising residential mortgage loans originated by BNP Paribas Fortis SA/NV (or its legal predecessors) and secured over properties located in Belgium (see "Description of Mortgage Loans" on page 56). The Mortgage Loans can have a variety of characteristics relating to, among other things, calculation of interest and repayment of principal.</p> <p>Pursuant to the Mortgage Receivables Purchase Agreement, the Seller may from time to time, subject to certain criteria being satisfied, sell further Mortgage Loans (see "Sale of the Mortgage Loans" on page 91). The Mortgage Loans will be pledged to the Secured Parties, including the Noteholders (see "Security for the Issuer's obligations" on page 108).</p>
Credit Enhancement	<ul style="list-style-type: none"> • Subordination of more junior ranking Notes (see Condition 2 (<i>Status, priority and security</i>)); • Establishment of a Reserve Account and a Construction Account; (see <i>Reserve Account</i> and <i>Construction Account</i> on page 74) • Excess spread paid as Deferred Purchase Price in instalments as the lowest ranking item in the Interest Priority of Payments (see Interest Priority of Payments on page 77).
Liquidity Support	<ul style="list-style-type: none"> • Use of principal to cover interest shortfall of Class A Notes (see paragraph (b) of the Principal Priority of Payments prior to a Trigger Event on page 81); • Establishment of a Deposit Account following a Seller Downgrade Event which may be applied by the Issuer for the purpose of, <i>inter alia</i>, Liquidity Shortfall Risk (see "Risk Mitigation Deposit" on page 104).

Redemption Provisions	Information on any optional and mandatory redemption of the Notes is summarised on page 14 (<i>Transaction Overview - Summary of the Terms and Conditions of the Notes</i>) and set out in full in Condition 5 (<i>Redemption and cancellation</i>).
Credit Rating Agencies	Fitch Ratings Ireland Limited - Succursale française and Moody's Deutschland GmbH. Each of such Rating Agencies are registered under the CRA Regulations.
Credit Ratings	<p>Ratings may be assigned to all or some of the Notes of a Series or Tranche on or before each Issue Date and such ratings will be set out in the Final Terms for the relevant Tranche.</p> <p>The ratings assigned by Fitch address the likelihood of (a) timely payment of interest due to the Noteholders on each Note Payment Date and ((b) full payment of principal by a date that is not later than the Final Maturity Date. The ratings assigned by Moody's address the expected loss to a Noteholder in proportion to the initial principal amount of the class of Notes held by the Noteholder by the Final Maturity Date.</p> <p>The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised, suspended or withdrawn at any time.</p>
Listing	Regulated Market of Euronext Brussels, unless specified otherwise in the applicable Final Terms. The regulated market of Euronext Brussels is a regulated market for the purposes of MiFID II.
Obligations	The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of or guaranteed by BNP Paribas Fortis SA/NV, its affiliates or any other party named in the Base Prospectus (other than the Issuer).
Benchmarks	Interest payable under the Floating Rate Notes may be calculated by reference to EURIBOR as administered by the European Money Markets Institute (EMMI). At the date of this Base Prospectus, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) in accordance with article 36 of Regulation (EU) 2016/1011 (the Benchmarks Regulation). Condition 4.6 contains provisions allowing the Calculation Agent to determine EURIBOR in case of temporary disruptions of the publication of EURIBOR, and Condition 15.2 contains provisions allowing a permanent replacement of EURIBOR in case of a long-term disruption, replacement or cessation of EURIBOR, and certain other cases, subject to the terms and conditions set out therein.
Simple, Transparent and Standardised Securitisation (STS)	<p>The Seller, as originator, may procure a notification to be submitted to the European Securities and Markets Association (ESMA), in accordance with Article 27 of the Securitisation Regulation, and the Belgian national competent authority, that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to a Tranche and Class of Notes.</p> <p>In relation to such notification, the Seller has been designated as the first contact point for investors and competent authorities in accordance with Article 27(1), 3rd par. of the Securitisation Regulation.</p>

**EU Risk
Retention
Requirements**

The Seller has undertaken to retain a material net economic interest of not less than 5% in the Notes in accordance with Article 405, paragraph (1) sub-paragraph (d) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the **Capital Requirements Regulation** or **CRR**) and Article 51 paragraph (1) sub-paragraph (d) of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU (the **AIFM Regulation**) (until the Programme and the Notes becoming subject to the Securitisation Regulation) or Article 6 of the Securitisation Regulation (as from the Programme and the Notes becoming subject to the Securitisation Regulation). As at the Closing Date, such interest will in accordance with Article 405, paragraph (1) sub-paragraph (d) of the CRR and Article 51 paragraph (1) sub-paragraph (d) of the AIFM Regulation be comprised of an interest in the first loss tranche, and, if necessary, other tranches having the same or a more severe risk profile than those sold to the investors (and it is expected that, as from the Programme and the Notes becoming subject to the Securitisation Regulation, the same will apply in accordance with Article 6(3)(d) of the Securitisation Regulation).

Volcker Rule

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

**U.S. Retention
Undertaking**

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

TRANSACTION PARTIES

Party	Name	Address	Further information
Arranger	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	N/A
Dealer	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	Additional Dealers may be appointed or removed from time to time. See “ <i>Subscription and sale</i> ” on page 192.
Issuer	Bass Master Issuer SA/NV (<i>Institutionele VBS naar Belgisch recht / SIC institutionnele de droit belge</i>)	Marnixlaan 23, fifth floor, 1000 Brussels, Belgium	See “ <i>The Issuer</i> ” on page 206.
Issuer Director	Irene Florescu Christophe Tans		See “ <i>The Issuer</i> ” on page 206.
Holding	Stichting Holding Bass		See “ <i>The Issuer</i> ” on page 206.
Holding Director	Brecht Guldemont Christophe Tans Irene Florescu		See “ <i>The Issuer</i> ” on page 206.
Seller	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	See “ <i>BNP Paribas Fortis SA/NV</i> ” on page 222 and “ <i>Sale of the Mortgage Loans</i> ” on page 91.
Pool Servicer	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	See “ <i>Servicing of the Mortgage Loans</i> ” on page 106.
Administrator	Intertrust (Netherlands) B.V.	Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands	See “ <i>Servicing of the Mortgage Loans</i> ” on page 106.
Security Agent	Stichting Security Agent Bass	Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands	See “ <i>Security for the Issuer’s obligations</i> ” on page 108
Interest Swap Counterparty	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	See “ <i>Interest Rate Hedging</i> ” on page 85.
Account Bank	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	See “ <i>Credit Structure</i> ” on page 73.

Domiciliary Agent and Reference Agent.....	BNP Paribas Fortis SA/NV	Montagne du Parc 3, 1000 Brussels, Belgium	See the Domiciliary Agency Agreement for more information.
Stock Exchange.....	Euronext Brussels (Regulated Market)	Rue du Marquis 1, bte 1, 1000 Brussels, Belgium	N/A
Clearing System.....	National Bank of Belgium (Securities Settlement System)	boulevard de Berlaimont 14, 1000 Brussels, Belgium	N/A
Rating Agencies	Fitch Ratings Ireland Limited - Succursale française Moody's Deutschland GmbH	N/A	N/A

MORTGAGE LOANS, SALE AND SERVICING

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

Sale of Mortgage Receivables

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

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

See “Sale of the Mortgage Loans” on page 91 for more information.

Features of Mortgage Loans

The following is a summary of certain features of the Mortgage Loans. Investors should refer to, and carefully consider, further details in respect of the Mortgage Loans set out in “Description of Mortgage Loans” on page 56.

Security: The Mortgage Loans are secured by a first ranking Mortgage and potentially immediately lower ranking Mortgages or a Mortgage Mandate over residential real property (*onroerend goed / bien immobilier*).

Governing law: Belgian law

Types of loans:

- Annuity Mortgage Loans;
- Linear Mortgage Loans;
- Interest-only Mortgage Loans;
- Reconstitution Loans;
- Construction Loans.

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

Single advance: A Mortgage Loan may consist of a single advance under a revolving Credit Facility.

Consideration

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

Representations and Warranties

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

- the Mortgage Receivables being free from third-party rights;
- the performance of the Mortgage Loans;
- each Mortgage Receivable being secured by a first ranking Mortgage, or, as the case may be, a first and sequentially lower ranking Mortgage; whether or not in combination with a mandate to increase such Mortgages;
- the proceeds of each Mortgage Loan, except for Construction Loans, having been fully disbursed;
- the Outstanding Principal Amount of the Mortgage Receivables related to one Borrower is not more than EUR 2,000,000;
- no Mortgage Receivable has an initial maturity in excess of 40 years.

See “*Sale of the Mortgage Loans*” on page 91 for a full list of the representations and warranties under the Mortgage Receivables Purchase Agreement.

Eligibility Criteria

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

See “*Representations and warranties*” on page 93 and “*Eligibility Criteria*” on page 100.

Repurchase of the Mortgage Receivables

Under the Mortgage Receivables Purchase Agreement, the Seller will be obliged to repurchase and accept re-assignment of the Mortgage Receivable (and its Related Security):

- (i) if any of the representations and warranties given by the Seller in respect of such Mortgage Receivables or the relevant Mortgage Loan is untrue or incorrect, and the Seller has not within fourteen (14) days of receipt of written notice thereof from the Issuer or the Security Agent remedied the matter, on or before the Monthly Payment Date following the day on which the remedy period ends;

- (ii) if the Seller agrees with a Borrower to amend the terms of the relevant Mortgage Loan as a result of which such Mortgage Loan no longer meets certain criteria set forth in the relevant Mortgage Receivables Purchase Agreement, on or before the Monthly Payment Date immediately following such agreement.

Consideration for repurchase

The purchase price in case of a repurchase by the Seller of Mortgage Receivables will be equal to the sum of (i) the Outstanding Principal Amount, which in the case of a repurchase means the aggregate principal sum due by the relevant Borrower, (ii) interest, and (iii) reasonable costs (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the relevant Mortgage Receivable.

However, in the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment, the purchase price shall be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable plus accrued interests and costs minus the Loan Loss Reserve related to the repurchased Mortgage Receivable. The Loan Loss Reserve of a Mortgage Receivable is the valuation reserve based on the positive difference between the relevant Mortgage Receivable, including accrued interest and costs, and the market value of the Mortgaged Assets, representing the amount needed to cover estimated losses in relation to such Mortgage Receivable.

Perfection

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

Servicing of the Mortgage Loans

The Pool Servicer will provide administration and management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the transfer of such amounts on a monthly basis to the Issuer Collection Account.

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

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

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

See “*Credit Structure*” on page 73, “*Servicing of the Mortgage Loans*” on page 106 and “*Mortgage Loan underwriting and servicing*” on page 62 for more information.

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the Notes" on page 110 for further detail in respect of the terms of the Notes.

Ranking

The Notes of each Class of any Series are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class of any Series.

Payments of principal and interest on the Notes of any Class of any Series due and payable on a Note Payment Date will rank ahead of payments of interest and principal on the Notes of all lower-ranking Classes of any Series (in each case, due and payable on such Note Payment Date).

The ranking of Classes of Notes of any Series is as follows: first, Class A Notes, then Class B Notes, then Class C Notes, then Class D Notes, then Class E Notes.

See Condition 2 (*Status, priority and security*).

Security for the Notes

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

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

Interest Provisions

Each Note will accrue interest from its date of issuance at the applicable rate specified for that Series and Class, or Sub-class, which may be fixed or floating as specified in the Final Terms (subject to the possibility of Fixed Rates Notes switching to Floating Rate Notes as from the Step-Up Date as set out below).

Quarterly Note Payment Dates are on 15 January, April, July and October (subject to modified following Business Day adjustment).

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

Interest Switch/Step-up

If on the relevant Step-up Date the Notes of a Series and Class or Sub-class, as the case may be, have not been redeemed in full (i) in the case of Floating Rate Notes the applicable margin will become the Step-up Margin as specified in the Final Terms and (ii) in the case of Fixed Rate Notes the interest will switch to become Floating Rate Notes, unless otherwise specified in the applicable Final Terms.

Interest Priority of Payments

Prior to the delivery of an Enforcement Notice, the Issuer has to apply the Interest Available Amount on each Note Payment Date in accordance with the Interest Priority of Payments. The Issuer can pay the next creditor in line only if and to the extent that

payments or provisions of a higher order of priority have been made in full.

The failure to pay interest on a Series and that default continuing for a period of thirty (30) days after written notice by the Security Agent to the Issuer requiring the same to be remedied, will be an Event of Default.

Issuance Test

For each issuance of Notes certain conditions and tests will have to be fulfilled. Generally speaking, following the issuance of Notes, the available subordination for each Class of Notes should be equal to or greater than the required level of subordination for such Class of Notes. See “*Issuance Tests*” on page 189.

Denominations

All Notes will be issued in such denominations as set forth in the Final Terms save that the minimum denomination of each Note will be EUR 250,000.

Currency

All Notes will be issued in euro.

Issue Price

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

Repayment Test

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

Structure of the Notes

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

Pass-through Notes

On each Note Payment Date the Issuer will be obliged to apply the funds available for this purpose towards (partial) redemption of Pass-through Notes prior to their respective Final Maturity Dates (i) if the Pro-rata Condition is satisfied, on a pro-rata basis among all Classes and Series of Pass-through Notes and (ii) if the Pro-rata Condition is not satisfied, on a sequential basis per Class of each Series of Pass-through Notes. See Condition 5.2 (*Mandatory redemption*).

Soft-bullet Notes

A Soft-bullet Note will not be redeemable up to the relevant Step-up Date specified in the Final Terms, except in certain circumstances as described in the Conditions and the Final Terms. On the relevant Step-up Date and on each Note Payment Date thereafter, the Issuer has the option to redeem the relevant Series and Class of Notes or Sub-class thereof, subject to the Repayment Test. Following the Step-up Date in relation to a Series and Class of Notes or Sub-class thereof, all Soft-bullet Notes of such Series

and Class or Sub-class thereof, will switch to Pass-through Notes and will be subject to mandatory (partial) redemption. In the case of a Trigger Event, all Soft-bullet Notes of each Series will switch to Pass-through Notes and will be subject to mandatory (partial) redemption on a sequential basis.

Regulatory Call Option of the Seller

On each Monthly Payment Date each Seller has the option to repurchase the Relevant Mortgage Receivables upon the occurrence of a Regulatory Change relating to such Seller.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in case the Seller exercises the Regulatory Call Option. The purchase price will be calculated as described in *Sale of Mortgage Receivables* in *Credit Structure* below. If the Seller exercises the Regulatory Call Option, then the Issuer has the option to redeem (part of) the Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Notes subject to and in accordance with Condition 5.8 (*Redemption for regulatory reasons*) and Condition 9.2 (*Principal*).

Form of Notes

Unless otherwise specified in the Final Terms, the Notes will be issued in the form of dematerialised notes. The Notes will be represented by book entries in the records of the Clearing System (*ie.* the X/N securities settlement system currently operated by the National Bank of Belgium).

No Tax Gross-up

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Kingdom of Belgium, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders.

Redemption

The Notes are subject to the following optional or mandatory redemption events (as fully set out in Condition 5 (*Redemption and cancellation*) of the terms and conditions of the notes):

- *Mandatory redemption (pass-through etc.)* - mandatory redemption in part or in full in accordance with Condition 5.2;
- *Optional redemption as from the Step-up Date* - optional redemption of a Series and Class or Sub-Class of Notes, other than the Class E Notes of such Series, exercisable by the Issuer in whole but not in part on the date specified as the Step-up Date for such Notes in the Final Terms and on any Note Payment Date for such Notes thereafter, in accordance with Condition 5.3;

- *Clean-up Call of a Series and Class or Sub-class* - optional redemption of a Series and Class or Sub-Class of Notes exercisable by the Issuer in whole but not in part at their Principal Amount Outstanding together with any accrued interest, on any Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes of such Series and Class or Sub-class (other than the Class E Notes) is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series and Class or Sub-class of Notes as at the Issue Date of such Series and Class or Sub-class of Notes, in accordance with Condition 5.4;
- *Clean-up Call of the Programme* - optional redemption of all of the Notes but not some only exercisable by the Issuer, at their aggregate Principal Amount Outstanding plus any accrued interest, if the percentage of the Outstanding Principal Amount of all Mortgage Receivables falls below 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables reached since the Programme Closing Date, in accordance with Condition 5.5;
- *Redemption of the Class E Notes* - optional redemption of all of the Class E Notes of a Series and Class or, all Class E Notes of a Sub-class, if applicable, exercisable by the Issuer, in whole but not in part, at their Principal Amount Outstanding plus any accrued interest, subject to (i) the amount standing to the credit of the Reserve Account after application of the Interest Priority of Payments on such date being at least equal to the Reserve Account Target Level; and (ii) fulfilment of the Repayment Test, on the date specified as the Step-up Date for such Class E Notes in the Final Terms and any Note Payment Date for such Notes thereafter, in accordance with Condition 5.6;
- *Tax Call* - optional redemption of the Notes exercisable by the Issuer in whole, at their Principal Amount Outstanding plus any accrued interest, for tax reasons, in accordance with Condition 5.7;
- *Regulatory Call* - optional redemption of the Notes exercisable by the Issuer in whole, at their Principal Amount Outstanding plus any accrued interest, for regulatory reasons, in accordance with Condition 5.8;
- *Redemption due to change of law* - optional redemption of the Notes exercisable by the Issuer on any Note Payment Date if there is a change in, or any amendment to the laws, regulations, decrees or guidelines of the Kingdom of Belgium or of any authority therein or thereof having legislative or regulatory powers or in the interpretation by a relevant authority or a court of, or in the administration of, such laws, regulations, decrees or guidelines after the Programme Closing Date which would or could affect the Issuer or the Noteholders in a materially adverse way, in accordance with Condition 5.9; and
- *Early redemption of Series-0 Notes* - optional redemption exercisable by the holder of a Note of Series-0 in whole or in

part to the extent that funds are available in the Principal Available Amount (for all Notes of Series-0 other than Class E Notes) or the Reserve Account (for Class E Notes of Series-0), in accordance with Condition 5.10.

Effect of a Trigger Event

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

Events of Default

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

- a default in the payment on the due date of any amount due in respect of the Notes;
- breach of any of the contractual obligations by the Issuer;
- certain insolvency related events with respect to the Issuer;
- any action being taken by any authority, court or tribunal, which results in the loss of the Issuer of its status as an “institutional VBS” or which in the reasonable opinion of the Security Agent, after consultation with the Issuer and the Administrator, is very likely to result in the loss of such status and would adversely affect the Programme.

Limited Recourse

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

In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Framework Agreement in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Agent in respect of any such unpaid amounts, which is described in more detail in Condition 9 (*Subordination and limited recourse*) of the terms and conditions of the Notes.

Enforcement

At any time after the Notes of any Class become due and payable, the Security Agent may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Framework Agreement, the Pledge Agreement and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an

Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding and (ii) it shall have been indemnified to its satisfaction.

Non petition

No Noteholder

- may proceed directly against the Issuer unless the Security Agent, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing;
- may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full.

Governing Law

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

Transfer and holding restrictions

Notes may only be subscribed, purchased or held by Eligible Holders, meaning investors that qualify both as (a) Qualifying Investors under the UCITS Act (each as defined below) and (b) a holder of an X-Account with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system. The Issuer will suspend payments of interest and principal on Notes in respect of which it becomes aware that they are not held by Eligible Holders. See “*Transfer and holding restrictions*” on page 195.

RIGHTS OF NOTEHOLDERS

Convening a Meeting	<p>The meetings of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series or of one or more Series and Class, as the case may be, may be convened by the Security Agent as often as it reasonably considers desirable.</p> <p>Meetings of the Noteholders can be convened to consider matters relating to the Notes of one or more Series or Class of Notes by Noteholders holding no less than 10% of the Principal Amount Outstanding of each such Series or Class. Noteholders can also participate in a Noteholders' meeting convened by the Issuer or the Issuer Security Trustee to consider any matter affecting their interests.</p> <p>However, unless the Issuer has an obligation to take such action under the Relevant Documents, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Security Agent, without the consent of the Issuer and, if applicable, certain other transaction parties.</p>						
Following an Event of Default	<p>The Security Agent, if so directed by an Extraordinary Resolution (in respect of all Series) of the Noteholders of the highest ranking Class of Notes outstanding (subject, in each case, to being indemnified to its satisfaction) shall give notice (an Enforcement Notice) to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if an Event of Default occurs. Please also note "<i>Relationship between Classes of Noteholders</i>" below.</p>						
Enforcement	<p>If so directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding, the Security Agent has to, at any time after the Notes of any Class become due and payable, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Framework Agreement, the Pledge Agreement and the Notes, provided that it shall have been indemnified to its satisfaction.</p> <p>The Noteholders may proceed directly against the Issuer only if the Security Agent, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.</p>						
Noteholders Meeting provisions	<p>Notice Periods</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 20px;"><i>Initial Meeting:</i></td> <td>First notice: 21 to 14 days before the meeting</td> </tr> <tr> <td></td> <td>Second notice: at least 8 days after the first notice</td> </tr> <tr> <td style="padding-right: 20px;"><i>Adjourned Meeting:</i></td> <td>10 days (but can be reduced to at least 7 days in urgent cases)</td> </tr> </table> <p style="text-align: center;">Quorum for Extraordinary Resolution</p>	<i>Initial Meeting:</i>	First notice: 21 to 14 days before the meeting		Second notice: at least 8 days after the first notice	<i>Adjourned Meeting:</i>	10 days (but can be reduced to at least 7 days in urgent cases)
<i>Initial Meeting:</i>	First notice: 21 to 14 days before the meeting						
	Second notice: at least 8 days after the first notice						
<i>Adjourned Meeting:</i>	10 days (but can be reduced to at least 7 days in urgent cases)						

Initial Meeting: two-thirds of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes

Adjourned Meeting: no quorum

Required Majorities

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

Extraordinary Resolution: Initial meeting: two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and the majority required shall be at least 75% of the validly cast votes at that Extraordinary Resolution

Adjourned meeting: two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75% of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes then represented

Written Resolution: Written Resolution has the same effect as an Extraordinary Resolution.

Matters requiring Extraordinary Resolution

Broadly speaking, the following matters require an Extraordinary Resolution.

- Basic Terms Change; and
- change to the Conditions or any provisions of the Relevant Documents.

See Annex 2 (*Provisions for meetings of Noteholders*) to the Conditions for further information.

Relationship between Classes of Noteholders

An Extraordinary Resolution of the holders of Class A Notes shall be binding on all other Classes of Notes. An Extraordinary Resolution of the holders of a certain Class of Notes can only bind lower Classes of Notes.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class and relevant one or more Series, or of

such one or more Sub-classes (whether or not they were present at the meeting at which such resolution was passed).

A resolution which, in the sole opinion of the Security Agent,

- affects the interests of the holders of a Class of Notes of one Series only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Class of that Series.
- affects the interests of the holders of a Class of Notes of any two or more Series but does not give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Class of such two or more Series.
- affects the interests of the holders of a Class of Notes of any two or more Series and gives or may give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Class of such two or more Series.
- affects the interests of the holders of one Sub-Class of a Class of Notes only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Sub-Class of that Class.
- affects the interests of the holders of more than one Sub-Class of Notes of the same Class but does not give rise to a conflict of interest between the Noteholders of such Sub-Classes of Notes, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Sub-Classes of Notes.
- affects the interests of the holders of more than one Sub-Class of the same Class of Notes and gives or may give rise to a conflict of interest between the Noteholders of such Sub-Classes, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Sub-Classes of Notes.

Seller as Noteholder

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

Relationship between Noteholders and other Secured Creditors

The Security Agent shall have regard to the interests of the Noteholders and the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the Priority of Payments upon Enforcement determines which interest of which Secured Party prevails. See Condition 2.2 (*Conflicts between Classes of Notes and Secured Parties*) on page 113.

**Provision of
Information to the
Noteholders**

Information in respect of the underlying Mortgage Receivables will be provided to the investors on a quarterly basis in the Quarterly Investor Report and in accordance with the Securitisation Regulation, Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 (the **Transparency Directive**). See “*Where more information can be found*” on page 230.

**Communication with
Noteholders**

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

Notices specifying a Note Payment Date, an interest rate, an interest amount, a payment of principal (or absence thereof), a Principal Amount Outstanding or a Note Factor or relating generally to payment dates, payments of interest, repayments of principal and other relevant information with respect to the Notes shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of Bloomberg or such other medium for the electronic display of data as may be approved by the Security Agent and notified to the Noteholders at least two Business Days before a Payment Date.

CREDIT STRUCTURE AND CASHFLOW

Issuer Collection Account	On each Collection Payment Date, the Pool Servicer will transfer all amounts of interest and principal received under the Mortgage Receivables to the Issuer Collection Account, in accordance with the Servicing Agreement.
Account Bank	The Account Bank pays an agreed interest rate on the balance standing from time to time to the credit of the Issuer Collection Account and the Construction Account (i.e. the Issuer Accounts).
Construction Account	In case a Construction Loan is sold to the Issuer, the Issuer will deposit an amount equal to the undrawn amount of the Construction Loan (the Construction Amount) to the Construction Account on the subsequent Monthly Payment Date. The Construction Account has to be debited on each Monthly Payment Date (i) for payments for the benefit of the Seller upon Construction Amounts being paid out to or on behalf of the Borrowers; and (ii) in case the Seller has no obligation to pay any further part of the Initial Purchase Price, the remaining Construction Amount may be debited from the Construction Account and credited to the Issuer Collection Account.
Interest Swap Agreements	The Issuer has entered into the Interest Swap Agreement with the Interest Swap Counterparty to hedge the risk between the rates of interest received by the Issuer on the relevant Mortgage Receivables and received on the Issuer Accounts and the rates of interest payable by the Issuer on the Notes. The Issuer may enter into further Interest Swaps. See “ <i>Interest Rate Hedging</i> ” on page 85.
Reserve Account	The net proceeds of the Class E Notes are to be credited to the Reserve Account held with the Account Bank. The purpose of the Reserve Account is to enable the Issuer to meet the Issuer’s payment obligations under items (a) up to and including (n) in the Interest Priority of Payments in the event of a shortfall of the Interest Available Amount (as defined in <i>Credit Structure</i> below) on a Note Payment Date.
Summary of Interest Priority of Payment	<p>Below is a summary of the priority of payments with regard to the interest payments.</p> <p><u>Prior to the delivery of an Enforcement Notice</u></p> <p>The Issuer applies the Interest Available Amount on the immediately succeeding Note Payment Date as follows:</p> <ol style="list-style-type: none"> 1. the fees to the Directors and any costs incurred by the Security Agent; 2. fees to the Administrator and the Pool Servicer; 3. any amounts due and payable to third parties under obligations incurred in the Issuer 's business;

4. amounts due but unpaid under the Interest Swap Agreement;
5. interest due in respect of the Notes, as long as no shortfall is reflected in the Principal Deficiency Ledger of a higher ranked Class of Notes;
6. following the occurrence of an Assignment Notification Event, any amount to be deposited on the Deposit Account to replenish the Deposit Account up to the amount of the Risk Mitigation Deposit Target Amount;
7. amounts to be deposited on the Reserve Account until the Reserve Account reaches the Reserve Account Target Level;
8. the Interest Swap Counterparty Default Payment; and
9. Deferred Purchase Price Instalment to the Seller.

See “*Interest Priority of Payments*” on page 77.

Following delivery of an Enforcement Notice

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

Summary of Principal Priority of Payment

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

Prior to a Trigger Event or Enforcement Notice

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

1. payment on the Construction Account;
2. Class A Interest Shortfall;
3. principal due under the Notes of Class A, Class B, Class C and Class D (in that order);
4. payment of (part of) the Initial Purchase Price in respect of New Mortgage Receivables.

See “*Principal Priority of Payments prior to a Trigger Event*” on page 81.

After a Trigger Event but before delivery of an Enforcement Notice

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

1. Class A Interest Shortfall;

2. on a *pro rata* basis, principal due under the Notes of Class A, Class B, Class C and Class D (in that order), for each Class until fully repaid.

See “*Principal Priority of Payments after a Trigger Event*” on page 82.

Following delivery of an Enforcement Notice

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

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

See “*Priority of Payments upon Enforcement*” on page 83.

Allocation of Losses

On any relevant Note Payment Date, any Realised Losses on the Mortgage Loans will be allocated to the Noteholders.

See “*Principal Available Amount for redemption of Pass-through Notes*” on page 79.

TRIGGERS TABLES

<u>Transaction Party</u>	<u>Required Ratings / Triggers</u>	<u>Possible effects of Trigger being breached include:</u>
Seller	<p>long term, unsecured, unsubordinated and unguaranteed debt obligations of such Seller are assigned a rating of less than A by Fitch or such rating is withdrawn by Fitch</p> <p>the short term, unsecured, unsubordinated and unguaranteed debt obligations of such Seller are assigned a rating of less than F1 by Fitch or such rating is withdrawn by Fitch</p> <p>the long term, unsecured and unguaranteed debt obligations of such Seller are assigned a rating of less than A3 by Moody's or such rating is withdrawn by Moody's</p>	<p>Risk Mitigation Deposit Amount (see "Risk Mitigation Deposit" on page 104)</p>
Account Bank	<p>(a) if the Account Bank is the Servicer or if the Account Bank does not have the rating as referred to in paragraph (b), (i) the long-term, unsecured and unsubordinated debt obligations of at least A by Fitch, or (ii) a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank of at least F1 by Fitch and a short-term deposit rating of the Account Bank of at least Prime 1 by Moody's; or</p> <p>(b) if the Account Bank is not the Servicer then (i) the long-term deposit rating of at least A by Fitch, or (ii) a short-term deposit rating of the Account Bank of at least Prime 1 by Moody's and F1 by Fitch;</p>	<p>Obtain a third party to with the required ratings to guarantee the obligations of the Account Bank</p> <p>Appoint a substitute Account Bank with the required ratings</p>
Interest Swap Counterparty	<p>a derivative counterparty rating, if available, or long-term IDR of at least "A" by Fitch or the short-term IDR of at least "F1" by Fitch, or, if the highest then-</p>	<p>Termination of the Interest Swap Agreement</p> <p>Provision of collateral</p>

	current rating of any Class of Notes is lower than AAAsf, the rating as set out in the Interest Swap Agreement; and	Transfer to another entity with the required ratings
	counterparty risk assessment from Moody's of Baa1(cr) or above	Procuring an entity with the required ratings as co-obligor under the Interest Swap Agreement
Seller Collection Account Provider	the long-term, unsecured and unsubordinated debt obligations of at least A by Fitch	Guarantee for payment of amounts received on Seller Collection Account relating to Mortgage Receivables by a party having at least the required rating; or
	the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime 1 by Moody's and F1 by Fitch.	Daily sweep into Issuer Collection Account.

Non-Asset Trigger Events

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

<u>Name of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Assignment Notification Event.....	<p>(a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Issuer or the Security Agent to such Seller; or</p> <p>(b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any other Relevant Document to which it is a party and if such failure, capable of being remedied, is not remedied within ten (10) Business Days after having knowledge of such failure or notice thereof has been given by such Issuer or the Security Agent to such Seller; or</p> <p>(c) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables (which the Seller consequently repurchases), or under any of the other Relevant Documents to which it is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or</p> <p>(d) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution</p>	<p>The Seller shall, unless the Security Agent instructs the Seller otherwise (in which case it shall notify the Rating Agencies in advance of its instruction to do so), forthwith notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Agent are forthwith notified of the assignment of the Mortgage Receivables or, at its option, the Issuer shall be entitled to make such notifications itself.</p>

(ontbinding/dissolution) and liquidation *(vereffening/liquidation)* involving such Seller or any of its assets are placed under administration *(onder bewind gesteld/placé sous administration)*; or

(e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into any redress measures *(herstelmaatregelen / mesures de redressement)* within the meaning of Book II, Title VI of Credit Institutions Supervision Law, as amended from time to time, or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets or it is in a situation as set out in Article 244,§1 of the Credit Institutions Supervision Law relating to the conditions for the application of a resolution measure *(afwikkelingsmaatregel / mesures de résolution)*; or

(f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a party; or

(g) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Agent in connection with the entering into the Mortgage Receivables Purchase Agreement and/or any of the Relevant Documents; or

(h) a Pledge Notification Event occurs; or

(i) the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations falls below BBB by Fitch or such rating is withdrawn; or

(j) the credit rating of the Seller's long term, unsecured, unsubordinated

and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn.

<p>Pledge Notification Event</p>	<p>(a) an Assignment Notification Event as referred to under clause 8.1 of the Mortgage Receivables Purchase Agreement has occurred; or</p> <p>(b) an Event of Default as referred to under Condition 10 has occurred; or</p> <p>(c) the Security Agent is so required by an order of any court or supervisory authority; or</p> <p>(d) whether by reason of a change in law or case law or for any other reason, the Security Agent reasonably considers it necessary to protect the interests of the Secured Parties in the Pledged Assets and/or under this Agreement.</p>	<p>Notice to the Borrower of the pledge.</p>
<p>Security Agent Termination Event</p>	<p>(a) an order is made or an effective resolution is passed for the dissolution (<i>ontbinding / dissolution</i>) of the Security Agent except a dissolution (<i>ontbinding / dissolution</i>) for the purpose of a merger where the Security Agent remains solvent; or</p> <p>(b) the Security Agent ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or</p> <p>(c) the Security Agent defaults in the performance or observance of any of its material covenants and obligations under the Framework Agreement or any other Relevant Document and (except where such default is incapable of remedy, when no such continuation and/or notice shall be required) such default continues unremedied for a period of thirty (30) Business Days after the earlier of the Security Agent becoming aware of such default and</p>	<p>The Issuer may by notice in writing terminate the powers delegated to the Security Agent under the Framework Agreement and the Relevant Documents with effect from a date (not earlier than the date of the notice) specified in the notice and appoint a substitute security agent selected by the Issuer which shall act as security agent until a new security agent is appointed by the general meeting of Noteholders which shall promptly be convened by the Issuer.</p>

receipt by the Security Agent of written notice from the Issuer requiring the same to be remedied; or

(d) the Security Agent becomes subject to any bankruptcy (*faillissement / faillite*), judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*) or other insolvency proceeding under applicable laws; or

(e) the Security Agent is rendered unable to perform its material obligations under the Framework Agreement for a period of twenty (20) Business Days by circumstances beyond its reasonable control or *force majeure*.

Servicer Termination Event

(a) a default is made by the Pool Servicer and/or the Administrator in the payment on the due date of any payment due and payable by either of them under this Agreement and such default continues unremedied for a period of fourteen (14) days after the earlier (i) of the Pool Servicer and/or the Administrator becoming aware of such default and (ii) receipt by the Pool Servicer and/or the Administrator of written notice by the Security Agent requiring the same to be remedied; or

(b) a default is made by the Pool Servicer and/or the Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Security Agent is materially prejudicial to the interests of the Issuer and/or the holders of any Class of Notes and (except where, in the reasonable opinion of the Security Agent, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of fourteen (14) days after the earlier of (i) the Pool Servicer and/or the Administrator becoming aware of such

The Security Agent or the Issuer may at once or at any time thereafter while such default continues by notice in writing to the Pool Servicer and/or, as the case may be, the Administrator terminate the Servicing Agreement with effect from a date (not earlier than the date of the notice) specified in the notice.

default and (ii) receipt by the Pool Servicer and/or the Administrator of written notice from the Security Agent requiring the same to be remedied; or

(c) the Pool Servicer or Administrator takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding / dissolution*) and liquidation (*vereffening / liquidation*); or

(d) the Pool Servicer or the Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into redress measures (*herstelmaatregelen/mesures de redressement*) within the meaning of Book II, Title VI of Credit Institutions Supervision Law as amended from time to time, or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets, or it is in a situation as set out in Article 244, §1 of the Credit Institutions Supervision Law relating to the conditions for the application of a resolution measure (*afwikkelingsmaatregel/mesures de résolution*); or

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

Trigger Event

(a) an amount is debited to the Principal Deficiency Ledger in respect of the Class A Notes; or

(b) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution and liquidation or any of its assets are placed under administration; or

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

The Issuer may no longer purchase New Mortgage Receivables.

(c) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the entering into suspension of payments, or if applicable, emergency regulations or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or

(d) on a given Note Payment Date, after application of the Pass-through Principal Available Amount in accordance with the Principal Priority of Payments Prior to a Trigger Event, an amount remains standing to the credit of the Issuer Collection Account which is in excess of an amount equal to 2.5 per cent of the Principal Amount Outstanding of the Soft-bullet Notes (other than the Class E Notes), on such Note Payment Date, and if such an excess amount has been continuously outstanding on the Issuer Collection Account for at least six (6) months prior to the relevant Note Payment Date; or

(e) more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for more than 90 days; or

(f) on the previous Note Payment Date, the balance on the Reserve Account was less than the Required Subordination Amount in respect of Class D.

The Issuer may not issue new Notes.

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

Pro-rata Condition

(a) no amount is recorded on the Principal Deficiency Ledger on such date after giving effect to payments to be made on the relevant Note Payment Date in accordance with the Interest Priority of Payments; and

(b) not more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for more than 90 days;

(c) on the previous Note Payment Date, the balance on the Reserve Account was at least equal to the Required

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

Subordination Amount in respect of Class D; and

(d) the aggregate Outstanding Principal Amount of all Mortgage Receivables is not less than 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables at any time since the Programme Closing Date.

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

Asset-Trigger Events

<u>Name of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Principal Deficiencies	the aggregate amount standing to the credit of the Principal Deficiency Ledgers is positive on the previous Note Payment Date or, if the Issue Date is a Note Payment Date, on the Issue Date	The Issuance Test is not fulfilled so that no new Notes can be issued.
	the aggregate amount standing to the credit of the Principal Deficiency Ledgers is positive on the Note Payment Date	The principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 5.2 (<i>Mandatory redemption</i>) in respect of each Note of that Class on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Principal Shortfall in respect of that Note on such Note Payment Date.

FEES

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fees.....	0.055 per cent. per annum on the aggregate Outstanding Principal Amount of all Mortgage Receivables	Before the Notes	Quarterly
Administrator Fee ..	EUR 30,000 excl. VAT	Before the Notes	Annually
Security Agent Fee.	EUR 5,000 excl. VAT	Before the Notes	Annually
Issuer Directors Fee	EUR 6,500 per Issuer Director	Before the Notes	Annually
Rating Agencies, Auditors, National Bank of Belgium, FSMA, and other regular costs and expenses of the Issuer	Estimated at EUR 530,000 per year	Before the Notes	Annually

RISK FACTORS

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

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

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

RISK FACTORS RELATING TO THE ISSUER

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

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

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

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

The ability of the Issuer to duly perform its obligations under the Notes will depend to a large extent on the due performance by other transaction parties of their obligations and duties under the Relevant Documents. Thus the Issuer will in particular be dependent on BNP Paribas Fortis SA/NV as Account Bank, Pool Servicer, Administrator, Corporate Services Provider, Accounting Services Provider, Interest Swap Counterparty and Domiciliary Agent. This risk is mitigated by provisions requiring the replacement of BNP Paribas Fortis SA/NV in some of those capacities in case of certain triggers (such as rating triggers), but there can be no assurance that a replacement service provider will be found in time or at all, or under the same conditions.

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

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

The issuance of new Notes could adversely affect the timing and amount of payments on outstanding Notes. For example, if Notes of the same Class as existing Notes are issued and have a higher interest rate than the existing Notes, this could result in a reduction in the available funds used to pay interest on the existing Notes. Also, when new Notes, other than Class E Notes, are issued, the voting rights of existing Notes will be diluted.

RISK FACTORS RELATING TO THE MORTGAGE LOANS

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

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings or filing for a collective debt arrangement by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage 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.

In case of a payment default under a Mortgage Receivable or insolvency of the Borrower, the principal method of recovery will be enforcement of the Mortgage and the realisation of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value of the relevant Mortgaged Assets may result in losses to the relevant Noteholders if the relevant security rights on the relevant Mortgaged Assets are required to be enforced. Enforcement of a Mortgage in Belgium is a lengthy process that in most cases can take between six months and two years or longer from the start of the enforcement until receipt of the enforcement proceeds. This may lead to a delay or reduction of payments of principal or interest of the Notes.

Concentration risks in respect of Borrowers, Mortgage Receivables, or Mortgage Assets, may lead to higher than expected losses if one of the risks referred to above manifests itself.

The Seller will not be liable for any losses incurred by the Issuer in connection with the Mortgage Loans, the Mortgages or the Mortgage Assets.

Prepayments of the Mortgage Loans may lead to unexpected amounts and timings of repayments of Notes

Borrowers have extensive rights of repayment under the Mortgage Loans. In accordance with applicable law, the Mortgage Loan agreements allow for prepayment penalties equal to three months interest on the prepaid amount, calculated at the interest rate then applicable to the prepaid Mortgage Loan (except in the case of: (a) death of a Borrower if the Mortgage Loan is repaid from the proceeds of life insurance taken out in relation to the Mortgage Loans; or (b) in case of destruction of or damage to the property because of hazard, to the extent that the prepayment occurs with funds paid pursuant to a hazard insurance policy relating to the Residential Mortgage Loan).

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrowers' behaviour (including, but not limited to, home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Series and each Class of Notes differently. The estimated average lives must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

The Issuer is obliged to apply the Principal Available Amount towards repayment of the Notes in accordance with Condition 5.2 (*Mandatory redemption*), subject to conditions set out therein. The yield to maturity of the Notes of a Series and of a Series and Class and a Sub-class, in particular Pass-through Notes, will depend on, *inter alia*, the amount and timing of (p)repayment of principal on the Mortgage Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans.

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

A substantial amount of Mortgage Receivables are only partly secured by a Mortgage, with the remaining part of the principal amount of the Mortgage Receivable being secured by a Mortgage Mandate. A Mortgage Mandate does not constitute an actual security which creates a priority right of payment out of the proceeds of a sale of the Mortgaged Assets, but needs to be converted first into a registered Mortgage.

The Mortgage Mandate is an irrevocable power of attorney granted by a Borrower or a third party provider of Related Security to certain attorneys enabling them to create a Mortgage as security for the Mortgage Loan, or, as the case may be, for other existing or future loans or all other sums owed by the Borrower to the Seller at any stage.

A Mortgage will only become enforceable against third parties upon registration of the Mortgage at the Mortgage Registrar. The ranking of the Mortgage is based on the date of registration at the Mortgage Registrar. The registration is dated the day on which the mortgage deed pertaining to the creation of the Mortgage and the “registration extracts” (*borderellen/bordereaux*) are registered at the Mortgage Registrar. When a Mortgage Mandate is transformed into a Mortgage, stamp duties (*registratierechten / droits d’enregistrement*), mortgage duties (*hypotheekrechten / droits d’hypothèque*) and other costs will be payable before the Mortgage can be executed and registered, amounting in most cases to approximately 1.3% to 1.6% of the secured amount of the Mortgage.

The following limitations, among other things, exist in relation to the conversion of Mortgage Mandates:

- (a) the Borrower or the third party provider of Related Security that has granted a Mortgage Mandate, may grant a Mortgage to a third party that will rank ahead of the Mortgage to be created pursuant to the conversion of the Mortgage Mandate, although this would generally constitute a contractual breach of the contractual obligations of the Borrower or the third party provider of Related Security;
- (b) if a conservatory or an executory seizure on the real property covered by the Mortgage Mandate has been made by a third party creditor of the Borrower or, as the case may be, of the third party provider of Related Security, a Mortgage registered pursuant to the exercise of the Mortgage Mandate after the writ of seizure has been recorded at the Mortgage Registry, will not be enforceable against the seizing creditor and the seizing creditor will rank prior to the newly converted Mortgage;
- (c) if the Borrower or the third party provider of Related Security is an enterprise (including a natural person acting as a private trader) subject to insolvency laws:
 - (i) the Mortgage Mandate can no longer be converted following the bankruptcy of the Borrower or, as the case may be, the third party provider of Related Security and any Mortgage registered at the Mortgage Registrar after the bankruptcy judgment is void; and
 - (ii) a Mortgage registered at the Mortgage Registrar pursuant to the exercise of a Mortgage Mandate during the pre-bankruptcy “suspect period” or “hardening period” (i.e. after the date of cessation of payments that may be fixed by the court) for a pre-existing loan will not be enforceable against the bankrupt estate. Under certain circumstances, the clawback rules are not limited in time, for example where a Mortgage has been granted pursuant to a Mortgage Mandate and in order to “fraudulently prejudice” creditors; and

- (iii) mortgages registered after the day of cessation of payments of debt can be declared void by the bankruptcy court, if the registration was made more than fifteen days after the creation of the Mortgage; and
 - (iv) the effect of a judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*) of a Borrower or of a third party provider of Related Security on the Mortgage Mandate is uncertain;
- (d) if the Borrower or the third party provider of Related Security, as the case may be, is a corporation (*vennootschap / société*) that has started dissolution and/or liquidation proceedings prior to the conversion, it may be impossible to convert of the Mortgage Mandate into a Mortgage;
- (e) if the Borrower or the third party provider of Related Security, as the case may be, is a private person and has started collective debt settlement proceedings, a Mortgage registered at the Mortgage Registrar after the court has declared the request admissible, is not enforceable against the other creditors of the Borrower or of the third party provider of Related Security;
- (f) besides the possibility that the Borrower or the third party provider of Related Security may grant a mortgage to another lender as discussed above, the Mortgage to be created pursuant to a Mortgage Mandate may also come in rank after certain legal mortgages to the benefit of third parties (such as the legal mortgage of the tax authorities) to the extent these legal mortgages are registered before the exercise of the Mortgage Mandate (and subsequent registration at the Mortgage Registrar). In this respect, it should be noted that the notary will need to notify the tax administration before passing the Mortgage Deed pertaining to the creation of the Mortgage; and
- (g) if the Borrower or the third party provider of Related Security, as the case may be, is a private person, certain limitations apply to the conversion of the Mortgage Mandate into a Mortgage if the Borrower or third party provider of Related Security dies before the conversion; certain limitations also apply in case of a dissolution of the Borrower or third party provider of Related Security that is a legal person.

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

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

The Loan Security in relation to a Mortgage Loan may include an assignment by a Borrower (who is an employee) of his/her salary. The assignment of salary is governed by special legislation (articles 27 to 35 of the Belgian Act of 12 April 1965 on the protection of the salary of employees (the **Salary Protection Act**)).

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

In the absence of reported precedents, it is not absolutely certain to which extent the Seller can validly transfer the benefit of such assignment to the Issuer. Therefore, there is the risk that the Issuer may not have the benefit of such arrangement in case of insolvency of the Seller, which may adversely affect the ability of the Issuer to meet its obligations in full to pay interest and principal in respect of the Notes.

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

Except as described below, the sale of the Mortgage Receivables to the Issuer and the pledge of the Mortgage Receivables to the Noteholders and the other Secured Parties will not be notified to the Borrowers nor to the Insurance Companies or third party providers of Related Security.

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

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

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

The Mortgage Receivables Purchase Agreement provides that upon the occurrence of certain Notification Events, including *inter alia* any Pledge Notification Event, the Seller shall be required to give notice of the sale to the Borrowers, the Insurance Companies or any other debtor of any assigned right or Related Security (see *Sale of the Mortgage Loans - 7. Assignment Notification Events*) below) or, at its option, the Issuer shall be entitled to make such notifications itself. Unless instructed by the Security Agent not to give such notice, if the Seller and the Issuer fail to give such notice, the Security Agent shall (at the expense of the Seller) be entitled to give such notice(s).

There may be a delay between (i) the occurrence of a Notification Event, (ii) the Seller, the Issuer, the Security Agent and/or any other relevant party becoming aware of the occurrence of the Notification Event, and (iii) practical measures being taken and completed for the actual notification of the Borrowers, Insurance Companies and other debtors of Related Security.

If any of the events described in paragraphs (a) to (e) above would occur prior the Borrowers, the Insurance Companies and third party providers of security having been notified of the assignment or pledge of the Mortgage Receivables, the Issuer or the Secured Parties (as applicable) would not have any recourse against the relevant Borrowers, Insurance Companies or third party providers of security. In such cases, the Issuer or the Secured Parties (as applicable) may suffer losses or payment delays in respect of the relevant Mortgage Receivables (and related Insurance Policies and Related Security) and, consequently, this could affect the ability of the Issuer to repay the Notes.

Risk of loss in case of default or insolvency of an Insurance Company that has underwritten a Reconstitution Insurance Policy

In respect of the Reconstitution Loans the Seller has the benefit of rights under the Reconstitution Insurance Policies. Under the Reconstitution Insurance Policies the Borrowers pay premiums consisting of a risk element and a savings or investment element. The intention is that at maturity of the Mortgage Loan, the proceeds of the savings or investments can be used to repay the Mortgage Loan, whether in full or in part.

If any of the Insurance Companies is no longer able to meet its obligations under the Reconstitution Insurance Policies, for example as a result of bankruptcy or having become subject to restructuring measures, this could result in the amounts payable under the Reconstitution Insurance Policies either not or only partly being available for application in reduction of the relevant Mortgage Receivables.

Article VII.135 of the Belgian Code of Economic Law provides that where a lender under a Reconstitution Loan is not also the Insurance Company where the Reconstitution Insurance Policy has been taken out, the lender will in case of insolvency of the Insurance Company have no recourse to the Borrower or the Related Security for the amounts then accrued under the Reconstitution Insurance Policy. Thus, the insolvency of an Insurance Company with whom a Reconstitution Insurance Policy has been taken could result in a loss of principal due under the relevant Mortgage Receivable to the extent that the accrued insurance proceeds cannot actually be recovered from the insolvent Insurance Company. No more than 1 per cent. of the aggregate of the Outstanding Principal Amount of Mortgage Receivables shall relate to Reconstitution Loans.

Due to the specific protections provided for under the law of 13 March 2016 on the statute and supervision of insurance or reinsurance undertakings (the **Insurance Supervision Law**) (including the mandatory maintenance of cover assets by the Insurance Company and the segregation of such cover assets to first satisfy claims arising under insurance policies prior to becoming available for any other

creditors) the likelihood of an Insurance Company not being able to honour its payment obligations under the Reconstitution Insurance Policies is limited. In respect of all Reconstitution Loans sold since the Programme Closing Date, the relevant Reconstitution Insurance Policy has been taken out with AG Insurance (formerly Fortis Insurance Belgium NV/SA). On the date of this Base Prospectus, AG Insurance (formerly Fortis Insurance Belgium) long term debt is rated A+ by Standard and Poor's, A1 by Moody's and A+ by Fitch.

If the relevant Insurance Company defaults on paying the amounts due under the Reconstitution Insurance Policy, the Issuer may receive less money than anticipated from the relevant Mortgage Receivable, which may affect the ability of the Issuer to repay the Notes.

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

There is no guarantee that the characteristics of any New Mortgage Receivables assigned to the Issuer will have the same characteristics as the Mortgage Receivables as of the first purchase, in particular, new Mortgage Loans may have different payment characteristics from the Mortgage 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.

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

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

If there is an unremedied material breach of any representation and/or warranty in relation to any Mortgage Receivable or Related Security and the Seller has not remedied this within fourteen (14) days as from written notice thereof from the Issuer or it cannot be remedied within fourteen (14) days, the Seller shall (at the direction of the Administrator or the Security Agent) on the next Monthly Payment Date following expiry of the fourteen (14) day period be required to repurchase such Mortgage Receivables and all rights relating thereto. The Mortgage Receivable will be repurchased for an aggregate amount equal to the aggregate of the Outstanding Principal Amount of the repurchased Mortgage Receivable plus accrued interest thereon and pro rata costs up to (but excluding) the date of completion of the repurchase. The Issuer and the Security Agent will have no other remedy in respect of such breach if the Seller fails to effect such repurchase in accordance with the Mortgage Receivables Purchase Agreement. This may affect the quality of the Mortgage Receivables and the Related Security and accordingly the ability of the Issuer to make payments on the Notes.

Limited provision of information

Except for certain loan-by-loan and aggregate reporting requirements under the Securitisation Regulation (when applicable to the Programme and the Notes) and other applicable laws and the provision of certain reports as set out in "*Where more information can be found*", the Issuer will not be under any obligation to disclose to the Noteholders any financial or other information in relation to the Mortgage Receivables. The Issuer will not have any obligation to keep any Noteholder or any other person informed as to matters arising in relation to the Mortgage Receivables, except as set out above.

RISKS RELATING TO THE STRUCTURE OF THE PROGRAMME

Risks relating to the termination of the Interest Swap Agreement

In order to hedge the risk between the rates of interest received by the Issuer on the relevant Mortgage Receivables and received on the Issuer Accounts and the rates of interest payable by the Issuer on the Notes the Issuer will enter into one or more interest swap transactions for such Notes with an Interest Swap Counterparty (see *Credit Structure - 14. Interest Rate Hedging*)).

The Interest Swap Counterparty is obliged to make payments under the Interest Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Interest Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Interest Swap Agreement will provide, however, that if a Tax Event occurs, the interest Swap Counterparty may (in accordance with the transfer provisions of the Interest Swap Agreement and the Framework Agreement) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

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

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

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

Commingling Risk

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

This risk is mitigated by an amount corresponding to the Risk Mitigation Deposit Amount that shall have to be credited to the Deposit Account from time to time following the occurrence of a Seller

Downgrade Event which can be used for the purpose of indemnifying the Issuer against commingling risk (see Section "*Sale of the Mortgage Loans – 9. Risk Mitigation Deposit*").

A commingling risk also exists by reason of the fact that the Seller also acts as Account Bank. This commingling risk is mitigated by the fact that if at any time the Account Bank is assigned a rating of less than the Required Minimum Ratings or its rating is withdrawn, the Account Bank will be required to use its best efforts to take certain remedial action. See Section "*Credit Structure – 3.4 Account Bank Rating Downgrade Event*".

Notwithstanding the mitigating elements listed above, in case of an 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 money received by the Seller (as Pool Servicer) from the Borrowers (or the Insurance Companies or providers of Related Security) in connection with the Mortgage Receivables at such time, or for money standing to the credit of the Issuer Account(s). This could have a significant adverse effect on the Issuer and hence on its obligations under the Notes.

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

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

In some of those cases, the Issuer (but not the Noteholders) may have a right (but no obligation) to prepay the Notes. See Conditions 5.7 (*Redemption for tax reasons*) and 5.9 (*Redemption for Change of Law*).

Also, in certain cases relating to changes to the Bank Regulations (as defined in Condition 5.8 (*Redemption for regulatory reasons*)) or to Eurosystem eligibility of the Notes, the Seller may repurchase the Relevant Mortgage Receivables by exercising the Regulatory Call Option, following which the Issuer may redeem the Notes in accordance with and subject to Condition 5.8 (*Redemption for regulatory reasons*).

Risks relating to Ratings Confirmations

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

A written Ratings Confirmation may or may not be given at the sole discretion of that Rating Agency. It should be noted that no Rating Agency is obliged to provide any Ratings Confirmation (and any Rating Agency may refuse to do so for any reason, whether as a matter of general policy or in relation to such request specifically). Depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a written Ratings Confirmation in the time available or at all. No Rating Agency will be responsible for the consequences of any refusal or inability to provide a Ratings Confirmation or of any delay in providing a Ratings Confirmation.

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

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

The performance of the Notes may be adversely affected by the recent conditions in the Belgian and global financial markets caused by the COVID-19 pandemic and these conditions may not improve in the near future

The coronavirus pandemic and related containment measures taken in various countries worldwide are having a serious impact on the global economy. The consequences (in Belgium and worldwide) of the economic shock generated by the coronavirus pandemic cannot be precisely determined at this date and are largely dependent on several crucial assumptions about the scale and duration of the crisis and are subject to much more uncertainty than usual. In particular, although the disruption of the progressive resumption of activity in Belgium and abroad is becoming more unlikely due to an extensive vaccination campaign, it is not impossible that such resumption could be compromised by new containment measures by a resurgence of the pandemic in the future. This possibility remains a significant risk and the resulting adverse impact on the economy could be deepened.

The Belgian governmental measures in Belgium include, among others, a right for certain Borrowers that are in distress due to the COVID-19 outbreak to request a so-called “payment holiday” pursuant to the first Charter Payment Deferrals for Individuals (*Charter betalingsuitstel hypothecair krediet/Charte report de paiement crédit hypothécaire*). Provided that certain conditions are satisfied under such “payment holiday” framework, such Borrowers may be granted an extension of scheduled repayments of principal with a maximum of 6 months. In December 2020, it was decided to again make general payment deferral possible for private individuals (second Charter for payment deferral for mortgage loans), on the condition that the deferral granted under the first and second Charter together never exceeds 9 months. This may result in payment disruptions and possibly losses under the Mortgage Receivables.

The adverse economic conditions listed above could affect Borrowers' willingness or ability to meet their obligations, resulting in increased defaults in the securitised portfolio and ultimately the ability of the Issuer to pay interest and repay principal to Noteholders. These factors could result in the Issuer having insufficient funds to fulfil its obligations under the Notes in full and as a result could adversely affect the performance of the Notes and lead, for the Noteholders, to losses under the Notes.

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

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

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

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

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

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

wherein the Notes are outstanding to the Issuer and the Security Agent in the Mortgage Receivables Purchase Agreement.

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

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

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 assumption by the European Central Bank of certain supervisory responsibilities which were previously handled by the National Bank of Belgium and, in general, by the allocation of responsibilities between the European Central Bank and the National Bank of Belgium.

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

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

Risks relating to the European Market Infrastructure Regulation (EMIR)

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

Pursuant to EMIR, counterparties can be classified as: (i) financial counterparties (**FCs**) (which, following changes made by EMIR Refit 2.1, includes a sub-category of small FCs (**SFCs**)), and (ii) non-financial counterparties (**NFCs**). The category of NFC is further split into: (i) nonfinancial counterparties above the "clearing threshold" (**NFC+s**), and (ii) non-financial counterparties below the "clearing threshold" (**NFC-s**). Whereas FCs and NFC+ entities may be subject to the Clearing

Obligation or, to the extent that the relevant derivative transactions are not subject to clearing, to the Collateral Obligation, such obligations do not apply in respect of NFC- entities.

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

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

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

Finally, pursuant to the terms of the Conditions and the Framework Agreement, the Security Agent may agree, in order to comply with EMIR, without the consent of the Noteholders and the other Secured Parties to any modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes of any Series or any other Relevant Documents which is in the opinion of the Security Agent not materially prejudicial to the interests of the Noteholders and the other Secured Parties, provided that the Security Agent has notified the Rating Agencies. Any such modification, authorisation or waiver shall be binding on the Noteholders and other Secured Parties.

RISK FACTORS RELATING TO THE NOTES

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

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

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

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

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

If on any Note Payment Date on which a repayment of principal is due on any Subordinated Notes at a time when, if the repayment was made, the Principal Amount Outstanding of the remaining relevant Classes of Subordinated Notes is not sufficient to provide the level of credit enhancement required to support the ratings on the remaining Series and Classes of Notes and the Issuer is unable to issue the relevant additional Subordinated Notes or obtain acceptable alternative forms of credit enhancement, the Issuer will not be entitled to repay on such date such Series and Classes of Notes. See for more detailed description Condition 5 (*Redemption and cancellation*). Consequently, there is a risk that the holders of Subordinated Notes may not receive the principal sum due under such Notes on the due date for redemption.

In accordance with Condition 9.2 (*Principal*), a Class B Note, a Class C Note or a Class D Note may be redeemed with the Principal Shortfall of the Class of that Note. As a consequence a holder of a Class B Note, a Class C Note or a Class D Note may not receive the full Principal Amount Outstanding of such Note on the due date for redemption, and such loss may be definitive.

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

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

The Issuer will suspend payments to Noteholders that are not Qualifying Investors

If a Noteholder is not a Qualifying Investor, or loses its status as a Qualifying Investor (due to a change in its own status or due to a change of the definition of Qualifying Investors in the UCITS Act), then the Issuer will suspend payments in respect of the Notes held by that Noteholder upon becoming aware

thereof. The Noteholder will have to ensure it becomes a Qualifying Investor, or sell the Notes, which may lead to losses due to the expected limited liquidity of the Notes and the absence of an active secondary market in respect of the Notes.

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

Any Programme Resolution must be passed at a single meeting of the holders of all Notes (of a Class) of all Series then outstanding as set out in more detail in Annex 2 (*Provisions for meetings of Noteholders*) to the Conditions and cannot be decided upon at a meeting of Noteholders of a single Series. A Programme Resolution will be binding on all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Pursuant to the terms of the Pledge Agreement and in accordance with Condition 15.1 (*Modifications, waivers, authorisations by the Security Agent*), the Security Agent may agree without the consent of the Noteholders and the other Secured Parties, to

- (a) any modification of any of the provisions of the Pledge Agreement, the Notes of any Series or any other Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error;
- (b) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Pledge Agreement, the Notes of any Series or any other Relevant Documents which is in the opinion of the Security Agent not materially prejudicial to the interests of the Noteholders and the other Secured Parties, provided that the Security Agent has notified the Rating Agencies; and
- (c) any modification of a Relevant Document or the Conditions of the Notes, subject to certain conditions being satisfied, which:
 - (i) enables the Issuer to comply with the EMIR Requirements; or
 - (ii) enables the Issuer to comply with the CRA3 requirements, the Securitisation Regulation (when applicable to the Programme and the Notes) and the CRR Amendment Regulation; or
 - (iii) follows from the introduction of an Alternative Base Rate,

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

Absence of secondary market; lack of liquidity

There is currently no active secondary market with respect to any Notes. No assurance is provided that a secondary market for the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment for the life of the Notes. None of the Issuer, the Arranger or any Dealer is or will be obliged to make a market for a Series of Notes issued by the Issuer. Investors in the Notes must be prepared to hold their Notes for an indefinite period of time, which may continue until the Final Maturity Date of those Notes or alternatively that they may only be able to sell the Notes at a discount to the original purchase price of those Notes.

No gross-up for taxes

If withholding of, or deduction for, or an account of any present or future taxes, duties, assessments or charges of whatever nature are imposed or levied by or on behalf of the Kingdom of Belgium, any

authority therein or thereof having power to tax, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

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

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

Risks relating to Basel III & Solvency II

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

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

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

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

In the event that the EURIBOR benchmark referenced in the Conditions, an Interest Swap Agreement and the other Relevant Documents is temporarily unavailable, the fall-back position set out in Condition 4.6 (*EURIBOR*) will apply with respect to the Notes. In the event that EURIBOR is permanently discontinued or changed, the Issuer may in certain circumstances modify or amend the EURIBOR rate in respect of the Notes to an Alternative Base Rate without the Noteholders' prior consent as provided in Condition 15.2(a)(iii).

While an amendment may be made under Condition 15.2(a)(iii) to change the EURIBOR rate on the Notes to an Alternative Base Rate under certain circumstances broadly related to EURIBOR disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an

equivalent methodology for determining the interest rates on the Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant.

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

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

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

Volcker Rule

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

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

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

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

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

U.S. risk retention requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the “securitiser” of a “securitisation transaction” to retain at least 5 per cent. of the “credit risk” of “securitised assets”, as

such terms are defined for purposes of that act, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain.

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

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

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

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

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

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

INFORMATION RELATING TO THE MORTGAGE LOANS

DESCRIPTION OF MORTGAGE LOANS

The Mortgage Receivables sold and assigned to the Issuer on any Mortgage Purchase Date are any and all rights (whether actual or contingent) of the Seller against any Borrower under or in connection with any Mortgage Loan selected by agreement between the Seller and the Issuer together with the Seller's rights to or interest in any Related Security, to the extent the latter relates to the assigned Mortgage Receivable. On any Business Day, the Issuer has to apply the Purchase Available Amount related to such Business Day to purchase and accept the assignment of New Mortgage Receivables from the Seller to the extent offered to it provided that certain conditions are met.

The Mortgage Receivables have been selected according to the criteria list set forth in the Mortgage Receivables Purchase Agreement and are selected in accordance with such agreement on or before the relevant Mortgage Purchase Date (see Section "*Sale of the Mortgage Loans*").

For a description of the representations and warranties given by the Seller, see *Sale of the Mortgage Loans - 3. Representations and warranties*).

1. MORTGAGE LOANS

1.1. Governing law

The Mortgage Loans are governed by the following laws:

- (a) the Mortgage Loans entered into before 1 January 1993 are governed by Royal Decree no. 225 of 7 January 1936 regulating mortgage loans and organising the monitoring of mortgage loan companies (the **Royal Decree 225**);
- (b) the Mortgage Loans entered into between 1 January 1993 and 1 January 1995 are either governed by the Royal Decree 225 or the Mortgage Credit Act of 4 August 1992 (the **Mortgage Credit Act**);
- (c) the Mortgage Loans entered into between 1 January 1995 and 1 April 2015 are governed by the Mortgage Credit Act; and
- (d) the Mortgage Loans entered into after 1 April 2015, are governed by Book VII, Title 4, Chapter 2 of the Belgian Code of Economic Law.

Additionally, some of the Mortgage loans may also be governed by the Charter Payment Deferrals for Individuals (*Charter betalingsuitstel hypothecair krediet/Charte report de paiement crédit hypothécaire*), published on the website of Febelfin on 31 March 2020 and agreed upon by Belgian government, the National Bank of Belgium and Febelfin in connection with the COVID-19 pandemic, as sanctioned by the Royal Decree of 14 April 2020 (*Koninklijk besluit tot toekenning van een staatswaarborg voor bepaalde kredieten in de strijd tegen de gevolgen van het coronavirus/ Arrêté royal portant octroi d'une garantie d'état pour certains crédits dans la lutte contre les conséquences du coronavirus*), pursuant to which these Mortgage Loans may be granted moratoria for up to six months, with the latest possible final date of each moratorium being 31 December 2020. In December 2020, it was decided to again make general payment deferral possible for private individuals (second Charter for payment deferral for mortgage loans), on the condition that the deferral granted under the first and second Charter together never exceeds 9 months.

1.2. Interest Rates

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

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

If the interest period is not equal to the term of the Mortgage Loan, the interest rate will change at the end of the relevant interest period. The interest period can vary from one to ten years. In this case, the interest rate is called a variable interest rate. The change to the interest rate is based on the change in an underlying reference index that complies with the requirements of article 21(3) of the Securitisation Regulation (when applicable to the Programme and the Notes). Changes to the interest rate are subject to a maximum increase and decrease agreed upon origination of the relevant Mortgage Loan. The maximum increase of the interest rate may not exceed the maximum decrease.

With respect to Mortgage Loans that are subject to Royal Decree 225, the interest rate is *de facto* a 5-year variable interest rate. At the expiry of each fifth anniversary of the Mortgage Loan, the Seller may demand repayment of the outstanding amount under the Mortgage Loan (subject to a three (3) months' notice period). The Borrower can in turn require that the Mortgage Loan be continued at the interest rate applied generally by the Seller at that time for the same type of Mortgage Loans.

1.3. Types of Loans

The Mortgage Loans may have the form of a term loan or a revolving loan, under which the Borrower may, subject to certain conditions being satisfied and the agreement of the Seller, re-borrow repaid amounts.

The Mortgage Loans can be categorised according to their repayment schedules:

- (a) Linear Mortgage Loans;
- (b) Annuity Mortgage Loans;
- (c) Interest-only Mortgage Loans; and
- (d) Reconstitution Loans.

The types of Mortgage Loans set forth under (a) and (b) above are fully amortising, which means that the repayment schedules are designed such that the amount of the outstanding balance of the Mortgage Loans is zero after the last scheduled periodical payment has been made.

A Mortgage Loan with linear repayment is a Mortgage Loan under which the Borrower repays a fixed amount of principal per period, so that the debt gradually decreases (a **Linear Mortgage Loan**). Due to the decreasing outstanding balance, the interest payment decreases proportionally. As a result, the gross mortgage costs (interest plus repayment of principal) decrease over time.

With an annuity mortgage loan, the periodical gross payments under the Mortgage Loans remain the same, whereby the interest payments decrease and the repayments of principal increase (an **Annuity Mortgage Loan**). Up until 1 January 1995, two variations of annuity Mortgage Loans could be offered, i.e. the annual based annuity mortgage loan and the monthly based annuity mortgage loan. The two variations differ only in terms of the calculation of the periodic payment:

- (a) in case of an annual based Annuity Mortgage Loan, the periodic payment has been calculated as one-twelfth of the amount the Borrower would have paid if he would only pay once a year in arrears;

- (b) in case of a monthly based Annuity Mortgage Loan, the monthly payment has been calculated based on monthly scheduled payments in arrears, as a result of which the distribution between the interest and principal component alters every month.

As of 1 January 1995, it was no longer permitted to originate annual based Annuity Mortgage Loans.

Interest-only Mortgage Loans are free of redemption during the lifetime of the loan. As the Borrower only pays interest during the lifetime of the mortgage loan, the monthly or quarterly payments by the Borrower are low. At the maturity of the mortgage loan, the Borrower must repay the entire principal of the mortgage loan.

In addition to the Mortgage Loan redemption types described above, an Originator may grant loans (each a **Construction Loan**), which are loans the proceeds of which are typically drawn down in several steps over a given period of time and where the Borrower thus has the right to further draw down the loan up to the maximum amount without further approval by the Originator. The Borrower has the option between:

- (a) either paying only interest as long as the Construction Loan is not fully drawn, calculated on the basis of the drawn amount; the principal repayments will only be made after no further drawings can be made under the construction loan; or
- (b) paying interest and repaying principal on the basis of the drawn amount, even if further amounts may be drawn under the Construction Loan.

For the avoidance of doubt, a Mortgage Loan under which the Borrower no longer has a right to draw proceeds without a further approval of the Originator (but had such right in the past) will not constitute a Construction Loan.

A **Reconstitution Loan** is a Mortgage Loan (including any advance under a Credit Facility) the terms of which provide that on its final maturity date the proceeds of a Reconstitution Insurance Policy will be used for its repayment. Under this type of Mortgage Loan the Borrower does not repay any principal, but instead pays life insurance premiums to the Insurance Company and interest on the Mortgage Loans. The premiums are used to provide death cover and to accumulate capital. For that purpose the Borrower or a third party who has taken out the insurance on the life of the Borrower, transfers or pledges to the Originator its rights to payment and under the relevant Reconstitution Insurance Policy or appoints the Originator as the beneficiary of such policy.

A **Reconstitution Insurance Policy** is either an Investment Insurance Policy or a Savings Insurance Policy. An **Investment Insurance Policy** is a life insurance policy under which the premiums paid by the Borrower or the third party that has taken out the policy on the life of the Borrower, are invested in an investment fund. This type of policy is always combined with a prior death coverage. Upon maturity of the Reconstitution Loan the investments will be sold and the proceeds used to repay the loan (whether in full or in part, depending on the value of the investments). Should the Borrower decease the proceeds will be used to repay the loan. **Savings Insurance Policy** is a life insurance policy under which the premiums are used to accumulate capital at a guaranteed minimum rate of return. This type of policy is also always combined with a prior death coverage.

2. RELATED SECURITY

The Mortgage Loans are secured by:

- (a) a first ranking mortgage; and/or
- (b) a lower ranking mortgage; and/or
- (c) a mandate to create a first and/or lower ranking mortgage.

2.1. Mortgage

A Mortgage creates a priority right to payment out of the Mortgaged Assets, subject to mandatory statutory priorities (including beneficiaries of prior ranking mortgages).

Most of the Mortgage Receivables relate to loans that are secured by a mortgage which also secures all other amounts which the Borrower owes or in the future may owe to the Originator, an **All Sums Mortgage** (*alle sommen hypotheek / hypothèque pour toutes sommes*).

Other Mortgage Loans have been originated under credit facilities which have the form of a revolving facility (*kredietopening / ouverture de crédit*)(a **Credit Facility**). The Mortgage that is granted as security for this type of loans is used to secure all advances (*voorschotten / avances*) made available under such revolving facility. In many cases the Mortgage that is created in respect of this type of loans is also an All Sums Mortgage.

As a consequence of the sale of a Mortgage Receivable to the Issuer, the Issuer and the Seller shall thus share the benefit of the same Mortgage Loan since it will secure both the Mortgage Receivable (security in favour of the Issuer) and other loans originated under the same Credit Facility, if any, or any other obligations owing from time to time to the Seller, if any (security in favour of the Seller).

Pursuant to Article 81*quater* of the Mortgage Act, advances granted under a revolving facility secured by a mortgage can be transferred to a Mobilisation Vehicle, such as the Issuer. Furthermore, pursuant to Articles 81*quater* and 81*quinquies* of the Mortgage Act, an advance or loan secured by an All Sums Mortgage which is transferred to a Mobilisation Vehicle, such as the Issuer, shall rank in priority to any debt which arises after the date of the transfer and which is also secured by the same All Sums Mortgage. Whereas the transferred Mortgage Receivable ranks in priority to any further loans or debts, it will have equal ranking with any loans or debts which existed at the time of the transfer and which were secured by the same All Sums Mortgage.

The Mortgage may be granted by either the Borrower or a third party provider of Related Security.

To mitigate any competing claims in respect of Mortgage Receivables secured by an All Sums Mortgages or in respect of Mortgage Receivables originated under the same Credit Facility, the Mortgage Receivables Purchase Agreement provides that all loans or other debts existing at the time of the transfer of a Mortgage Receivable and which are secured by the same Mortgage are subordinated to the Mortgage Receivable in relation to all sums received out of the enforcement of the Mortgage and any Additional Security (see *Sale of the Mortgage Loans* below).

2.2. Mortgage Mandate

A Mortgage Mandate is often used in addition to a Mortgage to limit registration duties payable by the Borrower.

A Mortgage Mandate does not constitute an actual security and does therefore not create an actual priority right of payment out of the proceeds of a sale of the Mortgaged Assets. The Mortgage Mandate is an irrevocable mandate granted by a Borrower or a third party provider of Related Security to certain attorneys to create a mortgage as security for the Mortgage Loan and/or all other amounts which the Borrower owes or in the future may owe to the Seller. Only after creation of the Mortgage, the beneficiary of the Mortgage will have a priority right to payment out of the proceeds of a sale of the Mortgaged Assets. For a more detailed analysis of the risks involved, see *Risk factors relating to the Issuer*

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

The ability of the Issuer to meet its obligations in full to pay principal and interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the receipt by it of payments

under any Interest Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Issuer Accounts. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account. See further *Credit Structure*).

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

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

The ability of the Issuer to duly perform its obligations under the Notes will depend to a large extent on the due performance by other transaction parties of their obligations and duties under the Relevant Documents. Thus the Issuer will in particular be dependent on BNP Paribas Fortis SA/NV as Account Bank, Pool Servicer, Administrator, Corporate Services Provider, Accounting Services Provider, Interest Swap Counterparty and Domiciliary Agent. This risk is mitigated by provisions requiring the replacement of BNP Paribas Fortis SA/NV in some of those capacities in case of certain triggers (such as rating triggers), but there can be no assurance that a replacement service provider will be found in time or at all, or under the same conditions.

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

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

The issuance of new Notes could adversely affect the timing and amount of payments on outstanding Notes. For example, if Notes of the same Class as existing Notes are issued and have a higher interest rate than the existing Notes, this could result in a reduction in the available funds used to pay interest on the existing Notes. Also, when new Notes, other than Class E Notes, are issued, the voting rights of existing Notes will be diluted.

Risk factors relating to the Mortgage Loans) above.

2.3. Other security

The Mortgage Loans may, as the case may be, be further secured by:

- (a) Life Insurance Policies and Hazard Insurance Policies;
- (b) an assignment of salary by the Borrower; and/or
- (c) any pledge, set-off or unicity of account rights of the Seller pursuant to its applicable general banking terms and conditions.

Additionally, certain Mortgage Receivables (so-called *Prêts Jeunes* and *Prêts Tremplins*) are guaranteed by the Walloon Region. This guarantee is limited (i) to 95% of the actual loss incurred by the lender after the collection of the amounts resulting from the enforcement of all security interests, and (ii) to the loan amounts that exceed 70% of the higher of the voluntary sales value or the purchase price of the financed property. The terms of the guarantee provide that the guarantee will only be paid

out after the Mortgage Loan, the Mortgage and all additional security have been enforced and, if applicable, the proceeds of any life insurance have been applied to the amounts outstanding under the Mortgage Loan.

3. MORTGAGE LOANS JOINTLY ORIGINATED BY BNP PARIBAS FORTIS SA/NV AND AG INSURANCE (FORMERLY FORTIS INSURANCE BELGIUM)

A substantial number of Mortgage Loans has been originated under loan agreements or Credit Facilities entered into by both BNP Paribas Fortis SA/NV (or its legal predecessors) and AG Insurance (formerly Fortis Insurance Belgium NV/SA) (or its legal predecessors), as joint and several lenders (*actief hoofdelijke schuldeisers / créanciers solidaires*). Only Mortgage Receivables that relate to loans and advances actually funded by BNP Paribas Fortis SA/NV will be purchased by the Issuer (see *Sale of the Mortgage Loans*).

The Seller currently no longer originates new Joint Loan Agreements as joint and several lender since around 2017, but historical Joint Loan Agreements are still part of the Issuer's portfolio of Mortgage Receivables.

Pursuant to the Cooperation Agreement, AG Insurance (formerly Fortis Insurance Belgium NV/SA) has:

- (d) irrevocably and with effect as from the relevant Mortgage Purchase Date waive in favour of the Issuer all its rights as joint and several lender to the extent these relate to those Mortgage Loans and Mortgage Receivables actually funded by BNP Paribas Fortis SA/NV and to the Related Security to the extent related to such Mortgage Loans and to the extent not waived transfer such rights to the Issuer; and
- (e) irrevocably and unconditionally waive (*verzaken / renoncer*) in favour of the Issuer all of its rights under or to all such Mortgages that relate to Mortgage Receivables arising under Joint Loans Agreements to the extent such rights relate to any loans or other debts or obligations that exist at the time of the transfer of the Mortgage Receivables held by the Issuer; and
- (f) agree to certain covenants and undertakings with the Seller, the Pool Servicer and the Issuer in order to co-ordinate the exercise of the respective rights each of them derives under the Credit Facilities, the Mortgages and other Related Security (see Section 16 (Mortgage Receivables Purchase Agreement)).

MORTGAGE LOAN UNDERWRITING AND SERVICING

1. INTRODUCTION

Applications for new mortgage loans are received by BNP Paribas Fortis SA/NV branches and agents (the **Branches**), who have a direct contact with the customers.

To a large extent and within certain decision criteria, these Branches can approve the application given that a set of centrally-defined automated decision rules is met. Beyond the bounds of these decision rules, files are transferred to regional credit sites for decision.

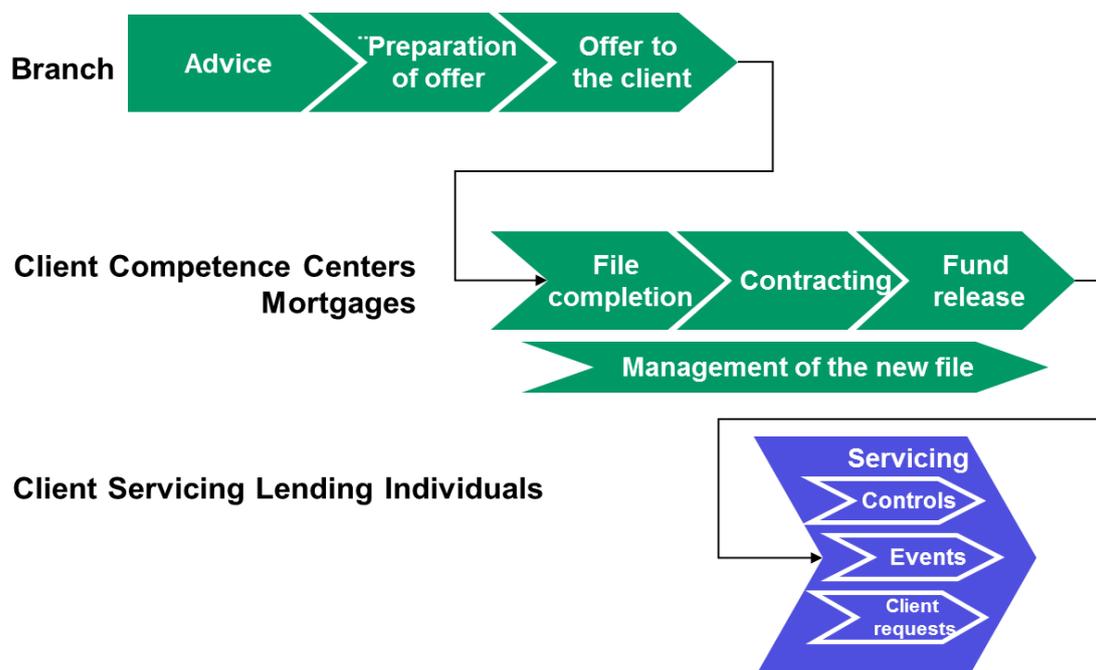
Following the decision, the branches prepare and present the offer to the client.

If the client accepts the offer, the file is transferred to a Client Competence Centre, who will:

- (a) gather missing data;
- (b) manage contacts with the notary;
- (c) do the contracting; and
- (d) release the funds.

Once the file is completed and the funds released, the daily management (servicing) is done by the department Client Servicing Lending Individuals. They manage:

- (a) the presence and conformity of the contracts and mortgage deeds;
- (b) credit life cycle events, such as mortgage renewals, mandate conversions and variable rate resets; and
- (c) client requests during the lifecycle, such as changes in addresses and accounts, prepayments and changes in the credit (e.g. pricing discounts) conditions.



The following system modules are used for underwriting, servicing and recovery:

PILS (Personal Integrated Loan System) = demand, decision, offer, contract.

SOLAR (Service Oriented Lending Architecture for RPB) = same functionalities as PILS but done through the internet where the customer signs digitally. For the moment with a limited scope.

Applications used by the branches to register the credit demand, to automatically check the credit rules and decision criteria, register the decision (after accessing the credit decision authority DB), issuing the credit offer and credit contracts (fully automatic, based on the contract data), and finally to authorize the paying out of the credit amount.

DBCF (Database Credit Folder) = servicing existing contract.

Application used to collect automatically the periodic repayments of capital and interest directly from the current account of the customer, calculating contractual rate revisions, encoding early repayments and requested contract modifications. DBCF provides also all required information to the bookkeeping system of the bank.

LUNA (Loan Unpaid Application) = letters and registration of incident for uncertain credits.

Application for the automated follow up of unpaid periodic due amounts, including warnings to the customer and to the bank staff for action. It also registers the required information to the bookkeeping system.

FIRST: risk surveillance tool for follow up of triggers (= risk indicators).

RECOVERY = servicing of claims.

Application for the follow-up of denounced loans (claims), including the recovered amounts.

2. MORTGAGE LOAN ORIGINATION

BNP Paribas Fortis SA/NV originates its mortgage loans through three channels:

- (a) the BNP Paribas Fortis SA/NV branches;
- (b) the Fintro agents (independent agents within the BNP Paribas Fortis group); and
- (c) other third party agents, through Demetris (Demetris being a 100% subsidiary of BNP Paribas Fortis SA/NV, originating through third party intermediaries).

All applications, by all channels, are entered into PILS. Hence, there are no differences in product between the different origination channels.

PILS requires inputs from the branches on the following levels:

- (a) loan application (amount, purpose, repayment schedule, term, ...);
- (b) borrower (profession, income, expenses, ...);
- (c) mortgaged securities (address, value, rank, ...);
- (d) non-mortgaged securities (type, insurance company, insured person, linked loans, ...);

Once these inputs have been done, PILS will perform an automated analysis of the application via:

- (a) calculation of the scoring outcome based on client's credit behaviour and elements of the application;

- (b) cross checks;
- (c) examination of the credit data bases (internal and external, including the *Centrale voor Kredieten aan Particulieren / Centrale des Crédits aux Particuliers* ('CKP') of the Belgian National Bank);
- (d) determination of base interest rate and possible discounts (a/o on the basis of LTV calculations); and
- (e) who is empowered to decide on the file.

The scoring outcome is an estimation of the client's possibility to fulfil his credit commitments towards the bank during the entire lifetime of the demanded loan. It is expressed in a scoring colour, being in deteriorating order blue, green, orange and red.

The cross checks involve a number of decision rules, of which the most important are:

- (a) borrower is a physical person, older than 18 years and having a good internal rating (FMS rating 1 to 12);
- (b) the outcome of the scoring has to be better than red;
- (c) net income \geq EUR 1.250 per borrower (net income being gross income minus fixed charges);
- (d) DTI (debt to income) \leq 50% in relation with a scoring orange; and
- (e) LTV-limits (loan to value) in relation to the scoring outcome.

If the applicant has a mark in a negative credit data base, regional credit sites need to take the decision.

If all the decision rules in PILS are met, a decision can be made considering the delegated personal decision authority of the branch staff based on the scoring outcome, the total outstanding amount (including the requested amount) and the open risk on the client.

Applications exceeding the branches' empowerment, as well as exceptions to risk related decision rules can only be decided upon by or in agreement with the regional credit sites.

The next scheme gives a brief overview of the main principles regarding the credit delegation framework:

Principle		
4 E Y E S	1st pair of eyes	Commercial function, primary responsible of the credit decision
	2nd pair of eyes	Second pair of eyes: <ul style="list-style-type: none"> ▪ Files with Total One Obligor (TOO) \leq 500.000€ → Automated risk rules (rating, matters, ...) / scoring embedded in the intake systems ▪ Files with TOO > 500.000€ and \leq 2.500.000€ (or \leq 1.250.000€ for FMS-ratings 13 - 17) → Credit Management RPB, which acts as a representative of the risk function in the business ▪ Files with TOO > 2.500.000€ (or 1.250.000€ for FMS ratings 13 - 17) → Credit Risk RPB

If a positive decision has been made, an offer is printed in the branch by PILS. This offer is valid for three months. After the customer has accepted the offer, the contracts are made out by PILS and signed before the notary.

Before the complete file is scanned and archived, it is rechecked for completeness. The funds can only be released after the signature of the contracts and collaterals have been encoded in the system.

3. MORTGAGE LOAN SERVICING

The Client Servicing Lending department is responsible for the technical management of the portfolio, collection of interest and principal payments and initiating procedures for arrears management. DBCF handles *e.g.* the contractual interest rate revisions automatically and all other transactions and contract modifications negotiated with the customer.

The Mortgage Loans are generally collected through direct debit with a BNP Paribas Fortis account. Each month, the central credit system (DBCF) automatically calculates the interest and principal due. This is then debited from the borrower's account. A direct debit cannot be executed if the balance of the borrowers' account is not sufficient to cover the full amount of the scheduled monthly payment. If there is not enough money on the borrower's account, the direct debit procedure will be repeated twice per day.

- (a) If the direct debit remains unable to collect, then the Branch will be notified and an automatic letter will be sent to the borrower and possible guarantors.
- (b) In case a second payment is missed, the Branch where the borrower is a client will be notified for the second time and a second letter is sent to the client. If no strong arguments from the Branch to the contrary, a mortgage mandate is transformed into a mortgage.
- (c) In case a third payment is missed the Branch where the borrower is a client will be notified of the fact that the borrower will be served notice.

In the above period of arrears, the Branches are encouraged, but not obliged, to contact the borrower in order to obtain more information on their situation and to urge for a solution. The Client Servicing Lending department will not contact the borrower by phone.

4. MORTGAGE LOAN RISK SURVEILLANCE, INTENSIVE CARE AND RECOVERY

The Risk Surveillance Unit (RSU) becomes involved at the moment that an incident on a file (*e.g.* an arrears) is detected by FIRST (the Fortis Integrated Risk Surveillance Tool). After 2 arrears, RSU can order the conversion of the mortgage mandate into a mortgage.

If the arrears is still not cured after 120 days in arrears, Intensive Care will start the obligatory reconciliation procedure before a reconciliation judge. This procedure is used to allow the borrower, in front of a judge, to come up with a proposal to settle his arrears. This procedure of reconciliation may take 4 to 6 months, after which the judge declares either reconciliation or non-reconciliation. If the debt is to be repaid through sale of the house, BNP Paribas Fortis will try and help the borrower to sell the property via private sale.

In case of non-reconciliation, the file is transferred to Recovery and the loan is denounced and becomes immediately due and payable. A procedure for repossession is started and this procedure generally lasts 18 to 24 months. When the property is repossessed, the house is auctioned off.

If an amount remains outstanding after the auction proceeds are used, this claim is generally sold to EOS Aremas Belgium NV. EOS Aremas NV is a debt collection company, owned by BNP Paribas Fortis SA/NV for 50% minus one share, and is collecting defaulted loans from individuals granted by

most of BNP Paribas Fortis's Belgian and Luxembourg subsidiaries, including BNP Paribas Fortis SA/NV and AG Insurance (formerly Fortis Insurance Belgium).

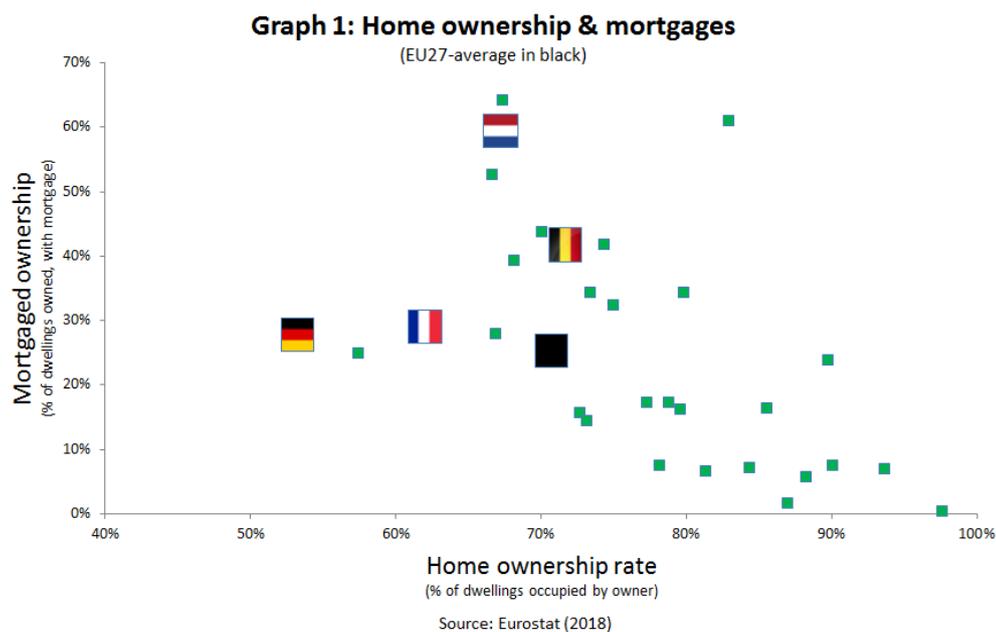
D	first payment missed
D + 8	listing to branch
D + 9	letter to client
D + 30	second payment missed
D + 40	second listing to branch, also listing to prepare eventual conversion of mandate
D + 45	second letter to client
D + 60	third payment missed
D + 70	listing to branch to warn that borrower will be serviced notice + involvement RSU
D + 75	registered letter for servicing notice upon the debtor
D + 90	90 days past due → notification in negative central credit data base of NBB
D + 120	involvement Intensive Care
D + 150	idem
D + 166	manual treatment
D + 180 ...	internal plan to deal with arrears or procedure before judge of reconciliation, if not OK:
D + 270	letter of denouncement + transfer to Recovery (takes +/- 2 years before property is repossessed)

OVERVIEW OF THE BELGIAN RESIDENTIAL MORTGAGE MARKET

1. BELGIAN HOUSING MARKET : OVERVIEW IN UNCERTAIN TIMES

1.1. Sound fundamentals

Home-ownership in Belgium is stable at around 72%, with the majority of the owners carrying at least some outstanding mortgage debt (Graph 1). As such Belgium compares favourably to most neighbouring countries. Its homeownership rate is higher than that of France, Germany and the Netherlands. Belgium has a higher share of houses owned without outstanding housing debt than the Netherlands.



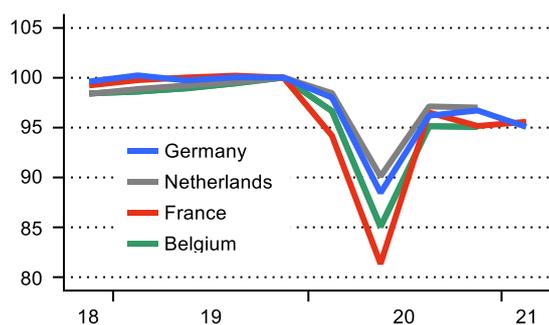
This section provides an overview of the Belgian housing market, at least based on the information available so far, which does not yet include concrete data on the impact of the Coronavirus crisis. First, the general macroeconomic situation in the country is discussed, highlighting GDP growth and consumer sentiment. A second part covers the prevailing forces of supply and demand on the housing market. Then follows an overview of the Belgian mortgage market. The last part covers the stability of housing prices in Belgium. The Coronavirus has significantly increased the uncertainty of any forward-looking statements in the current economic context, this is no different for the Belgian real estate market.

2. GENERAL MACRO ECONOMICS

2.1. Stable growth

The Belgian economy was expected to remain on an upward trajectory for the next couple of years, up until the start of the Coronavirus crisis. The Belgian economy shrank by 6.3%. Neighbouring countries economies underwent a similar sized hit.

Graph 2: GDP Evolution (2019Q4 = 100)



Source: BNPP Fortis, Macrobond

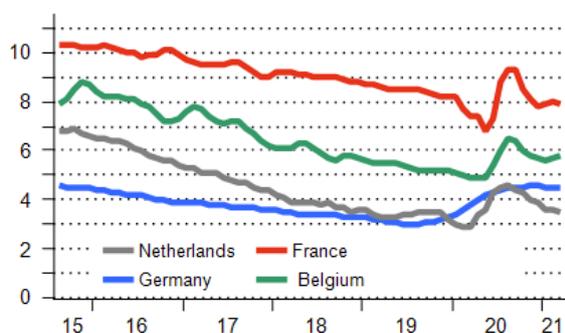
2.2. Stable and low unemployment

The unemployment rate, the number of jobseekers as a part of the total active population, was well below the European average (Graph 3). It remained stable throughout the first months of the health crisis. This was largely a consequence of the expanded temporary unemployment scheme, which allowed companies to keep employers on their payroll, while the government subsidised part of their wages. Near the end of the year, the Belgian unemployment rates were revised upwards and now show a similar increase as the neighbouring countries.

2.3. Consumer confidence severely hit by the Coronavirus crisis

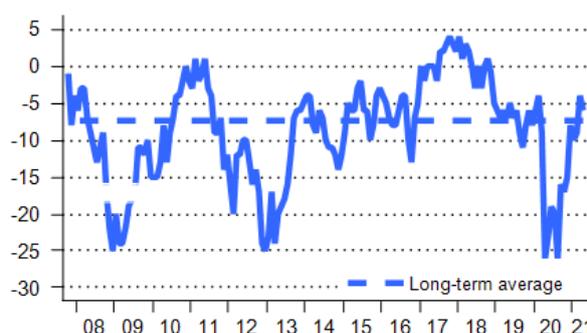
Consumer confidence had recovered after a couple of difficult years (Graph 4), but the Coronavirus crisis put an end to this trend. Confidence went up at the end of the lockdown but took another hit when regional measures were reintroduced in Antwerp and Brussels as a result of a rising number of new cases. Since the beginning of 2021, confidence has been going up despite some worrying about unemployment and the (future) economic situation.

Graph 3: Unemployment rate



Source: BNPP Fortis, Macrobond

Graph 4: Consumer Confidence

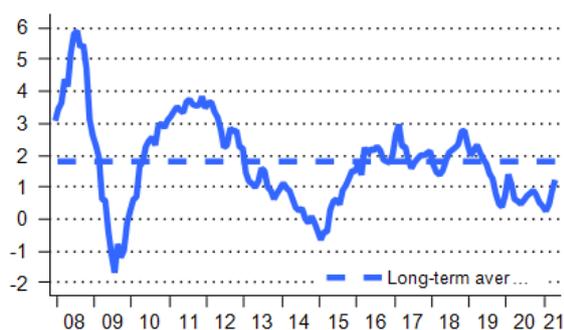


Source: BNPP Fortis, Macrobond

2.4. Inflation: one of Europe's highest

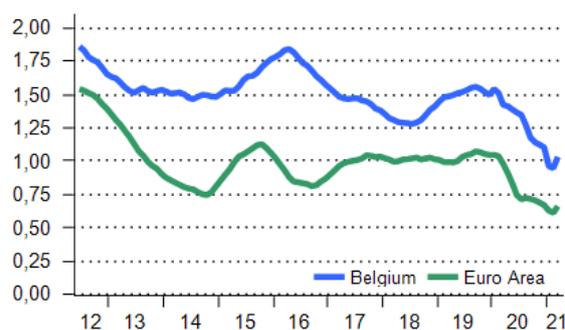
Historically, Belgian headline inflation was mostly in excess of the ECB policy target of “near to but below 2%” (Graph 5). Core inflation (excluding energy and food prices) had proven more resilient in Belgium (Graph 6), compared to the Euro Area. This is mainly caused by structurally higher fees in service sectors and price-indexing mechanisms on certain markets. Going forward, inflation is expected to pick up, supported by energy- & food prices.

Graph 5: Consumer Price Index (%Y/Y)



Source: BNPP Fortis, Macrobond

Graph 6: Core Inflation (% Y/Y, 12mma)



Source: BNPP Fortis, Macrobond

3. OVERVIEW OF THE HOUSING MARKET

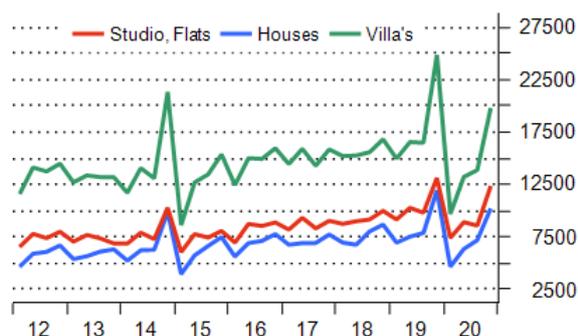
3.1. Number of transactions stable

Activity has been experiencing steady growth, as number of sales transactions show, for all types of homes (Graph 7). The surge in transactions at the end of 2014, following the end of various purchase-promoting government schemes, gave way to a normalisation to trend. A similar dynamic could be observed at the end of 2019, when the Flemish government ended a specific measure to support first-time home-ownership. The resulting surge in transactions, effectively pulled some transactions forward in time, resulting in lower activity levels in the first quarter of this year. Social distancing measures weighted on the completion of sales initially but the number of transactions recovered strongly during the second half of 2020.

3.2. Cooling appetite for real estate spending

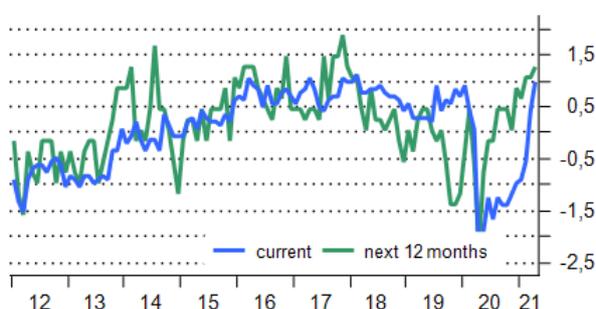
After a couple of strong years, appetite for major household purchase cooled down during the first half of 2020 (Graph 8). This situation almost completely reverse in the meantime, with current and future purchase intentions converging on a historically high level.

Graph 7: Real estate sales (transactions/q)



Source: BNPP Fortis, Macrobond

Graph 8: Momentum for Major Household Purchases (standardized)



Source: BNPP Fortis, Macrobond

4. OVERVIEW OF THE MORTGAGE MARKET

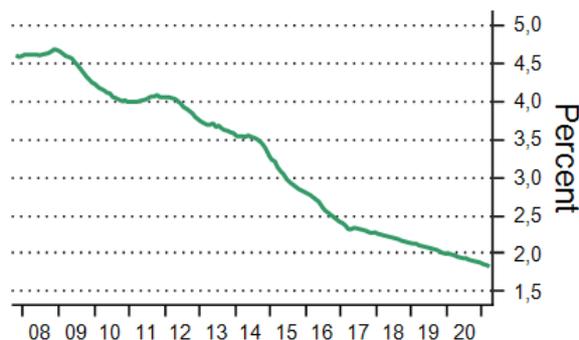
4.1. Interest rates bottoming out

Interest rates were declining steadily since the start of the financial crisis. They came down almost 2.5%-points over the last 10 years (Graph 9). The fixed rate for mortgages running 20 years was at 1,83% for March 2021.

4.2. Savings rate peaks in 2020

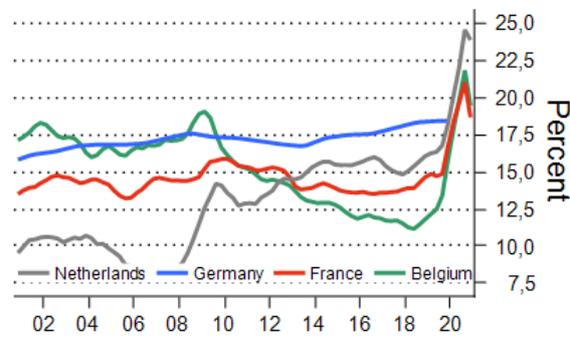
The savings rate spiked in the 2nd quarter of 2020, just as it did in the neighbouring countries (Graph 10). The savings rate came in at 21% for the whole of 2020, up from 13.1% in 2019.

Graph 9: Interest Rates (Mortgages)



Source: BNPP Fortis, Macrobond

Graph 10: Savings rate (1 year ma)

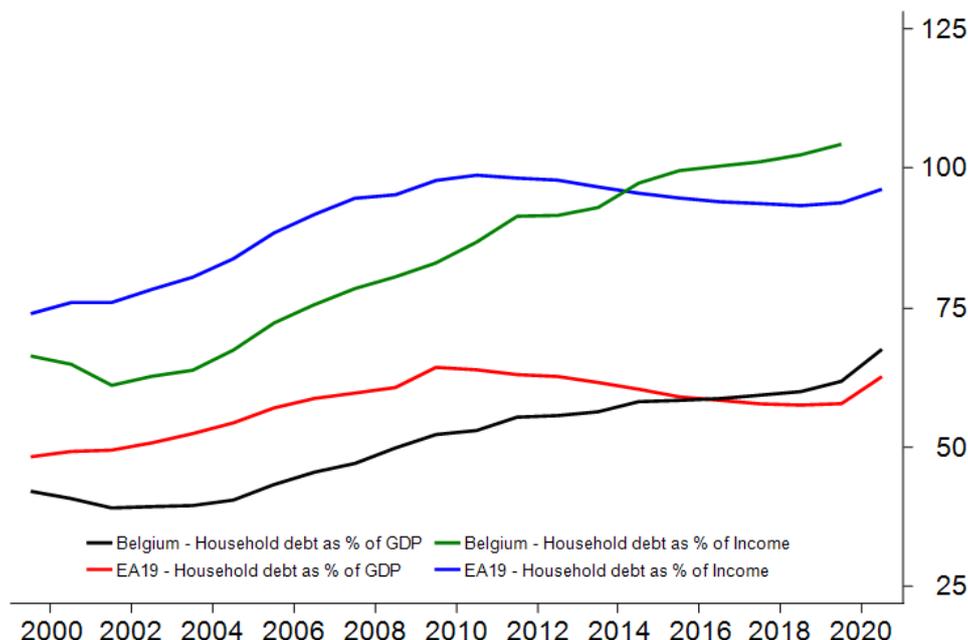


Source: BNPP Fortis, Macrobond

4.3. Household debt in excess over EA-average

Household debt as % of GDP has exceeded the average of the Eurozone since 2016. Also in terms of income, Belgian households are more indebted than the Eurozone-average. In its latest report, the [NBB](#) points out that “Of the total amount of new loans, the share of mortgage loans with a loan-to-value ratio (LTV) – that is, the ratio of the amount borrowed to the value of the residential property serving as collateral – above 90 % advanced from 28 % in 2014 to 37 % in 2018.”.

Graph 11: Belgian Household debt



Source: BNPP Fortis, Macrobond

5. PRICES

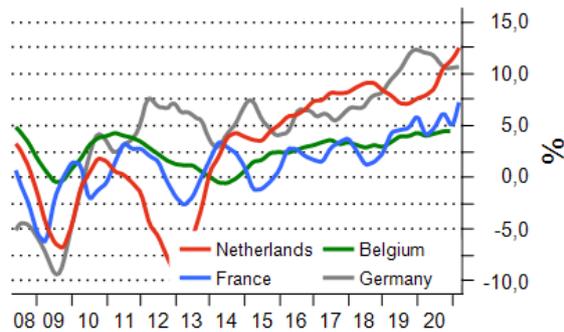
5.1. Prices holding up quite well

The 2008 financial crisis had a temporary and only mild impact on average house prices in Belgium. When compared to the Euro area, it is fair to say that the sector held up quite well. (Graph 12 & 13).

Both price-to-income and price-to-rent ratio's were stable since 2010, similar to those of France (Graph 14 & 15). According to the [NBB](#) *housing prices exceeded their theoretical valuation by 13.5% over the first three quarters of 2020.*"

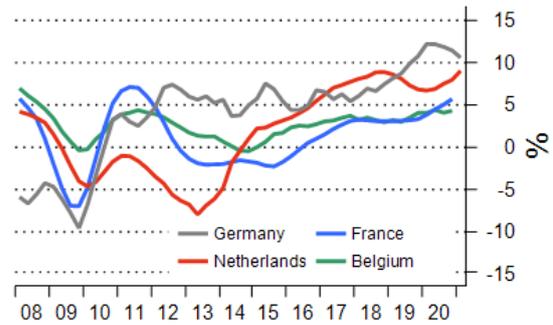
Overall, the demographic evolution and an above average tendency to invest in real estate should continue to exert upward pressure on the pricelevel for the next couple of years. At the moment, incomes remain stable and an increased appetite in certain segments of the housing market looks to have initiated a reversal to longerterm trends. Further changes in regulations could provide some counterweight, with budgetary constraints possibly leading to cuts in support measures in the longer term.

Graph 12: Average house prices (12-mma)



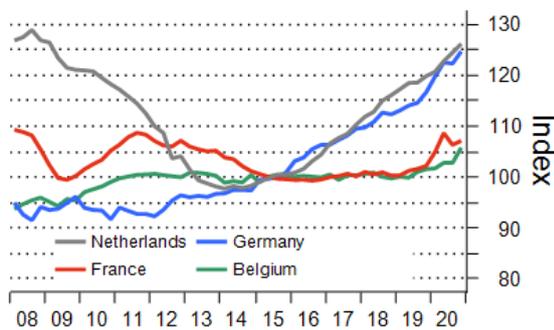
Source: BNPP Fortis, Macrobond

Graph 13: Real estate price (YoY%, 12 -mma)



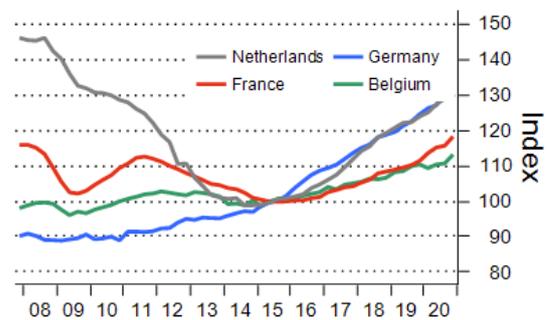
Source: BNPP Fortis, Macrobond

Graph 14: Price-to-Income (Base: 2010)



Source: BNPP Fortis, Macrobond

Graph 15: Price -to-Rent (Base: 2010)



Source: BNPP Fortis, Macrobond

PORTFOLIO REVIEW

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

A **Portfolio Review Event** means any of the following events:

- (a) a half calendar year has passed since (i) the previous Portfolio Review Event occurred, or (ii) if no Portfolio Review Event has occurred, the Programme Closing Date; or
- (b) the Outstanding Principal Amount of all Mortgage Loans on any date has increased by 10 per cent. or more since the date of the last Portfolio Review Event; or
- (c) any date on which more than 4 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrear for more than 90 days; or
- (d) if a new Series and Class or Sub-class of Notes is issued in order to fund the purchase of New Mortgage Receivables; or
- (e) if new types of mortgage products are included in the pool, which have not been described herein or in any supplemental prospectus hereto or if a new Seller accedes to the Programme; or
- (f) if a Seller materially changes its underwriting/lending criteria; or
- (g) any time a Rating Agency requests to review the pool of Mortgage Loans.

INFORMATION RELATING TO THE PROGRAMME STRUCTURE

CREDIT STRUCTURE

1. MORTGAGE LOAN INTEREST RATES

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

2. CASH COLLECTION ARRANGEMENTS

- 2.1. All payments made by Borrowers are to be paid into the collection account(s) of the Seller (together with other banks with whom a Seller collection account is maintained, the **Seller Collection Account Providers** and each a **Seller Collection Account Provider**)(the **Seller Collection Account(s)**). Such Seller Collection Account may also be used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to the Seller.
- 2.2. On or before each fifth Business Day following the last day of a Mortgage Collection Period (each a **Collection Payment Date**), the Seller has to, *inter alia*, transfer (or procure that the Pool Servicer transfers on its behalf) all amounts of interest, including any prepayment penalties (*wederbeleggingsvergoeding / indemnité de emploi*) and penalty interest and principal, received by the Seller in respect of the Mortgage Loans and paid to the Seller Collection Account(s) during the immediately preceding Mortgage Collection Period, to the Issuer Collection Account.
- 2.3. The **Mortgage Collection Period** means the period commencing on (and including) the second day of each calendar month and ending on (and including) the first day of the next calendar month, except for the first Mortgage Collection Period which commenced on (and included) the Programme Closing Date and ended on (and included) the last day of the same calendar month.
- 2.4. If at any time a Seller Collection Account Provider Rating Downgrade Event occurs, then the Seller will, within thirty (30) days of any such event, either:
 - (a) ensure that payments to be made in respect of amounts received on the Seller Collection Account relating to the relevant Mortgage Receivables will be guaranteed by a party having at least the Seller Collection Account Provider Required Rating; or
 - (b) procure that all payments paid into the Seller Collection Account are transferred the same day into the Issuer Collection Account.

3. ISSUER ACCOUNTS

3.1. Issuer Collection Account

- (a) The Issuer has agreed to maintain with the Account Bank an account (the **Issuer Collection Account**) to which all amounts received:
 - (i) in respect of the Mortgage Receivables; and
 - (ii) from the other parties to the Relevant Documents will be paid.
- (b) The Administrator has agreed to identify all amounts paid into the Issuer Collection Account by procuring that the Pool Servicer credits such amounts to ledgers established for such purpose based on the information provided by the Administrator. Payments received in respect of the Mortgage Receivables are identified as principal or revenue receipts and credited to the Principal Ledger or the Revenue Ledger, respectively.
- (c) Payments from the Issuer Collection Account other than on a Note Payment Date, may only be made to satisfy:
 - (i) amounts due to third parties (other than pursuant to the Relevant Documents) and under obligations incurred in the Issuer's business; and
 - (ii) on any Business Day, amounts applied towards the purchase of New Mortgage Receivables.
- (d) The Issuer has agreed to also maintain with the Account Bank the Reserve Account and the Construction Account (see below).

3.2. Reserve Account

The net proceeds of the Class E Notes are credited to an account (the **Reserve Account**) held with the Account Bank. The purpose of the Reserve Account is to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (n) in the Interest Priority of Payments in the event of a shortfall of the Interest Available Amount on a Note Payment Date, and to repay the Class E Notes.

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

The **Reserve Account Target Level** shall:

- (a) on any date on which any Notes other than Class E Notes are outstanding, be equal to the sum of (i) the higher of (a) the aggregate Principal Amount Outstanding of the Class E Notes of all Series that are outstanding on such date, taking into account any redemptions and any issuances of Class E Notes to be made on such date, and (b) the Required Subordinated Amount of the Class D Notes, and (ii) the aggregate amount of Loan Loss Reserve related to all Mortgage Receivables on such date; and
- (b) as soon as no more Notes (other than Class E Notes) are outstanding, be equal to zero.

The **Loan Loss Reserve** means, in relation to a Mortgage Receivable, the valuation reserve as calculated by the Pool Servicer in its daily operations based on the positive difference, if any, between the relevant Mortgage Receivable, including accrued interest and costs, and the market value of the Mortgaged Assets according to the most recent valuation performed by or on behalf

of the Pool Servicer, representing the amount needed to cover estimated losses in relation to such Mortgage Receivable.

Class E Notes of a Series can only be repaid on a Note Payment Date if, following the application of the Interest Priority of Payments on such date, the amount standing to the credit of the Reserve Account is at least equal to the Reserve Account Target Level. On a Note Payment Date on which all Class E Notes of a Series will be repaid, the Reserve Account will be debited on that Note Payment Date (such debit being referred to as **Reserve Account Repayment Debit**) with an amount equal to the Principal Amount Outstanding of the Class E Notes of that Series. The amount of the Reserve Account Repayment Debit shall be applied towards the redemption of the Class E Notes of the relevant Series.

3.3. Construction Account

The Issuer has agreed to also maintain with the Account Bank an account (the **Construction Account**), to which on each relevant Monthly Payment Date (as from the Programme Closing Date) an amount corresponding to the relevant aggregate Construction Amounts has to be credited. The Construction Account has to be debited on each Monthly Payment Date:

- (a) for payments for the benefit of the Seller upon Construction Amounts being paid out to or on behalf of the Borrowers; and
- (a) in case the Seller has no obligation to pay any further part of the Initial Purchase Price, the Construction Account may be debited and the Issuer Collection Account will be credited accordingly. Such amount will form part of the Principal Available Amount.

In order to take into account the variation of Construction Amounts, on each Monthly Payment Date the Construction Account will be credited with an amount equal to the difference between the Construction Amounts and the existing balance of the Construction Account, each as on the last day of the immediately preceding Mortgage Collection Period.

For this purpose the **Construction Amount** means such part of a Mortgage Loan that has not been drawn down by the relevant Borrower and for which such Borrower can make such further drawing without the consent of the Seller.

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 Initial Purchase Price.

3.4. Account Bank Rating Downgrade Event

If at any time a Account Bank Rating Downgrade Event occurs, then the Account Bank will use its best efforts within sixty (60) days of any such event:

- (a) to obtain a third party, having at least the Account Bank Required Rating to guarantee the obligations of the Account Bank; or
- (b) to replace the Account Bank with a bank in Belgium licensed as such under the Credit Institutions Supervision Law or a bank incorporated and existing in a OECD member state, which is fully licensed under all applicable laws to conduct the business of a bank, having a rating of at least the Account Bank Required Rating.

4. INTEREST CASH FLOWS

On each third Business Day prior to a Note Payment Date (in respect of such Note Payment Date (a **Note Calculation Date**) the Administrator has to calculate the sum of the following

amounts received or held by it in relation to the three successive Mortgage Collection Periods preceding such Note Payment Date (a **Note Collection Period**), except for the first Note Collection Period, which means the Mortgage Collection Periods preceding the first Note Payment Date (items (a) up to and including (l) together the **Interest Available Amount**):

- (a) as interest, including any prepayment penalties and penalty interest, on the Mortgage Receivables;
- (b) as interest credited to the Issuer Accounts;
- (c) as Net Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal;
- (d) as amounts to be received from the Interest Swap Counterparty under the Interest Swap Agreement (to the extent related to interest) on the immediately succeeding Note Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Interest Swap Agreement;
- (e) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (f) as amounts to be received on the immediately following Note Payment Date in connection with a sale of Mortgage Receivables to the extent such amounts do not relate to principal;
- (g) as amounts received as Post Foreclosure Proceeds on Mortgage Receivables;
- (h) as amounts to be drawn from the Reserve Account on the immediately following Note Payment Date;
- (i) on the Note Calculation Date on which all Notes will be redeemed in full on the next Note Payment Date (subject to Condition 9.2 (*Principal*)), the remaining balance to the credit of the Issuer Accounts if any;
- (j) any amount exceeding the Principal Amount Outstanding of the relevant Notes in relation to an issuance of such Notes that occurred since the previous Note Payment Date (excluding) and/or that is to occur prior to or on the next Note Payment Date (including), in case the issue price of such Notes is higher than 100%;
- (k) any amounts (as indemnity for losses of scheduled interest payments in respect of the Mortgage Receivables as a result of Commingling Risk, Set-Off Risk or Liquidity Shortfall Risk) to be applied from the Deposit Account on the immediately succeeding Note Payment Date; and
- (l) any amounts to be applied on the immediately succeeding Note Payment Date in accordance with item (b) of the Principal Priority of Payments prior to a Trigger Event or item (a) of the Principal Priority of Payment after a Trigger Event, as applicable.

Net Proceeds means, in each case after deduction of foreclosure costs:

- (a) the proceeds of a foreclosure on the Mortgaged Asset(s);
- (b) the proceeds of foreclosure on any other Related Security;
- (c) the proceeds of any other guarantees or sureties; and

- (d) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs.

5. INTEREST PRIORITY OF PAYMENTS

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

- (a) in or towards satisfaction, *pro rata*, of interest due in respect of the Class A Notes up to the amount available pursuant to paragraph (l) of the Interest Available Amount, if any;
- (b) in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors and any costs, charges, liabilities and expenses incurred by the Security Agent;
- (c) in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of fees and expenses due and payable to the Administrator and the Pool Servicer under the Servicing Agreement;
- (d) in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and the fees and expenses of the Rating Agencies and any legal advisor, auditor and accountant appointed by the Issuer or the Security Agent;
- (e) in or towards satisfaction of amounts, if any, due but unpaid under the Interest Swap Agreement, except for any termination payment due or payable under (p) below as a result of the occurrence of:
- (i) an Event of Default or a Termination Event (as defined in the relevant Interest Swap Agreement) where the Interest Swap Counterparty is the Defaulting Party or the sole Affected Party (each as defined in the relevant Interest Swap Agreement); or
- (ii) an Interest Swap Counterparty Rating Downgrade Event, including a Settlement Amount (as defined in the Interest Swap Agreement),
- (an **Interest Swap Counterparty Default Payment**);
- (f) in or towards satisfaction, *pro rata*, of interest due in respect of the Class A Notes, other than any interest in respect of the Class A Notes paid pursuant to paragraph (a) above;
- (g) in or towards making good, any shortfall reflected in the Principal Deficiency Ledger of Class A until the debit balance thereof, if any, is reduced to zero;
- (h) in or towards satisfaction, *pro rata*, of interest due in respect of the Class B Notes;
- (i) in or towards making good, any shortfall reflected in the Principal Deficiency Ledger of Class B until the debit balance thereof, if any, is reduced to zero;
- (j) in or towards satisfaction, *pro rata*, of interest due in respect of the Class C Notes;

- (k) in or towards making good, any shortfall reflected in the Principal Deficiency Ledger of Class C until the debit balance thereof, if any, is reduced to zero;
- (l) in or towards satisfaction, *pro rata*, of interest due in respect of the Class D Notes;
- (m) in or towards making good, any shortfall reflected in the Principal Deficiency Ledger of Class D until the debit balance thereof, if any, is reduced to zero;
- (n) in or towards satisfaction, *pro rata*, of interest due in respect of the Class E Notes;
- (o) following the occurrence of an Assignment Notification Event, in or towards satisfaction of any amount to be deposited on the Deposit Account to replenish the Deposit Account up to the amount of the Risk Mitigation Deposit Target Amount;
- (p) in or towards satisfaction of amounts to be deposited on the Reserve Account until the Reserve Account reaches the Reserve Account Target Level;
- (q) in or towards satisfaction of the Interest Swap Counterparty Default Payment; and
- (r) in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

6. PRINCIPAL CASH FLOWS

On each third Business Day prior to a Monthly Payment Date (each a **Monthly Calculation Date**) the Administrator has to calculate the sum of the following amounts received or held by the Issuer in relation to the immediately preceding Mortgage Collection Period (items (i) up to and including (ix) hereinafter referred to as the **Principal Available Amount**):

- (i) as repayment and prepayment of principal under the Mortgage Receivables;
- (ii) on a Note Calculation Date, any amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Note Payment Date;
- (iii) as Net Proceeds on any Mortgage Receivable, to the extent such proceeds relate to principal;
- (iv) as amounts received in connection with a repurchase of Mortgage Receivables by the Seller and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal;
- (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal;
- (vi) any part of the Principal Available Amount calculated on the preceding Monthly Calculation Date which has not been applied towards payment of the relevant Notes (other than Class E Notes) or purchase of New Mortgage Receivables on a Business Day in the immediately preceding Mortgage Collection Period;
- (vii) as amounts to be received from the Construction Account on the Issuer Collection Account on the immediately succeeding Monthly Payment Date; and
- (viii) for the period between the previous Monthly Payment Date (excluding) up to the next Monthly Payment Date (including), the net proceeds from an issuance of Notes (other than Class E Notes), less net proceeds used to purchase Mortgage Receivables on another day than a Monthly Payment Date and other than amounts referred to under item (j) of the Interest Available Amount.

7. PURCHASE OF NEW MORTGAGE RECEIVABLES

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

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

8.1. The amount available for redemption of the Pass-through Notes on a Note Payment Date will, in the case of mandatory redemption within the meaning of Condition 5.2 (*Mandatory redemption*), be equal to the sum of the Pass-through Payable Amounts on the two previous Monthly Payment Dates and on this Note Payment Date (the Pass-through Principal Available Amount).

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

- (a) the Pass-through Principal Available Amount;
- (b) *multiplied by* the fraction of:
 - (i) the Principal Amount Outstanding of all Pass-through Notes of the relevant Class;
 - (ii) *divided by* the Principal Amount Outstanding of all Pass-through Notes of any Class, other than Class E Notes.

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

8.4. **Pass-through Payable Amount** means on any Monthly Payment Date:

- (a) the sum of items (i), (ii), (iii), (iv), (v), (vii) and (x) of Principal Available Amount in relation to the immediately preceding Mortgage Collection Period;
- (b) *less* any amounts received under item (v) of the Principal Available Amount to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Issuer to repay principal under the Notes upon exercise of a call-option as set out in the Framework Agreement,
- (c) *multiplied with* the Pass-through Percentage on such date,
- (d) *plus*, if on such Monthly Payment Date, after application of the Principal Priority of Payments, the amount standing to the credit of the Issuer Collection Account would be higher than 5 per cent. of the Principal Amount Outstanding of the Pass-through Notes on such date, an amount equal to the balance of the Issuer Collection Account (to the extent not related to the Pass-through Payable Amount calculated on previous Monthly Calculation Dates) multiplied with the following product:
 - (i) the sum of the Principal Payment Rate and the Loss Rate on this Monthly Payment Date; and
 - (ii) the Pass-through Percentage.

8.5. The **Pass-through Percentage** means on any Monthly Payment Date:

- (a) the difference between:
 - (i) the Principal Amount Outstanding of all Pass-through Notes on such date,
 - (ii) less any amount remaining on the Principal Deficiency Ledger to the extent attributable to the Pass-through Notes on the previous Note Payment Date or, if such Monthly Payment Date is a Note Payment Date, on this date, to the extent attributable to the Pass-through Notes,
- (b) divided by the difference between:
 - (i) the Principal Amount Outstanding of all Notes (excluding the Class E Notes) on such date,
 - (ii) less any amount remaining on the Principal Deficiency Ledger on the previous Note Payment Date or, if such Monthly Payment Date is a Note Payment Date, on this date,

(for the avoidance of doubt, prior to giving effect to any issuance or repayment on such date, but after the application of the Interest Priority of Payments).

8.6. **Principal Payment Rate** means on any Monthly Payment Date:

- (a) the difference between:
 - (i) items (i), (iii), (iv), (v) and (vii) of the Principal Available Amount in relation to the immediately preceding Mortgage Collection Period;
 - (ii) any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Issuer to repay principal under the Notes upon exercise of a call-option as set out in the Framework Agreement,
- (b) *divided* by the Outstanding Principal Amount of the Mortgage Receivables on the first day of the immediately preceding Mortgage Collection Period.

8.7. **Loss Rate** means on any Monthly Payment Date:

- (a) the Realised Losses in the preceding Mortgage Collection Period;
- (b) *divided* by the Outstanding Principal Amount of the Mortgage Receivables on the first day of the immediately preceding Mortgage Collection Period.

8.8. **Realised Losses** means, in respect of any period, the sum of:

- (a) the amount of the difference between:
 - (i) the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables in respect of which the Seller, the Pool Servicer or the Issuer has foreclosed in such period; and
 - (ii) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables; and

- (b) with respect to the Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between:
 - (i) the aggregate Outstanding Principal Amount of the Mortgage Receivables, and
 - (ii) the purchase price of the Mortgage Receivables sold to the extent relating to principal,

whereby, in case of items (a) and (b), for the purpose of establishing the Outstanding Principal Amount in the case of set-off or defence to payments asserted by the Borrowers any amount by which the Mortgage Receivables have been extinguished will be disregarded.

8.9. The **Pro-rata Condition** means, in respect of a Note Payment Date, that:

- (a) no amount is recorded on the Principal Deficiency Ledger on such date after giving effect to payments to be made on the relevant Note Payment Date in accordance with the Interest Priority of Payments; and
- (b) not more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for more than 90 days;
- (c) on the previous Note Payment Date, the balance on the Reserve Account was at least equal to the Required Subordination Amount in respect of Class D; and
- (d) the aggregate Outstanding Principal Amount of all Mortgage Receivables is not less than 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables at any time since the Programme Closing Date.

9. **PRINCIPAL PRIORITY OF PAYMENTS PRIOR TO A TRIGGER EVENT**

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice on the immediately succeeding Monthly Payment Date, the Principal Available Amount has to be applied by the Issuer on each Monthly Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Principal Priority of Payments prior to a Trigger Event**):

- (a) *first*, in or towards payment on the Construction Account, if and to the extent the Construction Amounts exceed the amounts credited to the Construction Account on the last day of the preceding Mortgage Collection Period;
- (b) *second*, to the extent the Monthly Payment Date would fall on a Note Payment Date and on the immediately preceding Note Calculation Date the Administrator has established that on the relevant Note Payment Date a Class A Interest Shortfall would otherwise exist when applying the Interest Available Amount (without, for the avoidance of doubt, including the amounts received under this item (ii)) in accordance with the Interest Priority of Payments, in or towards satisfaction of such Class A Interest Shortfall;
- (c) *third*, in or towards satisfaction of principal due under the Class A Notes;
- (d) *fourth*, in or towards satisfaction of principal due under the Class B Notes;
- (e) *fifth*, in or towards satisfaction of principal due under the Class C Notes;
- (f) *sixth*, in or towards satisfaction of principal due under the Class D Notes;

- (g) *seventh*, in or towards the payment of (part of) the Initial Purchase Price in respect of New Mortgage Receivables to be purchased on such Monthly Payment Date.

10. PRINCIPAL PRIORITY OF PAYMENTS AFTER A TRIGGER EVENT

10.1. After the occurrence of a Trigger Event and before delivery of an Enforcement Notice, the Principal Available Amount will be applied by the Issuer on the immediately succeeding Note Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Principal Priority of Payments after a Trigger Event**):

- (a) *first*, to the extent on the immediately preceding Note Calculation Date the Administrator has established that on the relevant Note Payment Date a Class A Interest Shortfall would otherwise exist when applying the Interest Available Amount (without, for the avoidance of doubt, including the amounts received under this item (i)) in accordance with the Interest Priority of Payments, in or towards satisfaction, on a *pro rata* basis, of any Class A Interest Shortfall;
- (b) *second*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class A Notes until fully repaid;
- (c) *third*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class B Notes until fully repaid;
- (d) *fourth*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class C Notes until fully repaid;
- (e) *fifth*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class D Notes until fully repaid.

10.2. **Trigger Event** means any of the following events:

- (a) an amount is debited to the Principal Deficiency Ledger in respect of the Class A Notes; or
- (b) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution and liquidation or any of its assets are placed under administration; or
- (c) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the entering into suspension of payments, or if applicable, emergency regulations or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (d) on a given Note Payment Date, after application of the Pass-through Principal Available Amount in accordance with the Principal Priority of Payments Prior to a Trigger Event, an amount remains standing to the credit of the Issuer Collection Account which is in excess of an amount equal to 2.5 per cent of the Principal Amount Outstanding of the Soft-bullet Notes (other than the Class E Notes), on such Note Payment Date, and if such an excess amount has been continuously outstanding on the Issuer Collection Account for at least six (6) months prior to the relevant Note Payment Date; or
- (e) more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for more than 90 days; or

- (f) on the previous Note Payment Date, the balance on the Reserve Account was less than the Required Subordination Amount in respect of Class D.

11. PRIORITY OF PAYMENTS UPON ENFORCEMENT

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

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of:
- (i) the fees or other remuneration due to the Directors;
 - (ii) any cost, charge, liability and expenses incurred by the Security Agent under or in connection with any of the Relevant Documents, which will include, *inter alia*, fees and expenses of the Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Agent;
 - (iii) the fees and expenses of the Domiciliary Agent and the Reference Agent incurred under the provisions of the Domiciliary Agency Agreement;
 - (iv) the fees and expenses of the Administrator and the Pool Servicer under the Servicing Agreement;
- (b) *second*, in or towards satisfaction of amounts, *pro rata*, if any, due but unpaid under the Swap Agreements, except for any Interest Swap Counterparty Default Payments payable under subparagraph (m) below;
- (c) *third*, in or towards satisfaction of all amounts of interest due in respect of the Class A Notes;
- (d) *fourth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class B Notes;
- (f) *sixth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class B Notes;
- (g) *seventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class C Notes;
- (h) *eighth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class C Notes;
- (i) *ninth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class D Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class D Notes;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class E Notes;

- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class E Notes;
- (m) *thirteenth*, in or towards satisfaction, *pro rata*, of the Interest Swap Counterparty Default Payments payable to the Swap Counterparties under the terms of the Swap Agreements;
- (n) *fourteenth*, in or towards satisfaction of the Deferred Purchase Price Instalments to the Seller.

It is understood, however, that amounts received by Security Agent from the credit of the Deposit Account shall only be applied in accordance with the Priority of Payments upon Enforcement to the extent such amounts cover for Commingling Risk, Set-Off Risk or Liquidity Shortfall Risk; the remainder of the amounts received from the Deposit Account shall be released directly to the Seller.

12. INTEREST DEFICIENCY LEDGER AND PRINCIPAL DEFICIENCY LEDGER

Interest Deficiency Ledger means, in respect of any Class of Notes (other than the Class A Notes), a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of interest due on that Class of Notes;

Interest Deficiency means at any day, the aggregate amount standing to the credit of all Interest Deficiency Ledgers on such day;

Any Principal Deficiency has to be debited to the Class D Principal Deficiency Ledger (such debit items being re-credited at item (m) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class D Notes (the '**Class D Principal Deficiency Limit**') and thereafter such amounts have to be debited to the Class C Principal Deficiency Ledger (such debit items being re-credited at item (k) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class C Notes (the '**Class C Principal Deficiency Limit**') and thereafter such amounts have to be debited to the Class B Principal Deficiency Ledger (such debit items being re-credited at item (i) of the Interest Priority of Payments), so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class B Notes (the '**Class B Principal Deficiency Limit**') and thereafter such amounts have to be debited to the Class A Principal Deficiency Ledger (such debit items being re-credited at item (g) of the Interest Priority of Payments).

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

On each Note Payment Date the amounts credited to the Principal Deficiency Ledger as items (g), (i), (k) and (m) of the Interest Priority of Payments will form part of the Principal Available Amount.

13. PRINCIPAL SHORTFALL

If, on any Note Payment Date, there is a balance on the Principal Deficiency Ledger in respect of any Class of Notes, then notwithstanding any provisions of the Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 5.2 (*Mandatory redemption*) in respect of each Note of that Class on such

Note Payment Date shall not exceed its Principal Amount Outstanding less the Principal Shortfall in respect of that Note on such Note Payment Date.

The **Principal Shortfall** in respect of any Note shall mean an amount equal to the quotient of the balance on the Principal Deficiency Ledger in respect of the Class of that Note divided by the aggregate Principal Amount Outstanding of all Notes of that Class on such Note Payment Date multiplied by the Principal Amount Outstanding of that Note.

14. INTEREST RATE HEDGING

14.1. General

The Issuer and the Interest Swap Counterparty have entered into a 1992 ISDA Master Agreement, including a schedule thereto, which will be supplemented from time to time by one or more interest swap confirmations documenting the terms of (an) interest rate swap transaction(s) in order to hedge the risk of an interest rate mismatch between the interest received by the Issuer on the Mortgage Receivables and the interest payable by the Issuer on the Notes (the **Interest Swap Agreement**) in accordance with the following hedging policy. The Interest Swap Agreement shall enter into effect on 15 July 2021.

The interest rate swap transaction(s) shall provide that on each Note Payment Date:

- (i) the Issuer shall pay amounts equal to the sum of (A) and (B) minus (C) and (D), whereby:
 - (A) is the interest, including any prepayment penalties and penalty interest, received on the Mortgage Receivables in the preceding Note Collection Period;
 - (B) is the interest accrued on the Issuer Accounts during the immediately preceding Note Collection Period;
 - (C) is an aggregate amount which is the sum of the amounts obtained by applying:
 - (x) an excess credit spread margin of 0.2 per cent. per annum, to;
 - (y) respectively, (1) the Principal Outstanding Amount of the Notes (other than Class E Notes) on the first day of each of the three (3) full calendar months immediately preceding the relevant Note Payment Date less (2) any Principal Deficiency recorded on the relevant Principal Deficiency Ledger on each of such dates, multiplied by;
 - (z) the number of days in respectively each of the relevant calendar months, divided by 360,
 (the **Excess Margin**);
 - (D) are the expenses set out in items (b) up to and including (d) of the Interest Priority of Payments payable on such Note Payment Date; and
- (ii) the Interest Swap Counterparty shall pay amounts equal to the interest due under the Notes on such Note Payment Date, provided that if there is a Principal Shortfall on the relevant Notes as at the first day of the Floating Rate Interest Period (in respect of the Floating Rate Notes) and/or the Fixed Rate Interest Period (in respect of the Fixed Rate Notes) ending immediately prior to such Note Payment Date (taking into account the amount of principal repaid and any amount credited to the relevant Principal Deficiency

Ledger on such day), the Interest Swap Counterparty shall not pay such part of interest payable on the Notes that corresponds to such Principal Deficiency.

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

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

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

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

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

14.2. Interest Swap Counterparty Rating Downgrade Event

(a) *Moody's rating triggers*

Pursuant to the Interest Swap Agreement, if, at any time neither the Swap Counterparty nor the guarantor of the Swap Counterparty (if any) (either such party a **Relevant Entity**) has the Qualifying Transfer Trigger Rating, the Interest Swap Counterparty will, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable, either (A) procure an Eligible Guarantee (as defined in the Interest Swap Agreement) in respect of all of its present and future obligations under the Interest Swap Agreement from a guarantor with a Qualifying Transfer Trigger Rating or (B) without prejudice to the need for the Issuer's consent (which the Interest Swap Counterparty shall use commercially reasonable efforts to obtain), transfer its rights and obligations under this Agreement to an entity with sufficient ratings.

An entity has a **Qualifying Transfer Trigger Rating** if its counterparty risk assessment from Moody's is Baal(cr) or above.

(b) Fitch rating triggers

Pursuant to the Interest Swap Agreement, in the event that an Initial Fitch Rating Event occurs:

- (a) the Interest Swap Counterparty will, on a reasonable effort basis, within 14 calendar days of the occurrence of such Initial Fitch Rating Event (or, if the Initial Fitch Rating Event has continued since the date the Interest Swap Agreement was executed, on such date), at its own cost, provide collateral in accordance with the Interest Swap Agreement; or
- (b) the Interest Swap Counterparty may, on a reasonable efforts basis and at its own cost, within 30 calendar days of the occurrence of such Initial Fitch Rating Event:
 - (i) transfer all of its rights and obligations with respect to the Interest Swap Agreement to a replacement third party that is a Fitch Eligible Counterparty or Fitch otherwise confirms that such transfer would maintain the ratings of the Notes (other than the Class E Notes) by Fitch at, or restore the rating of the Notes (other than the Class E Notes) by Fitch to, the level at which it was immediately prior to such Initial Fitch Rating Event), provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any tax; or
 - (ii) obtain a co-obligation or guarantee of its rights and obligations with respect to the Interest Swap Agreement from a Fitch Eligible Guarantor whose Long-Term Fitch Rating or short-term IDR is rated not less than the corresponding Unsupported Minimum Counterparty Rating or Fitch otherwise confirms that such co-obligation or guarantee would maintain the rating of the relevant Series of Notes by Fitch at, or restore the rating of the relevant Series of Notes by Fitch to, the level at which it was immediately prior to such Initial Fitch Rating Event), provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any tax.

Pursuant to the Interest Swap Agreement, in the event that a subsequent Fitch Rating Event occurs:

- (a) the Interest Swap Counterparty will, on a reasonable efforts basis, within 30 calendar days of the occurrence of such Subsequent Fitch Rating Event, at its own cost, attempt to take any of the measures set out in subparagraphs (b)(i) and (ii) above; and
- (b) pending taking any of the measures set out in subparagraphs (b)(i) and (ii) above, the Interest Swap Counterparty will, as its own cost, provide collateral under the Interest Swap Agreement within 14 calendar days of such Subsequent Fitch Rating Event.

Initial Fitch Rating Event means the event that neither the Interest Swap Counterparty (or its successor or permitted transferee) nor any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of the Interest Swap Counterparty have Fitch Required Ratings.

Subsequent Fitch Rating Event means the event that the Long-Term Fitch Rating and the short-term IDR of the Interest Swap Counterparty (or its successor or permitted transferee) or any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of the Interest Swap Counterparty cease to be rated at least as high as the corresponding Fitch Subsequent Required Ratings.

Fitch Eligible Counterparty means an entity (A) whose Long-Term Fitch Rating or short-term issuer default rating (**IDR**) is rated not less than the corresponding Fitch Required Ratings or (B) whose obligations under this Agreement are guaranteed by an entity that is a Fitch

Eligible Guarantor whose Long-Term Fitch Rating or short-term IDR is rated not less than the corresponding Fitch Required Ratings.

Fitch Eligible Guarantor means an entity that is incorporated or domiciled (or their equivalent) in a jurisdiction where the applicable subordination provision would be enforceable against such entity.

Long-Term Fitch Rating means, in respect of an entity, the Derivative Counterparty Rating (DCR) assigned to such entity by Fitch or, if a DCR has not been assigned to such entity by Fitch, the long-term IDR assigned to such entity by Fitch.

Fitch Required Ratings means that the derivative counterparty rating (DCR), if available, or long-term IDR of an entity is rated at least “A” by Fitch or the short-term IDR of an entity is rated at least “F1” by Fitch, or, if the highest then-current rating of any Class of Notes is lower than AAAsf, the rating as set out in the Interest Swap Agreement.

Fitch Subsequent Required Ratings means that the DCR (if available) or long-term IDR of an entity is rated at least “BBB-” by Fitch or the short-term IDR of an entity is rated at least “F3” by Fitch, or, if the highest then-current rating of any Class of Notes is lower than AAAsf, the rating as set out in the Interest Swap Agreement.

(c) *Consequences of rating events*

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

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

An **Interest Swap Counterparty Rating Downgrade Event** means the event that the Interest Swap Counterparty is assigned a rating of less than the Interest Swap Counterparty Required Rating or such rating is withdrawn.

The Interest Swap Counterparty should have at least the Interest Swap Counterparty Required Rating. The **Interest Swap Counterparty Required Rating** means a rating of:

- (a) the Fitch Required Ratings; and
- (b) the Qualifying Transfer Trigger Rating.

15. REPAYMENT OF NOTES ON AND AFTER THE STEP-UP DATE

Pursuant to the Framework Agreement the Issuer shall use its best efforts to redeem each Note on the relevant Step-up Date of such Note with the proceeds of the issue of new Notes or of the sale of Mortgage Receivables.

16. SALE OF MORTGAGE RECEIVABLES

The Issuer may sell the Mortgage Receivables in the following circumstances, provided always that the proceeds of such sale shall be applied to purchase Mortgage Receivables and/or to redeem all or part of the Notes:

- (a) in order to comply with the repurchase options granted to a Seller pursuant to the Mortgage Receivables Purchase Agreement;

- (b) for the purpose of repurchases by a Seller pursuant to the Mortgage Receivables Purchase Agreement (other than those envisaged in (a));
- (c) for the purpose of having sufficient funds to redeem Notes on their Step-up Date or, at the option of the Issuer, on each Note Payment Date thereafter;
- (d) otherwise in accordance with any of the Relevant Documents; or
- (e) otherwise with the consent of the Security Agent,

provided that:

- (a) it shall include the proceeds of such sale as Principal Available Amount; and
- (b) in case of a sale to a third party purchaser which is not a Belgian company having an investment grade rating by Moody's, the Issuer has notified Moody's in writing of such sale and assignment.

Furthermore, under the terms of the Mortgage Receivables Purchase Agreement, the Issuer is obliged to sell and assign the Mortgage Receivables to the Seller, or any third party appointed by such Seller at its sole discretion, if it exercises its Regulatory Call Option and in such event the Issuer has the right to sell the Mortgage Receivables to the Seller, provided that it applies the proceeds of such sale to redeem all Notes in certain events. The purchase price of each Mortgage Receivable in the event of such sale shall at least be equal to the Outstanding Principal Amount, minus the Loan Loss Reserve related to each Mortgage Receivable, plus accrued interest due but unpaid, if any, in respect of each Mortgage Receivable.

17. EARLY REDEMPTION OF SERIES-0 NOTES

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice and subject to the Repayment Test, any holder of a Note of Series-0 (other than Class E Notes) may request the Issuer to redeem such Note and the Issuer shall following such request apply part of the Principal Available Amount, towards the redemption of those Series-0 Notes (other than the Class E Notes), subject to the Principal Priority of Payments, the Conditions and the Framework Agreement.

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice, any holder of a Class E Note of Series-0 may request the Issuer to redeem such Note and the Issuer shall following such request apply amounts credited on the Reserve Account towards the redemption of Class E Notes of Series-0, subject to the Repayment Test, the Conditions and the Framework Agreement.

The amount to be paid in redemption of such Notes will be equal to the aggregate Principal Amount Outstanding of such Notes, less any Principal Shortfall attributed to such Note.

18. NOTE CLEAN-UP CALL OPTION

The Issuer may, at its option, redeem at their Principal Amount Outstanding together with any accrued interest, in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes (i) subject to and in accordance with Condition 9.2 (*Principal*) and Condition 5.4 (*Notes clean-up call option*) and (ii) fulfilment of the Repayment Test, all of the Notes of any Series and Class or Sub-class, in whole but not in part on each Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes of such Series and Class or Sub-class (other than the Class E Notes) is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series and Class or Sub-class of Notes as at the Issue Date of such Series

and Class or Sub-class of Notes, provided that the Issuer has sufficient funds available to it for this purpose.

19. **PROGRAMME CLEAN-UP CALL OPTION**

The Issuer may, at its option, (in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes subject to Condition 9.2 (*Principal*)), redeem all of the Notes in accordance with Condition 5.5 (*Programme Clean-up call option*), but not some only, at their aggregate Principal Amount Outstanding plus any accrued interest, if the percentage of the Outstanding Principal Amount of all Mortgage Receivables falls below 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables reached since the Programme Closing Date, provided that the Issuer has sufficient funds available to it for this purpose.

SALE OF THE MORTGAGE LOANS

On the Programme Closing Date the Seller and the Issuer have entered into the Mortgage Receivables Purchase Agreement. Under the Mortgage Receivables Purchase Agreement on each Business Day the Seller may sell Mortgage Receivables and the Related Security relating thereto, to the Issuer. The sale and assignment of the Mortgage Receivables is effectuated by the Seller and the Issuer signing an agreement (an **Agreement of Sale and Assignment**). The assignment of the Mortgage Receivables from the Seller to the Issuer will not be notified to the Borrowers, except in case of the occurrence of Assignment Notification Events. Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen / paiement libératoire*) to the Seller. The Issuer is entitled to all proceeds in respect of the Mortgage Receivables as of the cut-off date set out in the Agreement of Sale and Assignment.

1. PURCHASE OF MORTGAGE RECEIVABLES AND NEW MORTGAGE RECEIVABLES

On the Programme Closing Date the Issuer has purchased Mortgage Receivables and Related Security up to an amount equal to the Principal Amount Outstanding of the Notes issued on such date (except for the Class E Notes).

Under the Mortgage Receivables Purchase Agreement the Seller is entitled to sell and assign and the Issuer is obliged to purchase and accept assignment of Mortgage Receivables and the Related Security on any Business Day, to the extent offered to it, up to the Purchase Available Amount (the **New Mortgage Receivables**). The New Mortgage Receivables were originated in the ordinary course of business of the Seller.

The **Purchase Available Amount** means, (a) on any Monthly Payment Date an amount equal to (i) the Principal Available Amount less (ii) the Pass-through Payable Amount on such Monthly Payment Date, and less (iii) amounts to be used by the Issuer to redeem Notes (other than Class E Notes) fully (subject to Condition 9.2 (*Principal*)) on or after their Step-up Date, and (b) on any other date (that is not a Monthly Payment Date) an amount equal to the net proceeds from an issuance of Notes (other than Class E Notes) previously issued and not applied towards the purchase of Mortgage Receivables or the repayment of Notes (other than Class E Notes), other than amounts referred to under item (j) of the Interest Available Amount.

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

- (a) the Seller represents and warrants to the Issuer and the Security Agent (i) the matters set out in the clauses providing for the representations and warranties relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables with respect to the New Mortgage Receivables and the Related Security relating thereto sold by it on such date and (ii) those relating to the Seller;
- (b) no Assignment Notification Event has occurred and is continuing;
- (c) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
- (d) the Purchase Available Amount is sufficient to pay (the relevant part of) the Initial Purchase Price for the New Mortgage Receivables;
- (e) the weighted average LTV Ratio does not exceed 75 per cent.;
- (f) the weighted average Mortgage Coverage Ratio is at least 100 per cent.;

- (g) the balance on the Reserve Account was at least equal to the Required Subordinated Amount of the Class D Notes;
- (h) except in the case of any purchase of New Mortgage Receivables by the Issuer in relation to a new issue of Notes (other than an issue under an existing Series and Class, or Sub-class thereof) to the extent that the aggregate Outstanding Principal Amount of the New Mortgage Receivables to be purchased on the relevant Mortgage Purchase Date does not exceed the issue proceeds of such Notes (other than the Class E Notes) (and the Rating Agencies have been notified in advance of such purchase), (i) the aggregate Outstanding Principal Amount of the New Mortgage Receivables to be purchased on the relevant Mortgage Purchase Date or any earlier Mortgage Purchase Date falling after the immediately preceding Note Payment Date does not exceed 20 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans on such Mortgage Purchase Date and (ii) the aggregate Outstanding Principal Amount of the New Mortgage Receivables to be purchased on the relevant Mortgage Purchase Date or any earlier Mortgage Purchase Date falling after the Note Payment Date falling one year before the relevant Mortgage Purchase Date does not exceed 50 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans on such relevant Mortgage Purchase Date;
- (i) if, in respect of a Series and Class or, if applicable, Sub-class of Notes, other than the Class E Notes, a Step-up Date has occurred, all Notes to which such Step-up Date relates are redeemed in full subject to Condition 9.2 (*Principal*) prior to or on the Note Payment Date falling one (1) year after such Step-up Date;
- (j) no more than 5 per cent. of the aggregate of the Outstanding Principal Amount of Mortgage Receivables shall have a Construction Amount in excess of EUR 7,000;
- (k) no more than 1 per cent. of the aggregate of the Outstanding Principal Amount of Mortgage Receivables shall relate to Reconstitution Loans;
- (l) no more than 5 per cent. of the aggregate of the Outstanding Principal Amount of Mortgage Receivables shall relate to loans the Borrowers of which are employees of the Seller;
- (m) the aggregate of the Outstanding Principal Amount of Non-Securitized Advances does not exceed 3 per cent. of the aggregate Outstanding Principal Amount of Mortgage Receivables;
- (n) at least 50% of the aggregate Outstanding Principal Amount of all Mortgage Receivables has a Mortgage Coverage Ratio of at least 100%;
- (o) no more than 25% of the aggregate Outstanding Principal Amount of all Mortgage Receivables has a Mortgage Coverage Ratio of less than 50%;
- (p) no more than 40% of the aggregate Outstanding Principal Amount of all Mortgage Receivables has a Mortgage Coverage Ratio less than 70%; and
- (q) no more than 5% of the aggregate Outstanding Principal Amount of all Mortgage Receivables relate to an Interest Only Loan that is not a Reconstitution Loan.

2. PURCHASE PRICE

The purchase price for each sale of Mortgage Receivables consists of an initial purchase price (the **Initial Purchase Price**), which is payable on the relevant Mortgage Purchase Date and the sum of all relevant Deferred Purchase Price Instalments. In respect of New Mortgage Receivables the Initial Purchase Price is equal to the aggregate Outstanding Principal Amount in respect of the New Mortgage Receivables on the cut-off day set out in the Agreement of Sale and Assignment. A part of the relevant Initial Purchase Price equal to the aggregate Construction Amounts is withheld by the Issuer and credited to the Construction Account. The relevant Deferred Purchase Price is equal to the sum of all

relevant Deferred Purchase Price Instalments and each relevant Deferred Purchase Price Instalment on any relevant Note Payment Date is equal to (A) prior to delivery of an Enforcement Notice, the positive difference, if any, between the Interest Available Amount as calculated on each Note Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under all items ranking above a Deferred Purchase Price Instalment or, as the case may be, (B) following delivery of an Enforcement Notice, the amount remaining after all the payments as set forth in the Priority of Payments upon Enforcement ranking above a Deferred Purchase Price Instalment on such date, have been made.

3. REPRESENTATIONS AND WARRANTIES

Each Seller represents and warrants on the relevant Mortgage Purchase Date with respect to the Mortgage Receivables that it sells and assigns to the Issuer on such date (the **Relevant Mortgage Receivables**) and the Related Security relating thereto and the Mortgage Loans from which such Mortgage Receivables result (the **Relevant Mortgage Loan**), *inter alia*, that:

(a) *Valid existence – Mortgage Loan Characteristics*

- (i) The Mortgage Receivables and Related Security exist and are valid, legally binding and enforceable obligations of the relevant Borrowers, or as the case may be, the relevant Insurance Company or third party provider of the Related Security.
- (ii) The Mortgage Loans are granted with respect to Real Estate.
- (iii) Each Mortgage Loan was granted by the Seller or, as the case may be, another Originator as its legal predecessor as the original lender as a loan secured by a Mortgaged Asset and, in the latter case, acquired by the Seller as a true sale and in accordance with the then prevailing credit policies of the original lender.
- (iv) The Mortgage Loans are either Annuity Mortgage Loans, Linear Mortgage Loans, Interest-only Mortgage Loans or Reconstitution Loans.

(b) *Governing legislation*

- (i) Each Mortgage Loan and relating Related Security is governed by Belgian law and no Mortgage Loan or relating Mortgage and Mortgage Mandate expressly provides for the jurisdiction of any court or arbitral tribunal other than Belgian courts or tribunals.
- (ii) Each Mortgage Loan is subject to Royal Decree 225 or to the Mortgage Credit Act, or, as from 1 April 2015, Book VII, Title 4, Chapter 2 of the Belgian Code of Economic Law.
- (iii) Each Mortgage Loan and relating Mortgage and Mortgage Mandate originated after 1 April 2015 complies in all material respects with the requirements of Book VII, Title 4, Chapter 2 of the Belgian Code of Economic Law and implementing regulations. Each Mortgage Loan and relating Mortgage and Mortgage Mandate originated before 1 April 2015 and after 1 January 1995, complies in all material respects with the requirements of the Mortgage Credit Act and implementing regulations; each Mortgage Loan, Mortgage and Mortgage Mandate originated before 1 January 1995 and after 1 January 1993, complies in all material respects with the requirements of either the Mortgage Credit Act and implementing regulations or with the Royal Decree 225; and each Mortgage Loan, Mortgage and Mortgage Mandate originated before 1 January 1993, complies in all material respects with the requirements of the Royal Decree 225.
- (iv) To the extent required by applicable law, all Standard Loan Documentation has been duly and timely submitted to the FSMA in accordance with the relevant provisions in

the Mortgage Credit Act or, as from 1 April 2015, the Federal Public Service Economy in accordance with the relevant provisions in Book VII, Title 4, Chapter 2 of the Belgian Code of Economic Law.

- (v) The Act of 12 June 1991 on consumer loans (the **Consumer Credit Act**) and Book VII, Title 4, Chapter 1 of the Belgian Code of Economic Law on consumer credit loans do not apply to any of the Mortgage Loans.
 - (vi) The creditworthiness of the Borrowers has been assessed in accordance with the requirements set out in paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of the Mortgage Loans Directive, as of the implementation thereof into Belgian law.
 - (vii) The Act of 12 June 1991 on consumer credit loans (or, as the case may be, Book VII, Title 4, Chapter 1 of the Belgian Code of Economic Law) does not apply to any of the Mortgage Loans.
 - (viii) Each Mortgage Loan qualifies as a mortgage credit with an immovable purpose (*hypothecair krediet met onroerende bestemming / crédit hypothécaire à destination immobilière*) as defined in Book I Article I.9, 53/1° of the Belgian Code of Economic Law.
- (c) *Free from third-party rights*
- (i) Each Mortgage Loan has been granted by the Seller for its own account or if applicable, by the relevant Originator.
 - (ii) The Seller has exclusive, good and marketable title to and has the absolute property right over each Mortgage Loan and Mortgage Receivable and the other rights, interests and entitlements sold pursuant to the Mortgage Receivables Purchase Agreement.
 - (iii) The Mortgage Loans, the Mortgage Receivables and Related Security are free and clear of any encumbrances, liens, charges, pledges, pre-emption rights, options or other rights or security interests of any nature whatsoever in favour of, or claims of, third parties, and of any attachments (*derdenbeslag / saisie-arrêt*).
 - (iv) The Seller has not assigned, transferred, pledged, disposed of, dealt with or otherwise created or allowed to arise or subsist any security interest or other adverse right or interest in respect of its right, title, interest and benefit in or to any of the Mortgage Loans, Mortgage Receivables or Related Security and of the rights relating thereto or any of the property, rights, titles, interests or benefits sold or assigned pursuant to the Mortgage Receivables Purchase Agreement or pledged pursuant to the Pledge Agreement, in any way whatsoever other than pursuant to the Mortgage Receivables Purchase Agreement or the Pledge Agreement.
 - (v) The Mortgage Loans can be easily segregated and identified for ownership and collateral security purposes.
 - (vi) With respect to any Mortgage Receivables arising under Joint Loan Agreements, on their Mortgage Purchase Date no loans or advances are outstanding under such Joint Loan Agreement that have been funded by AG Insurance (formerly Fortis Insurance Belgium NV/SA).
 - (vii) Each Mortgage Receivable arising under a Joint Loan Agreement has been funded exclusively by the Seller (or Originators that are its predecessors) and is exclusively owing to the Seller.

(d) *Ranking*

Each Mortgage Receivable is secured by:

- (i) a first ranking Mortgage, or, as the case may be, a first and sequentially lower ranking Mortgage; or
- (ii) a mandate to create such Mortgages; or
- (iii) a combination of (i) and (ii),

over the Mortgaged Assets.

(e) *Fully disbursed Mortgage Loans*

Other than the aggregate Construction Amounts under Construction Loans, the proceeds of each Mortgage Loan (including any brokers fees) have been fully disbursed and the Seller has no further obligation to make further disbursement relating to the Mortgage Loan.

(f) *No set-off or other defence*

- (i) None of the Mortgage 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, Insurance Company or third party provider of Related Security and arising from any act or omission on the part of, or event or circumstance attributable to, the Seller prior to the execution of the Mortgage Receivables Purchase Agreement (except any *exceptie / exception* or *verweermiddel / moyen de défense* based on the provisions of Article 1244, paragraph 2 of the Belgian Civil Code or the provisions of Belgian insolvency laws).
- (ii) No pledge, lien or counterclaim (except commercial discounts as applicable) or other security interest has been created or arisen or now exists between the Seller and any Borrower or Insurance Company which would entitle such Borrower to reduce the amount of any payment otherwise due under its Mortgage Loan.

(g) *No subordination*

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

(h) *No limited recourse*

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

(i) *No abstraction*

- (i) No bills of exchange or promissory notes have been issued or subscribed in connection with any amounts owing under any Mortgage Loan.
- (ii) In respect of each Credit Facility which was initially available in the form of the discounting of bills of exchange or promissory notes, all bills of exchange and promissory notes issued in respect thereof have been cancelled and the contractual terms of such Credit Facility has been expressly or implicitly amended to reduce the

availability of the facility to loans and advances of any of the types described in Description of the Mortgage Loans – Mortgage Loans – Types of Loans.

(j) *Performing loan*

- (i) Except for any arrears referred to in paragraph (ii) below, no event has occurred and has not been cured prior to the Programme Closing Date, entitling the Seller to accelerate the repayment of such Mortgage Loan.
- (ii) On the relevant sale date, no Mortgage Loan is in arrears for more than 60 days.
- (iii) No notice of prepayment of all or any part of the Mortgage Loan has been received by the Seller.

(k) *Litigation*

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

(l) *Insolvency*

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

(m) *Incapacity*

The Seller has not received notice of the death or any other incapacity of any Borrower.

(n) *No Withholding Tax*

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

(o) *Assignability of the Mortgage Receivables*

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

- (iv) Upon the sale of any Mortgage Receivables such Mortgage Receivables will no longer be available to the creditors of the Seller on its liquidation.

(p) *Valid Mortgage*

- (i) Each Mortgage exists and constitutes, a valid and subsisting mortgage over the relevant Mortgaged Asset.
- (ii) Each Mortgage which has been registered at the relevant Mortgage Registrar, is first ranking over any other mortgage or security interest attached to any Mortgaged Asset, save in case the Seller also has all prior ranking Mortgage(s) and such Mortgage(s) is/are also transferred to the Issuer.
- (iii) No other mortgage or security interest attaches to any Mortgaged Asset other than any (a) mortgages and liens which apply to the Mortgaged Asset by operation of law, (b) higher ranking mortgages as envisaged in paragraph (q) (ii) above and (c) any lower ranking mortgages, liens, encumbrances or claims.
- (iv) All steps necessary with a view to perfecting the Seller's title to each Mortgage were duly taken at the appropriate time or are in the process of being taken without undue delay on the part of the Seller and those within its control.
- (v) As at the date of origination of the Mortgage Loan the immovable property over which such Mortgage has been granted existed or was under construction and the Seller has received no notice nor has it any reason to believe that it does not exist.
- (vi) Subject to (v) above, each Mortgage Receivable is secured on and each Mortgage relating thereto relates to a Mortgaged Asset situated in Belgium for residential use by the Borrowers.

(q) *Mortgage Mandate*

In respect of a Mortgage Mandate, the Originator and the Borrower or the third party granting the Mortgage Mandate did not agree to limit the power of the attorney to create a Mortgage in favour an assignee of the Originator such as the Issuer.

(r) *Valid Hazard Insurance Policies*

Under the current Standard Loan Documentation the Borrowers are required to have the relevant Mortgaged Asset adequately insured under a home owners' hazard insurance policy against all risks usually covered by a comprehensive hazard insurance policy.

(s) *Valid Life Insurance Policy*

In accordance with the current Credit Policies each Originator has as a reasonably prudent lender required from most Borrowers to insure the Mortgage Loans under a Life Insurance Policy executed as collateral security to the Originator for each such Mortgage Loan or, in relation to which the Originator is mentioned as loss payee.

(t) *Other Insurance Aspects*

- (i) All Life Insurance Policies qualify as life insurance policies under branche 21 or branche 23 of the Insurance Act.
- (ii) Each Reconstitution Insurance Policy serves exclusively to secure payment of the relevant Mortgage Receivable and no other debt or loan owing to the Seller or any third party.

- (iii) The Borrower has not transferred rights to any of the Life Insurance Policies to any other creditor or to the Seller for any other purpose.
- (iv) In respect of all Mortgage Receivables arising under Reconstitution Loans sold to the Issuer since the Programme Closing Date, the Reconstitution Insurance Policy has been taken out with AG Insurance (formerly Fortis Insurance Belgium NV/SA).
- (v) In respect of each Mortgage Receivable, the Seller (directly or as successor of the relevant Originator) has been duly conferred the rights to the proceeds of the Reconstitution Insurance Policies and such transfer is effective against the Insurance Companies and third party creditors of the Borrower.
- (vi) All Life Insurance Policies have been taken out with duly licensed Belgian insurance companies.

(u) *Related Security*

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

(v) *The Mortgaged Assets*

- (i) Prior to providing a Mortgage Loan to a Borrower, the Seller instructed the public notary to conduct a search on origin and validity of the Borrower's title to the Mortgaged Asset and such search:
 - (A) did not disclose anything material which would cause the Seller, acting reasonably, not to proceed with the Mortgage Loan on the proposed terms;
 - (B) did disclose that the Borrower or a third party provider of Related Security had the exclusive, absolute and unencumbered title over the Mortgaged Asset; and
 - (C) did not disclose any tax liabilities, registrations, annotations or transcriptions or deficiencies in the title of property which may substantially impair the rights of the Seller, including, but not limited to, deferred payment of the purchase price, reservation of title (*eigendomsvoorbehoud / réserve de propriété*), any condition precedent or any resolutive condition, usufruct (*vruchtgebruik / usufruit*) or negative undertakings not to transfer or mortgage.
- (ii) The public notary has not been dispensed from any of its responsibilities and/or liabilities in relation to any Mortgage Loan, Mortgage and Mortgage Mandate.
- (iii) None of the Mortgages and Mortgage Mandates has been created over a part in an undivided property, a collective property (*mede-eigendom / co-propriété*) or a property which has been purchased pursuant to a purchase agreement which results in an effective tontine or a similar arrangement, except
 - (A) in case there is another first-ranking Mortgage relating to the same Borrower that meets all representations and warranties set out herein; or
 - (B) in case of a tontine or a similar arrangement;
 - (I) each of the Borrowers under the same Mortgage Loan has granted the relevant Mortgage with respect to all their present and future rights in respect of the Mortgaged Asset; and
 - (II) such Mortgage is still in full force and effect for each such Borrower.

- (iv) The Seller has not received any notice requiring the compulsory acquisition (*onteigening / expropriation*) of such Mortgaged Asset.

(w) *The Seller's compliance with laws*

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

(x) *Servicing*

No other person has been granted or conveyed the right to service any Mortgage Loan and/or to receive any consideration in connection therewith, unless agreed otherwise between the parties hereto.

(y) *Selection process*

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

(z) *Originating and Standard Loan Documentation*

- (i) Prior to making each Mortgage Loan the Seller carried out or caused to be carried out all investigations, searches and other actions and made such enquiries as to the Borrower's status and obtained such consents (if any) as would a reasonably prudent lender and nothing which would cause any such a lender to decline to proceed with the initial loan on the proposed terms was disclosed.
- (ii) Prior to making each Mortgage Loan, the Seller's lending criteria laid down in the Credit Policies or, as the case may be, the lending criteria of the Seller applicable at the time or the lending criteria of the relevant original lender, were satisfied so far as applicable subject to such waivers as might be exercised by a reasonably prudent mortgage lender.
- (iii) Each Mortgage Loan has been granted and each of the Related Security has been created, subject to the general terms and conditions and materially in the forms of the Standard Loan Documentation (so far as applicable) and any amendment to the terms of the Mortgage Loans has been made substantially in accordance with the Credit Policies or the then prevailing credit policies of the Seller or the original lender.
- (iv) No Mortgage Loan has been granted to a Borrower that at the time the Mortgage Loan was granted was registered in the Negative Database.
- (v) The Mortgage Loans have been originated in accordance with the ordinary course of Seller's origination business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar mortgage receivables that are not securitised by means of the securitisation transaction described in this Base Prospectus.
- (vi) None of the Mortgage Loans are self-certified, meaning that it was marketed and underwritten on the premise that the applicant and/or intermediary representing him was made aware prior to the Seller's underwriting assessment commencing that the information provided might not be verified by the Seller.

(aa) Proper Accounts and Records

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

(bb) Data protection and privacy laws

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

(cc) Financial Criteria

- (i) On the relevant sale date, the Outstanding Principal Amount of the Mortgage Receivables related to a Borrower is not more than EUR 2,000,000.
- (ii) Each Mortgage Receivable, except Mortgage Receivables under Interest-only Mortgage Loans, is repayable by way of Instalments of minimum one month and maximum six months.
- (iii) Each Mortgage Receivable is denominated exclusively in euro (this includes Mortgage Loans historically denominated in Belgian frank).
- (iv) On the relevant sale date, no Mortgage Receivable is a Disputed Mortgage Receivable.
- (v) No Mortgage Receivable has an initial maturity in excess of 40 years.
- (vi) The Total Coverage Ratio in respect of each Borrower is at least 100%.
- (vii) The Outstanding Principal Amount of the Mortgage Receivables related to a Borrower, divided by the market value of the relevant Mortgaged Assets (the **LTV Ratio**) does not exceed 110 per cent.
- (viii) No Mortgage Receivable has a Mortgage Coverage Ratio equal to 0%.
- (ix) The Borrower has made at least one payment in respect of the relevant Mortgage Receivable.

(dd) Specific Mortgage Loan information

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

4. ELIGIBILITY CRITERIA

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

5. REPURCHASE

Under the Mortgage Receivables Purchase Agreement the Seller is obliged to repurchase and accept re-assignment of a Mortgage Receivable:

- (a) if any of the representations and warranties given by the Seller in respect of such Relevant Mortgage Receivables or the relevant Mortgage Loan is untrue or incorrect, and the Seller has not within fourteen (14) days of receipt of written notice thereof from the Issuer or the Security Agent remedied the matter, on or before the Monthly Payment Date following the day on which the remedy period ends; and
- (b) if the Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan as a result of which the Mortgage Loan no longer meets the Eligibility Criteria and the representations and warranties given in the Mortgage Receivables Purchase Agreement (the **Mortgage Loan Amendment**), on or before the Monthly Payment Date immediately following such agreement.

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

In the event of a repurchase as a result of (b) above, the same purchase price is applicable as described as under (a) above, minus the Loan Loss Reserve related to the Relevant Mortgage Receivable.

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

6. NO ACTIVE PORTFOLIO MANAGEMENT

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

7. ASSIGNMENT NOTIFICATION EVENTS

If:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Issuer or the Security Agent to such Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any other Relevant Document to which it is a party and if such failure, capable of being remedied, is not remedied within ten (10) Business Days after having knowledge of such failure or notice thereof has been given by such Issuer or the Security Agent to such Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables (which the Seller consequently repurchases), or under any of the other Relevant Documents to which it is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or
- (d) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding/dissolution*) and liquidation (*vereffening/liquidation*) involving such Seller or any of its assets are placed under administration (*onder bewind gesteld/placé sous administration*); or
- (e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into any redress measures (*herstelmaatregelen / mesures de redressement*) within the meaning of Book II, Title VI of Credit Institutions Supervision Law, as amended from time to time, or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets or it is in a situation as set out in Article 244,§1 of the Credit Institutions Supervision Law relating to the conditions for the application of a resolution measure (*afwikkelingsmaatregel / mesures de résolution*); or
- (f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a party; or
- (g) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Agent in connection with the entering into the Mortgage Receivables Purchase Agreement and/or any of the Relevant Documents; or
- (h) a Pledge Notification Event occurs; or
- (i) the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations falls below BBB by Fitch or such rating is withdrawn; or
- (j) the credit rating of the Seller's long term, unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn,

(each an **Assignment Notification Event**)

then the Seller shall, unless the Security Agent instructs the Seller otherwise (in which case it shall notify the Rating Agencies in advance of its instruction to do so), forthwith notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Agent are forthwith notified of the assignment of the Mortgage Receivables or, at its option, the Issuer shall be entitled to make such notifications itself.

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

8. JOINTLY HELD RELATED SECURITY AND CREDIT FACILITIES

Where Mortgage Receivables have been originated using an All Sums Mortgage and/or a Credit Facility, the Seller shall, following the sale and purchase of the Relevant Mortgage Receivables continue to have rights to such Mortgages (and other Related Security) and/or under the relevant Credit Facilities (see *Risk factors relating to the Issuer*

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

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

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

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

The ability of the Issuer to duly perform its obligations under the Notes will depend to a large extent on the due performance by other transaction parties of their obligations and duties under the Relevant Documents. Thus the Issuer will in particular be dependent on BNP Paribas Fortis SA/NV as Account Bank, Pool Servicer, Administrator, Corporate Services Provider, Accounting Services Provider, Interest Swap Counterparty and Domiciliary Agent. This risk is mitigated by provisions requiring the replacement of BNP Paribas Fortis SA/NV in some of those capacities in case of certain triggers (such as rating triggers), but there can be no assurance that a replacement service provider will be found in time or at all, or under the same conditions.

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

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

The issuance of new Notes could adversely affect the timing and amount of payments on outstanding Notes. For example, if Notes of the same Class as existing Notes are issued and have a higher interest rate than the existing Notes, this could result in a reduction in the available funds used to pay interest on the existing Notes. Also, when new Notes, other than Class E Notes, are issued, the voting rights of existing Notes will be diluted.

Risk factors relating to the Mortgage Loans).

With respect to Relevant Mortgage Receivables originated under loan agreements or Credit Facilities entered into by both BNP Paribas Fortis SA/NV (or its legal predecessors) and AG Insurance (formerly

Fortis Insurance Belgium NV/SA) (or its legal predecessors), as joint and several lenders (*actief hoofdelijke schuldeiser / créanciers solidaires*), AG Insurance (formerly Fortis Insurance Belgium NV/SA) will

- (a) irrevocably and with effect as from the relevant Mortgage Purchase Date waive in favour of the Issuer all its rights as joint and several lender to the extent these relate to those Mortgage Loans and Mortgage Receivables actually funded by BNP Paribas Fortis SA/NV and to the Related Security to the extent related to such Mortgage Loans and to the extent not waived transfer such rights to the Issuer; and
- (b) irrevocably and unconditionally waive (*verzaken / renoncer*) in favour of the Issuer all of its rights under or to all such Mortgages that relate to Mortgage Receivables arising under Joint Loan Agreements to the extent such rights relate to any loans or other debts or obligations that exist at the time of the transfer of the Mortgage Receivables held by the Issuer.

In addition, the Seller and AG Insurance (formerly Fortis Insurance Belgium NV/SA) will under or pursuant to the Mortgage Receivables Purchase Agreement agree to certain covenants and undertakings with the Pool Servicer and the Issuer in order to co-ordinate and safeguard the exercise of the respective rights each of them derives under the Credit Facilities, the Mortgages and other Related Security.

9. RISK MITIGATION DEPOSIT

In case, and for as long as any of the Class A Notes or any Notes of the other rated Classes are outstanding, a Seller Downgrade Event occurs, the Seller shall within 14 calendar days following the occurrence of such Seller Downgrade Event, credit to a bank account to be held in the name of the Issuer with a third party account bank having the Account Bank Required Rating (the **Deposit Account**) an amount equal to (or ensure that the balance of the Deposit Account is increased up to) the Risk Mitigation Deposit Amount.

The **Risk Mitigation Deposit Amount** shall be determined by the Administrator as follows:

- (a) upon the first occurrence of a Seller Downgrade Event, the Risk Mitigation Deposit Amount shall be an amount equal to three times the next instalment payable under each Mortgage Loan immediately following the occurrence of the Seller Downgrade Event;
- (b) on the first calendar day of each month following the month in which the Seller Downgrade Event occurred (the **Adjustment Date**) and provided no Assignment Notification Event has occurred, the Risk Mitigation Deposit Amount shall be adjusted and be an amount equal to three times the next instalment payable under each Mortgage Loan immediately following the Adjustment Date;

To the extent the balance on the Deposit Account exceeds the Risk Mitigation Deposit Amount calculated on the Adjustment Date, the Administrator will immediately (and in any event no later than on the Collection Payment Date following the Adjustment Date) release the amount in excess to the Seller. To the extent the balance on the Deposit Account is less than the Risk Mitigation Deposit Amount calculated on the Adjustment Date, the Administrator will notify the Seller thereof and the Seller will immediately (and in any event no later than on the Collection Payment Date following the notification of the adjusted Risk Mitigation Deposit Amount by the Administrator) credit such shortfall to the Deposit Account;

- (c) as from the time an Assignment Notification Event has occurred, the Risk Mitigation Deposit Amount will become fixed (the **Risk Mitigation Deposit Target Amount**) and may no longer be adjusted in accordance with paragraph (b) above. Furthermore, as from the time an Assignment Notification Event has occurred, the Risk Mitigation Deposit Amount may no longer be released (other than to the Issuer for the purposes of covering Commingling Risk,

Set-off Risk and/or Liquidity Shortfall Risk) unless the Class A Notes and the Notes of the other rated Classes have been fully and finally repaid. To the extent following the release of any amounts from the Deposit Account (unless in the event of a release following full and final repayment of the Class A Notes and of the Notes of the other rated Classes), the balance on the Deposit Account falls below the Risk Mitigation Deposit Target Amount, such shortfall in the Deposit Account shall be replenished on any succeeding Note Payment Date as item (o) of the Interest Priority of Payments.

The funds credited to the Deposit Account will not be included as Interest Available Amount and/or Principal Available Amount and will not form part of the Priority of Payments, unless if used for the purposes of covering Commingling Risk, Set-off Risk and/or Liquidity Shortfall 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 Risk Mitigation Deposit Amount will not serve as general credit enhancement to the Issuer.

The funds credited to the Deposit Account may only be applied by the Issuer for the purpose of:

- (a) 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 accounts held with the Seller at such time would be an unsecured claim against the insolvent estate of the Seller for moneys due at such time (**Commingling Risk**); or
- (b) 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 defences related to the Seller for which the Issuer is not indemnified by the Seller in accordance with the Relevant Documents (**Set-off Risk**); or
- (c) covering any liquidity shortfall (for the avoidance of doubt, after application of any funds available in the Reserve Account) that would result for the Issuer from the Interest Available Amount on a Note Payment date being below the level required to meet items (b), (c), (d), (e), (f), (h), (j), (l) and (n) of the Interest Priority of Payments (**Liquidity Shortfall Risk**).

In such event, the Issuer (or the Administrator on behalf of the Issuer) will transfer the relevant amounts from the Deposit Account to the Issuer Collection Account or, following the service of an Enforcement Notice, to the Security Account.

Unless applied for the purposes of covering Commingling Risk, Set-off Risk and/or Liquidity Shortfall Risk, the funds credited to the Deposit Account shall remain credited to the Deposit Account until (the earlier of):

- (a) the Seller no longer being subject to any Seller Downgrade Event; or
- (b) a full and final repayment of the Class A Notes and all Notes of the other rated Classes on the Final Maturity Date (or such other date upon which the Class A Notes and all Notes of the other rated Classes are to be redeemed in full).

If any of the above conditions under (a) or (b) is fulfilled, the Administrator will immediately release the funds credited to the Deposit Account to the Seller (including, for the avoidance of doubt, any amounts as might be credited to this Deposit Account at a later date).

The Risk Mitigation Deposit Amount as determined by the Administrator for each first calendar day of the month following the occurrence of a Seller Downgrade Event (and as long as the Seller Downgrade Event continues) will be reported by the Administrator in the Quarterly Investor Report.

SERVICING OF THE MORTGAGE LOANS

Services

In the Servicing Agreement the Pool Servicer has agreed to provide administration and management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the transfer of such amounts on a monthly basis to the Issuer Collection Account (see also Credit Structure - 2 (*Cash Collection Arrangements*)) and the implementation of arrear procedures including the enforcement of mortgage rights (see further *Mortgage Loan underwriting and servicing*). The Pool Servicer is obliged to administer the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio. In the Servicing Agreement, the Issuer (assisted by the Pool Servicer) further undertakes to use its best efforts to appoint a back-up pool servicer if at any time the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Pool Servicer would be assigned a rating of less than Baa3 by Moody's.

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

Termination

The Servicing Agreement may *inter alia* be terminated (in respect of the relevant party) by the Security Agent or the Issuer (with the consent of the Security Agent) in certain circumstances, including (a) a default by the Pool Servicer or the Administrator in the payment on the due date of any payment due and payable by it under the Servicing Agreement, (b) a default by the Pool Servicer or the Administrator in the performance or observance of any of its other covenants and obligations under the Servicing Agreement or (c) the Pool Servicer or the Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into redress measures (*herstelmaatregelen / mesures de redressement*) within the meaning of Book II, Title VI of the Credit Institutions Supervision Law, as amended from time to time, or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets, or it is in a situation as set out in Article 244, §1 of the Credit Institutions Supervision Law relating to the conditions for the application of a resolution measure (*afwikkelingsmaatregel / mesures de résolution*).

After termination of the Servicing Agreement, the Security Agent and the Issuer shall use their best efforts to appoint a substitute administrator or substitute pool servicer and such substitute administrator or substitute pool servicer shall enter into an agreement with the Issuer and the Security Agent substantially on the terms of the Servicing Agreement, provided that such substitute administrator or substitute pool servicer shall have the benefit of a servicing fee and an administration fee at a level to be then determined. Upon first request of the Issuer and as long as no substitute back-up pool servicer has been appointed, BNP Paribas Fortis SA/NV will assume the role of substitute pool servicer substantially on the terms of this Agreement. Upon first request of the Issuer and as long as no substitute back-up administrator has been appointed, BNP Paribas Fortis SA/NV will as back-up administrator, assume the role of substitute administrator substantially on the terms of this Agreement. Any such substitute pool servicer must have experience of administering mortgage loans and mortgages of

residential property in Belgium. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Secured Parties in accordance with the Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Agent.

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

SECURITY FOR THE ISSUER'S OBLIGATIONS

As security for the performance by the Issuer of its obligations under the Relevant Documents, the Issuer has granted rights of pledge on its assets in favour of the Secured Parties pursuant to the Pledge Agreement.

Secured obligations

In the Pledge Agreement the Issuer has irrevocably and unconditionally granted a first ranking commercial pledge over the Pledged Assets as continuing security in favour of the Noteholders and the other Secured Parties, represented by the Security Agent, for the full and final performance, payment and discharge of:

- (a) all fees or other remuneration to the Issuer Director, the Security Agent Director and the Holding Director under the Issuer Management Agreement, the Security Agent Management Agreement and the Holding Management Agreement;
- (b) all fees and expenses to the Pool Servicer and the Administrator under the Servicing Agreement;
- (c) all fees and expenses to the Domiciliary Agent and the Reference Agent under the Domiciliary Agency Agreement;
- (d) the aggregate amount due (verschuldigd /dû) by the Issuer to the Seller under the Mortgage Receivables Purchase Agreement;
- (e) the aggregate amount due (verschuldigd /dû) by the Issuer to the Interest Swap Counterparty under the Interest Swap Agreement;
- (f) the aggregate amount due (verschuldigd /dû) by the Issuer to the Account Bank under the Account Bank Agreement; and
- (g) the aggregate amount due (verschuldigd /dû) by the Issuer to the Noteholders under the Notes.

The Security Agent has been designated as representative of the Noteholders and the other Secured Parties as set out in Condition 15.1.

To the extent governed by the Movable Collateral Act, the Security is limited to EUR 30,000,000,000. This restriction does not apply to Security that is governed by the Financial Collateral Act, such as the Security over the Mortgage Receivables, the Issuer Accounts and the Interest Swap Agreements.

Pledged Assets

The Pledged Assets are:

- (a) the Mortgage Receivables, including the New Mortgage Receivables and all rights and Related Security relating thereto, as acquired by the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
- (b) all rights title and interest and benefit, present and future, actual and contingent in respect of the Issuer Accounts, including without limitation, all amounts of money that may from time to time be credited to any of such accounts;
- (c) all rights, title, interest and benefit of the Issuer under or pursuant to the Relevant Documents to which the Issuer is a party.

Perfection and notification; Pledge Notification Events

The Pledge Agreement provides that the pledge over the Mortgage Receivables and Related Security will not be notified to the Borrowers, the Insurance Companies or other relevant parties, except in case certain notification events occur, which include the Assignment Notification Events and the giving of an Enforcement Notice and certain other events, (the **Pledge Notification Events**). Prior to notification of the pledge to the Borrowers, the pledge on the Mortgage Receivables will be an undisclosed pledge.

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

Enforcement of the Security

The Pledge Agreement is governed by Belgian law. Under Belgian law, upon enforcement of the security for the Notes, the Security Agent acting on behalf of the other Secured Parties will be permitted to collect any moneys payable in respect of the Mortgage Receivables, any moneys payable under the Relevant Documents pledged to it and any moneys standing to the credit of the Issuer Accounts and to apply such moneys in satisfaction of obligations of the Issuer which are secured by the Pledge Agreement. The Security Agent will also be permitted to sell the Mortgage Receivables and the Issuer Rights relating to the Issuer Accounts. In case the Security Agent wishes to sell any of the other pledged assets upon enforcement of the security, it will have to apply to the president of the commercial court (*rechtbank van koophandel / tribunal de commerce*) for the authorisation to do so.

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 Pledged Assets in payment of an amount estimated by an expert. In accordance with the terms of the Framework Agreement only the Security Agent is permitted to exercise such rights.

The security rights described above serve as security for the benefit of the Secured Parties, including each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, but, inter alia, amounts owing to Noteholders of a lower ranking Class of Notes will rank in priority of payment after amounts owing to the Noteholders of a higher ranking Class of Notes (see *Credit Structure*).

INFORMATION RELATING TO THE NOTES

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Notes.

References herein to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer.

Notes are issued in series (each a **Series**) and each Series comprises one or more classes of Notes (each a **Class**). Each Series and Class may have two or more sub-classes (each a **Sub-class**). Each Class or Sub-class of a Series can be issued in one or more tranches (each a **Tranche**). Notes of a Tranche of a Class or Sub-class of a Series are identical in all respects. Notes of all Tranches of a Class or Sub-class of a Series are have identical terms on issue, except in respect of the first payment of interest and their issue price.

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

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

References herein to a **Series and Class** of Notes refer to a particular Class of Notes of a given Series.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Framework Agreement, the Domiciliary Agency Agreement and the Pledge Agreement.

The holders of any Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Framework Agreement, the Pledge Agreement, the Domiciliary Agency Agreement, each of the other Relevant Documents and the Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes. Copies of the Framework Agreement, the Domiciliary Agency Agreement, the Pledge Agreement and each of the other Relevant Documents are available for inspection free of charge by holders of the Notes at the specified office of the Domiciliary Agent, being at the date hereof Montagne du Parc 3, 1000 Brussels, Belgium.

By subscribing or otherwise acquiring the Notes, the Noteholders (i) shall be deemed to have acknowledged receipt of, accept and be bound by the Conditions and the Final Terms and

(ii) acknowledge that they are Eligible Holders and that they can only transfer their Notes to Eligible Holders.

A glossary of definitions appears in Condition 18 (*Definitions*) of these Conditions.

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

References herein to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders shall, in each case and unless specified otherwise, be references to the holders of the Notes of all Series of the applicable Class.

1. FORM; DENOMINATION; SELLING, TRANSFER AND HOLDING RESTRICTIONS

1.1. Form

- (a) The Notes are issued in dematerialised form under the Company Code as amended from time to time. The Notes are accepted for clearance through the clearing system operated by the National Bank of Belgium or any successor thereto (the **Clearing System**), and are accordingly subject to the applicable clearing regulations of the National Bank of Belgium. The Notes may be cleared through the X/N accounts system organised within the Clearing System in accordance with the Act of 6 August 1993 on transactions in certain securities (*wet betreffende de transacties met bepaalde effecten/loi relative aux opérations sur certaines valeurs mobilières*) and the corresponding royal decrees of 26 May 1994 and 14 June 1994.
- (b) If at any time the Notes are transferred to another clearing system, not operated or not exclusively operated by the National Bank of Belgium, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an **Alternative Clearing System**).
- (c) The Notes cannot be physically delivered and cannot be exchanged into notes in bearer form.

1.2. Denomination and currency

- (a) All Notes are denominated in euro.
- (b) The denomination of each Series and Class of Notes will be specified in the Final Terms, with a minimum denomination of EUR 250,000.

1.3. Title

- (a) Title to the Notes is evidenced by book entries in the Noteholder's securities account with the National Bank of Belgium or with an approved participant or sub-participant of the Clearing System.
- (b) The person who is for the time being shown in the records of the Clearing System or of an approved participant or sub-participant of the Clearing System as the holder of a particular nominal amount of Notes shall for all purposes be treated by the Issuer and the Domiciliary Agent as the holder of such nominal amount of Notes, and the expressions **Noteholders** and **holders of Notes** and related expressions shall be construed accordingly.

1.4. Selling, Holding and Transfer Restrictions

- (a) The Notes offered by the Issuer may only be subscribed, acquired or held by investors that meet each of the following conditions (**Eligible Holders**):

- (i) it is a qualifying investor (*in aanmerking komende belegger / investisseur éligible*) as defined in Article 5 §3/1 of the Belgian Act of 3 August 2012 on institutions for collective investment that satisfy the criteria of directive 2009/65/EC and on institutions for investment in receivables (*Wet betreffende de instellingen voor collectieve belegging die voldoen aan de criteria van richtlijn 2009/65/EG en de instellingen voor belegging in schuldvorderingen / Loi relative aux organismes de placement collectif qui répondent aux conditions de la Directive 2009/65/CE et aux organismes de placement en créances*), as amended from time to time (the **UCITS Act**) (**Qualifying Investors**) that is acting for its own account (in accordance with Article 271/1 of the UCITS Act);
 - (ii) it is a holder of an exempt securities account (**X-Account**) with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in the Clearing System;
- (b) Notes may not be acquired by:
- (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 common Belgian tax authorities to be significantly more advantageous than the Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, §1, 11° of the BITC 1992); or
 - (ii) a Belgian or foreign transferee being a resident of or having an establishment in, or acting, for the purposes of the Notes, through a bank account held in a tax haven jurisdiction as referred to in Article 307, §1/2 of the BITC 1992,
- (Excluded Holders).**
- (c) Any transfers of Notes purported to be made in breach of paragraph (a) above will be unenforceable vis-à-vis the Issuer and third parties, irrespective of the good or bad faith of the transferee.
 - (d) Without prejudice to paragraph (c) above, in the event that the Issuer becomes aware that particular Notes are held by an investor that is not an Eligible Holder, the Issuer will suspend interest payments relating to these Notes until such Notes will have been transferred to and held by an Eligible Holder.

2. STATUS, PRIORITY AND SECURITY

2.1. Status and priority

- (a) The Notes of each Class of any Series are direct and unconditional (subject to Condition 9 (*Subordination and limited recourse*)) obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class of any Series.
- (b) Subject to the provisions of Condition 4 (*Interest*), Condition 5 (*Redemption and cancellation*) and Condition 9 (*Subordination and limited recourse*) and the Framework Agreement:
 - (i) the Class A Notes of each Series will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes of any Series;
 - (ii) the Class B Notes of each Series will rank in priority to the Class C Notes, the Class D Notes and the Class E Notes of any Series and payments of principal and interest on the Class B Notes of each Series are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes of any Series; and

- (iii) the Class C Notes of each Series will rank in priority to the Class D Notes and the Class E Notes of any Series and payments of principal and interest on the Class C Notes of each Series are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes of any Series; and
- (iv) the Class D Notes of each Series will rank in priority to the Class E Notes of any Series and payment of principal and interest on the Class D Notes of each Series are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes of any Series; and
- (v) payments of principal and interest on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, Class B Notes, Class C Notes and Class D Notes.

2.2. Conflicts between Classes of Notes and Secured Parties

- (a) The Framework Agreement contains provisions requiring the Security Agent to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Agent (except where expressly provided otherwise) but requiring the Security Agent in any such case:
 - (i) to have regard only to the interests of the Class A Noteholders, if, in the Security Agent's opinion, there is a conflict between the interests of the Class A Noteholders on one hand and the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders on the other hand;
 - (ii) if no Class A Notes are outstanding, to have regard only to the interests of the Class B Noteholders, if, in the Security Agent's opinion, there is a conflict between the interests of the Class B Noteholders on the one hand and the Class C Noteholders, the Class D Noteholders and the Class E Noteholders on the other hand;
 - (iii) if no Class A Notes and Class B Notes are outstanding, to have regard only to the interests of the Class C Noteholders, if, in the Security Agent's opinion, there is a conflict between the interests of the Class C Noteholders on the one hand, the Class D Noteholders and the Class E Noteholders on the other hand; and
 - (iv) if no Class A Notes, Class B Notes and Class C Notes are outstanding, to have regard only to the interest of the Class D Noteholders if, in the Security Agent's opinion, there is a conflict between the interests of the Class D Noteholders on the one hand and the Class E Noteholders on the other hand.
- (b) In addition, the Security Agent shall have regard to the interests of the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the Priority of Payments upon Enforcement determines which interest of which Secured Party prevails.

2.3. Security

In order to secure its obligations under the Notes and the Relevant Documents to the Secured Parties (including but not limited to the Noteholders), on terms set out in the Pledge Agreement, the Issuer has granted a first ranking pledge over:

- (a) the Mortgage Receivables, including the New Mortgage Receivables and all rights and Related Security relating thereto, acquired by the Issuer pursuant to the Mortgage Receivables Purchase Agreement;

- (b) all rights, title, interest and benefit, present and future, actual and contingent in respect of the Issuer Accounts, including without limitation, all amounts of money and financial instruments that may from time to time be credited to any of such accounts; and
- (c) to the extent legally possible, all rights, title, interest and benefit of the Issuer under or pursuant to the Relevant Documents to which the Issuer is a party.

3. COVENANTS OF THE ISSUER

3.1. Save (i) to the extent provided in or envisaged by the Relevant Documents or (ii) with the prior written consent of the Security Agent, the Issuer undertakes for the benefit of the Secured Parties that so long as any Note remains outstanding, it shall not:

- (a) carry on any business other than the business of purchasing Mortgage Receivables and to finance such acquisitions by issuing Notes and the related activities as contemplated in the Relevant Documents and the Issuer's corporate purpose;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Relevant Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver;
- (f) have any employees, own premises or own shares in any subsidiary or any company;
- (g) have an interest in any bank account other than the Issuer Accounts, unless all rights in relation to such account will have been pledged to the Security Agent as provided in Condition 2.3 (*Security*);
- (h) pay any dividend or make any other distribution to its shareholders;
- (i) as from the Securitisation Regulation being applicable to the Programme and the Notes, enter into derivative contracts, except for the purpose of hedging interest-rate or currency risk relating to the Programme, to the extent that such hedging derivatives are documented according to common standards in international finance (in accordance with Article 21(2) of the Securitisation Regulation); and
- (j) have an established place of business in any other jurisdiction other than Belgium.

3.2. 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 Mortgage Receivables and an Account Bank. The appointment of the Security Agent, the Administrator, the Reference Agent, the Domiciliary Agent, the Servicer, the Account Bank and the Swap Counterparty may be terminated only as provided in the Relevant Documents.

4. INTEREST

4.1. Fixed or Floating Rate Notes

- (a) The applicable Final Terms will specify whether a Note is a fixed rate Note (a **Fixed Rate Note**) or a floating rate Note (a **Floating Rate Note**, which term includes references to Fixed Rate Notes that have become Floating Rate Notes in accordance with paragraph (b) below).
- (b) If the Fixed Rate Notes of a Series and Class or Sub-class are not redeemed on the relevant Step-up Date in respect of that Series and Class or Sub-class, those Fixed Rate Note will become Floating Rate Notes as from that Step-up Date, unless specified otherwise in the applicable Final Terms.

4.2. Period of Accrual

- (a) Notes shall bear interest on their Principal Amount Outstanding from and including the relevant Issue Date.
- (b) Each Note (or in the case of the redemption of part only of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which payment in full of the relevant amount of principal is made.
- (c) Whenever it is necessary to compute an amount of interest in respect of any Note for any period (including any Interest Period (as defined below)), such interest shall be calculated on the basis of:
 - (i) the actual number of days in the Interest Period concerned; and
 - (ii) the actual number of days in the year in which the Interest Period falls (in case of Fixed Rate Notes) or a year of 360 days (in case of Floating Rate Notes).

4.3. Interest Periods and Note Payment Dates

- (a) Interest on the Notes shall be payable by reference to Interest Periods. Each successive interest period (each an **Interest Period**) will commence on (and include) a relevant Note Payment Date and end on (but exclude) the next succeeding relevant Note Payment Date, except for the first Interest Period in respect of a Tranche, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Note Payment Date set out in the Final Terms.
- (b) Interest on each Note will be payable quarterly in arrears in Euros, in respect of the Principal Amount Outstanding of that Notes on the 15th day of January, April, July and October or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day, in each year (each such day being a **Note Payment Date**).

4.4. Interest Rate in respect of Fixed Rate Notes

The rate of interest applicable to a Fixed Rate Note (excluding, for the avoidance of doubt, Fixed Rate Notes that have become Floating Rate Notes in accordance with Condition 4.1(b) above) (the **Fixed Interest Rate**) will be:

- (a) until (but excluding) the Step-up Date: the fixed interest rate applicable until the Step-up Date specified in the applicable Final Terms; and
- (b) as from (and including) the Step-up Date (to the extent that such Fixed Rate Note has not become a Floating Rate Note in accordance with Condition 4.1(b) above): the fixed interest rate applicable as from the Step-up Date specified in the applicable Final Terms.

4.5. Interest Rate in respect of Floating Rate Notes

The rate of interest applicable to a Floating Rate Note (including, for the avoidance of doubt, any Fixed Rate that has become a Floating Rate Note in accordance with Condition 4.1(b) above) (the **Floating Interest Rate**) will be equal to the higher of:

- (a) the sum of:
 - (i) the Euro Interbank Offered Rate (**EURIBOR**) for three months deposits (or, only in respect of the first Floating Rate Interest Period of a Tranche, the rate which represents the linear interpolation of EURIBOR for deposits in euro by reference to the longest period for which rates are quoted that is shorter than such first Floating Rate Interest Period, and the shortest period for which rates are quoted that is longer than such first Floating Rate Interest period, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards); *plus*
 - (ii) the margin applicable until the Step-up Date or as from the Step-up Date (as applicable) as specified in the Final Terms; or
- (b) zero.

4.6. EURIBOR

- (a) For the purpose of Condition 4.5 (*Interest Rate in respect of Floating Rate Notes*), EURIBOR in respect of a certain period will be determined in accordance with this Condition 4.6 (*EURIBOR*).
- (b) The Reference Agent will obtain for each Interest Period the rate equal to EURIBOR for the relevant period in euros. The Reference Agent shall use the EURIBOR rate as determined and published by the European Money Markets Institute (**EMMI**) and which appears for information purposes on the Reuters Screen EURIBOR01 (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the EURIBOR rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time) on the Interest Determination Date.
- (c) If, on the relevant Interest Determination Date, such EURIBOR rate is not determined and published by EMMI, or if it is not otherwise reasonably practicable to calculate the rate under (a) above, the Reference Agent will use its reasonable efforts to, and provided that such arrangements are in compliance with the requirements imposed on the administrator of a benchmark pursuant to the Benchmark Regulation (the **Benchmark Regulation Requirements**):
 - (i) request the principal euro-zone office of each of four major banks in the euro-zone interbank market selected by the Reference Agent (the Reference Banks) to provide a quotation for the rate at which deposits in euro for the relevant period are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European 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;

- (ii) if at least two quotations are provided, determine EURIBOR as the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as is provided;
- (iii) if fewer than two such quotations are provided as requested, determine EURIBOR as the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Reference Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in euro for the relevant period by leading banks in the Eurozone inter-bank market;
- (iv) if paragraph (iii) applies and fewer than two of such quotations are provided as requested, determine EURIBOR as the offered rate for deposits in euro for the relevant period, or the arithmetic mean of the offered rates for deposits in euro for the relevant period at which, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are, in the opinion of the Reference Agent, suitable for such purpose) informs the Reference Agent it is quoting to leading banks in the Eurozone inter-bank market; and
- (v) if this paragraph (v) applies and the Reference Agent is unable to determine EURIBOR in accordance with paragraphs (i) to (iv) above, EURIBOR shall be determined as the last observable EURIBOR rate for deposits in euro for the relevant period on the screen referred to in paragraph (b) above.

4.7. Determination of the Floating Interest Rate and Interest Amount

- (a) The Reference Agent will, as soon as practicable after 11.00 a.m. (Brussels Time) on the day that is two (2) Business Days preceding the first day of each Interest Period (each an **Interest Determination Date**):
 - (i) determine the interest rate in respect of Floating Rate Notes (the Floating Interest Rate) in accordance with Condition 4.5 (*Interest Rate in respect of Floating Rate Notes*) for each Series and Class of Floating Rate Notes; and
 - (ii) calculate the amount of interest payable on each Series and Class of Notes for the following Interest Period (the **Interest Amount**) by applying the relevant Fixed Interest Rate or Floating Interest Rate (as applicable) to the Principal Amount Outstanding of that Series and Class of Notes, subject to Condition 9.1 (*Interest*) below.
- (b) Each determination of a Floating Interest Rate or an Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

4.8. Notification of the Floating Interest Rates and Interest Amounts

The Reference Agent will cause the relevant Interest Amount, Floating Interest Rate (if applicable) and the Note Payment Date applicable to each relevant Series and Class, or Sub-class, as the case may be, of Notes to be notified to the Issuer, the Security Agent, the Domiciliary Agent, the Administrator and to the holders of such Series and Class, or Sub-class, as the case may be, of Notes in accordance with Condition 12 (*Notices*). Any Interest Amount, Floating Interest Rate and Note Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Fixed Rate Interest Period, and the Reference Agent will cause any such amendment or alternative arrangements to be notified to the Issuer, the Security Agent, the Domiciliary Agent, the Administrator and to the holders of the relevant Series and Class, or Sub-class, as the case may be, of Notes in accordance with Condition 12 (*Notices*).

4.9. Determination and notification by the Security Agent

- (a) If the Reference Agent at any time for any reason does not calculate or notify the relevant Interest Amount in accordance with Conditions 4.7 (*Determination of the Floating Interest Rate and Interest Amount*) and 4.8 (*Notification of the Floating Interest Rates and Interest Amounts*) above, as the case may be, the Security Agent shall determine and notify the Interest Amount in accordance with Conditions 4.7 (*Determination of the Floating Interest Rate and Interest Amount*) and 4.8 (*Notification of the Floating Interest Rates and Interest Amounts*) above, and each such determination shall be final and binding on all parties.
- (b) If the Reference Agent at any time for any reason does not determine or notify the relevant Floating Interest Rate in accordance with Conditions 4.7 (*Determination of the Floating Interest Rate and Interest Amount*) and 4.8 (*Notification of the Floating Interest Rates and Interest Amounts*) above, as the case may be, the Security Agent shall determine the relevant Floating Interest Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Conditions 4.7 (*Determination of the Floating Interest Rate and Interest Amount*) above), it shall deem fair and reasonable under the circumstances, and each such determination or calculation shall be final and binding on all parties.

4.10. Reference Agent

- (a) The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a Reference Agent.
- (b) The Issuer has, subject to prior written consent of the Security Agent, the right to terminate the appointment of the Reference Agent by giving at least 90 days' notice in writing to that effect.
- (c) If any person shall be unable or unwilling to continue to act as the Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Agent, appoint a successor Reference Agent to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Agent has been appointed.
- (d) The Issuer will cause notice of any termination or appointment of the Reference Agent to be given to the holders of the relevant notes in accordance with Condition 12 (*Notices*).

5. REDEMPTION AND CANCELLATION

5.1. Final redemption

- (a) Unless previously redeemed as provided in this Condition 5 (*Redemption and cancellation*), the Issuer will redeem a Series and Class, or Sub-class, as the case may be, of Notes at their Principal Amount Outstanding on the relevant Final Maturity Date specified in respect of such Notes in the Final Terms.
- (b) The Issuer may not redeem Notes in whole or in part prior to the relevant Final Maturity Date specified in respect of such Notes in the Final Terms, except as provided in this Condition 5 (*Redemption and cancellation*), but without prejudice to Condition 10 (*Events of Default*).

5.2. Mandatory redemption

- (a) *Scope*
 - (i) This Condition 5.2 (*Mandatory redemption*) does not apply:

- (A) if an Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*); or
 - (B) to any Note redeemed in full pursuant to this on a Note Payment Date Condition 5 (*Redemption and cancellation*), other than this Condition 5.2 (*Mandatory redemption*).
- (ii) Any redemption of Class B Notes, Class C Notes or Class D Notes pursuant to this Condition 5.2 (*Mandatory redemption*) is subject to (i) Condition 9.2 (*Principal*) and (ii) satisfaction of the Repayment Test.
 - (iii) The principal amount redeemable in respect of any Note shall not exceed the Principal Amount Outstanding of that Note.
- (b) *No Trigger Event, Pro-rata Condition satisfied*
- (i) Subject to Condition 5.2(a) (*Scope*) and provided that no Trigger Event has occurred and the Pro-rata Condition is satisfied, on each Note Payment Date, the Issuer will apply the Pass-through Notes Redemption Available Amount in respect of each Class of Notes to redeem (or partially redeem) the Pass-through Notes of that Class of Notes (of any Series), other than Class E Notes, on a *pro rata* basis within each Class (irrespective of their Series).
 - (ii) For purposes of paragraph (i) above, the **Pass-through Notes Redemption Available Amount** in respect of a certain Class of Notes means:
 - (A) the Pass-through Principal Available Amount;
 - (B) *multiplied by* the fraction of:
 - (I) the Principal Amount Outstanding of all Pass-through Notes of the relevant Class;
 - (II) *divided by* the Principal Amount Outstanding of all Pass-through Notes of any Class, other than Class E Notes.
- (c) *No Trigger Event, Pro-rata Condition not satisfied*
- Subject to Condition 5.2(a) (*Scope*) and provided that no Trigger Event has occurred and the Pro-rata Condition is not satisfied, on each Note Payment Date, the Issuer will apply the Pass-through Principal Available Amount to redeem (or partially redeem) on a sequential basis on each Note Payment Date: (a) firstly, the Class A Pass-through Notes *pro rata* until fully redeemed, and thereafter (b) the Class B Pass-through Notes *pro rata* until fully redeemed, and thereafter (c) the Class C Pass-through Notes *pro rata* until fully redeemed, and thereafter (d) the Class D Pass-through Notes *pro rata* until fully redeemed.
- (d) *After occurrence of Trigger Event*
- Subject to Condition 5.2 (a) (*Scope*), on each Payment Date after the occurrence of a Trigger Event, the Issuer will apply the Principal Available Amount to redeem (or partially redeem) on a sequential basis on each Note Payment Date: (a) firstly, the Class A Notes *pro rata* until fully redeemed, and thereafter (b) the Class B Notes *pro rata* until fully redeemed, and thereafter (c) the Class C Notes *pro rata* until fully redeemed, and thereafter (d) the Class D Notes *pro rata* until fully redeemed.

For the avoidance of doubt a reference to notes of a certain class of notes in this paragraph (d) means a reference to the Soft Bullet Notes and the Pass Through Notes of that class.

(e) *Notification of Trigger Event*

The Issuer will indicate in each Quarterly Investor Report if a Trigger Event has occurred.

(f) *Determination of Principal Redemption Amount and Principal Amount Outstanding*

- (i) On each Note Calculation Date, the Issuer shall determine (or cause the Administrator to determine):
- (A) the amount to be redeemed (if any) in respect of each Note pursuant to this Condition 5.2 (*Mandatory redemption*) on the immediately following Note Payment Date (the **Principal Redemption Amount**);
 - (B) the Principal Amount Outstanding of each Note on the first day following the relevant Note Payment Date (assuming payment of the amount referred to in paragraph (A) above will have been made on the immediately following Note Payment Date); and
 - (C) the fraction expressed as a decimal to the twelfth point (the **Note Factor**), of which the numerator is the Principal Amount Outstanding of a Note of each Series and Class or Sub-class of Notes on the first day following the relevant Note Payment Date (as referred to in (B) above) and the denominator is the original Denomination of such Note as specified in the applicable Final Terms).
- (ii) The Issuer will cause each determination of a Principal Redemption Amount, the Principal Amount Outstanding of each Note and the Note Factor of each Note (per Class and Series) to be notified no later than as in line with the rules of the Clearing System to the Security Agent, the Domiciliary Agent and the Reference Agent (if applicable), Euronext Brussels (in respect of any Class and Series of Notes listed on Euronext Brussels) and the holders of Notes in accordance with Condition 12 (*Notices*). If no Principal Redemption Amount is due to be paid on the Notes on the applicable Note Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 12 (*Notices*).
- (iii) If the Issuer (or the Administrator on its behalf) does not at any time for any reason determine the Principal Redemption Amount, the Principal Amount Outstanding or the Note Factor of a Note, such Principal Redemption Amount, Principal Amount Outstanding or Note Factor may be determined by the Security Agent in accordance with this Condition 5.2 (*Mandatory redemption*) (but based upon the information in its possession), and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination by the Security Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Noteholders.

5.3. **Optional Redemption**

The Issuer may, at its option, redeem all of the Notes of a Series and Class, or all Notes of a Sub-class, if applicable, other than the Class E Notes of such Series, in whole but not in part, at their Principal Amount Outstanding together with any accrued interest, in respect of the Class B Notes, Class C Notes and Class D Notes, (i) subject to Condition 9.2 (*Principal*) and (ii) fulfilment of the Repayment Test, on the date specified as the Step-up Date for such Notes in

the Final Terms and on any Note Payment Date for such Notes thereafter, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than 30 days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 12 (*Notices*).

5.4. Notes clean-up call option

The Issuer may, at its option, redeem at their Principal Amount Outstanding together with any accrued interest, in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes (i) subject to and in accordance with Condition 9.2 (*Principal*) and (ii) fulfilment of the Repayment Test, all of the Notes of any Series and Class or Sub-class, in whole but not in part on each Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes of such Series and Class or Sub-class (other than the Class E Notes) is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series and Class or Sub-class of Notes as at the Issue Date of such Series and Class or Sub-class of Notes, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than 30 days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 12 (*Notices*).

5.5. Programme Clean-up call option

The Issuer may, at its option, (in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes subject to Condition 9.2 (*Principal*)), redeem all of the Notes, but not some only, at their aggregate Principal Amount Outstanding plus any accrued interest, if the percentage of the Outstanding Principal Amount of all Mortgage Receivables falls below 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables reached since the Programme Closing Date, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than 30 days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 12 (*Notices*).

5.6. Redemption of Class E Notes

The Issuer may, at its option, redeem all of the Class E Notes of a Series and Class or, all Class E Notes of a Sub-class, if applicable, in whole but not in part, at their Principal Amount Outstanding plus any accrued interest, subject to (i) the amount standing to the credit of the Reserve Account after application of the Interest Priority of Payments on such date being at least equal to the Reserve Account Target Level; and (ii) fulfilment of the Repayment Test, on the date specified as the Step-up Date for such Class E Notes in the Final Terms and any Note Payment Date for such Notes thereafter, provided that the Issuer has sufficient funds available to it for this purpose.

5.7. Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at their Principal Amount Outstanding plus any accrued interest, (in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes subject to Condition 9.2 (*Principal*)), on any Note Payment Date if the Issuer satisfies the Security Agent immediately prior to the giving of the notice referred to below that any of the following circumstances apply:

- (a) if on the next Note Payment Date the Issuer, the National Bank of Belgium as operator of the Clearing System, the Domiciliary Agent or any other person would be required to deduct or withhold for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed by the Kingdom of Belgium (or any sub-division or authority thereof or therein) from any payment of principal or interest in respect of Notes held by or on behalf of any Noteholder who would, but for any amendment to, or change in, the tax laws or regulations of the Kingdom of Belgium (or of any sub-division or authority thereof or therein having power to tax) or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations after the Programme Establishment Date, have been a Tax Eligible Investor; or
- (b) if on the next Note Payment Date, the Issuer, the Interest Swap Counterparty or any other person would be required to deduct or withhold for or on account of any present or future taxes, duties assessments or governmental charges of whatever nature imposed by the Kingdom of Belgium (or any sub-division or authority thereof or therein), or any other sovereign authority having the power to tax, from any payment under the Interest Swap Agreement; or
- (c) if the total amount payable in respect of interest on any of the Mortgage Receivables ceases to be receivable by the Issuer 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
- (d) if, after the Closing Date, the IIR Tax Regulations are changed or applied in a way materially adverse to the Issuer or would no longer apply to the Issuer,

by giving not less than thirty (30) calendar days written notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date in accordance with Condition 12 (*Notices*), provided that prior to giving any such notice:

- (a) no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*);
- (b) the Issuer shall have provided to the Security Agent:
 - (A) a certificate signed by two directors of the Issuer confirming that the Issuer will have on the relevant Note Payment Date sufficient funds available to discharge all amounts of principal and interest due in respect of the Notes and any amounts required to be paid in priority to or *pari passu* with the Notes in accordance with the relevant Priority of Payment; and
 - (B) an opinion addressed to the Security Agent in form and substance satisfactory to the Security Agent of independent legal advisors of recognised standing to the effect that any of the circumstances referred to in paragraphs (a) to (d) above apply.

The Security Agent shall be entitled to accept the opinion referred to in paragraph (ii)(B) above as sufficient evidence that any of the circumstances referred to in paragraphs (a) to (d) above apply, which determination shall be conclusive and binding on the Noteholders.

A Tax Eligible Investor includes all persons and organisations 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 relatif à la perception et à la bonification du précompte mobilier* (Royal decree of 26 May 1994 on the deduction of withholding tax).

IIR Tax Regulations means the Belgian tax regulations introducing income tax, withholding tax, registration duty and VAT concessions for Belgian companies for investment in receivables (including the Issuer).

5.8. Redemption for regulatory reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Note Payment Date at their Principal Amount Outstanding plus any accrued interest, in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes subject to Condition 9.2 (*Principal*), if the Seller exercises its option to repurchase the Mortgage Receivables from the Issuer upon the occurrence of a change published on or after the Programme Closing Date:

- (a) in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the **Basle Accord**), in the Basel II Capital Accord promulgated by the Basel Committee on Banking Supervision as set forth in the EU Capital Adequacy Directive 2006/49/EC, as amended and supplemented from time to time (the **Basel II Accord**) and as further amended recently (the **Basel III Accord**) or in the international, European or Belgian regulations, rules and instructions (which includes the solvency regulations of the National Bank of Belgium) (the **Bank Regulations**) applicable to the relevant Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord, the Basel II Accord or the Basel III Accord) or a change in the manner in which the Basle Accord, the Basel II Accord or the Basel III Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including the European Central Bank, the National Bank of Belgium, or other competent international, European or national regulatory or supervisory authority) which, in the opinion of the relevant Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes; or
- (b) in the eligible collateral framework of the European Central Bank as a result of which any Notes that are expressed in the applicable Final Terms to be intended to be held in a manner which would allow Eurosystem eligibility, are not or cease to be accepted as eligible collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem,

(any such change a **Regulatory Change**), provided that:

- (a) prior to giving the notice referred to below, no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*); and
- (b) the Issuer will have sufficient funds available on such Note Payment Date to discharge all amounts of principal (subject to Condition 9.2 (*Principal*)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Series and Class or Sub-class of Notes in accordance with the Framework Agreement.

The Issuer shall notify the exercise of such option by giving not less than 30 days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

5.9. Redemption for Change of Law

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Note Payment Date at their Principal Amount Outstanding plus any accrued interest, in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes subject to Condition 9.2 (*Principal*), if there is a change in, or any amendment to the laws, regulations, decrees or guidelines of the Kingdom of Belgium or of any authority therein or thereof having legislative or regulatory powers or in the interpretation by a relevant authority or a court of, or in the administration of, such laws, regulations, decrees or guidelines after the Programme Closing Date which would or could affect the Issuer or the Noteholders in a materially adverse way, as certified by the Security Agent, *provided that*:

- (a) prior to giving the notice referred to below, no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*); and
- (b) the Issuer will have sufficient funds available on such Note Payment Date to discharge all amounts of principal (subject to Condition 9.2 (*Principal*)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Series and Class or Sub-class of Notes in accordance with the Framework Agreement.

The Issuer shall notify the exercise of such option by giving not less than 30 days' notice to the Noteholders and the Security Agent prior to the relevant Note Payment Date.

5.10. Early redemption of Series-0 Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*), subject to the Repayment Test and no Trigger Event having occurred:

- (a) any holder of a Note of Series-0 (other than Class E Notes) may request the Issuer to redeem such Note and the Issuer shall following such request apply part of the Principal Available Amount, towards the redemption of those Series-0 Notes (other than the Class E Notes), subject to the Principal Priority of Payments, the Conditions and the Framework Agreement;
- (b) any holder of a Class E Note of Series-0 may request the Issuer to redeem such Note and the Issuer shall following such request apply amounts credited on the Reserve Account towards the redemption of Class E Notes of Series-0, subject to the Repayment Test, the Conditions and the Framework Agreement.

The amount to be paid in redemption of such Notes will be equal to the aggregate Principal Amount Outstanding of such Notes less any Principal Shortfall attributed to such Note.

5.11. Notice of redemption

Any notice as is referred to in Conditions 5.3 (*Optional Redemption*), 5.4 (*Notes clean-up call option*), 5.5 (*Programme Clean-up call option*), 5.6 (*Redemption of Class E Notes*), 5.7 (*Redemption for tax reasons*), 5.8 (*Redemption for regulatory reasons*), 5.9 (*Redemption for Change of Law*) or 5.10 (*Early redemption of Series-0 Notes*) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes at their Principal Amount Outstanding together with interest accrued but unpaid up to and including the date of redemption.

5.12. Cancellation

All Notes redeemed in full pursuant to the foregoing provisions, or in part (in the event that any claim on the Notes remains unsatisfied after the enforcement of the Security and the application of the proceeds in accordance with the Priority of Payments upon Enforcement) 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.

5.13. 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.

6. PAYMENT

- 6.1. All payments of principal or interest owing under the Notes shall be made through the Domiciliary Agent and the Clearing System in accordance with the rules of the Clearing System.
- 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 7 (*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. TAXATION

- 7.1. All payments of, or in respect of, principal of and interest on, the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) of whatever nature, unless the withholding or deduction for or on account of such taxes, duties, assessments or charges are required by law or FATCA. In that event, the Issuer or the Domiciliary Agent (as the case may be) will make the required withholding or deduction for or on account of such taxes, duties, assessments or charges, as the case may be, and shall not pay any additional amounts to such Noteholders in respect of any such withholding or deduction. Neither the Issuer nor any Domiciliary Agent nor any other person will be obliged to gross up the payments in respect of the Notes of any Series, Class or Sub-class or to make any additional payments to any Noteholders. For purposes of this Condition 7.1, **FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- 7.2. The Issuer, the National Bank of Belgium as operator of the Clearing System, the Domiciliary Agent, the Security Agent or any other person being required to make a deduction or withholding referred to in Condition 7.1 shall not constitute an Event of Default.

8. PRESCRIPTION

Claims for principal under the Notes shall become time barred ten years after their relevant due date. Claims for interest under the Notes shall become time barred five years after their relevant due date.

9. SUBORDINATION AND LIMITED RECOURSE

9.1. Interest

- (a) Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes shall be payable in accordance with the provisions of Conditions 4 (*Interest*) and Condition 5 (*Redemption and cancellation*), subject to the terms of this Condition.
- (b) In the event that on any relevant Note Calculation Date the Interest Available Amount is insufficient to pay the Interest Amount in respect of any Class of Notes (except the Class A Notes) on the next Note Payment Date in accordance with the Interest Priority of Payments, the amount of such shortfall (an **Interest Deficiency**) shall be credited to the Interest Deficiency Ledger in respect of that Class of Notes. Any Interest Deficiency will not be treated as due for purposes of Condition 4 (*Interest*).
- (c) On each Note Payment Date, the balance of any Interest Deficiency Ledger in respect of any Class existing on a Note Calculation Date shall be aggregated with the Interest Amount otherwise due on the relevant Class of Notes on that Note Payment Date, to the extent sufficient Interest Available Amount is available on such date for this purpose in accordance with the Interest Priority of Payments. The amount so available in respect of any Class of Notes (an **Interest Surplus**) will be paid to the holders of the relevant Class of Notes as interest due in respect of that Class of Notes on that Note Payment Date, and the Interest Deficiency Ledger in respect of that Class of Notes will be reduced with the amount of the Interest Surplus.

9.2. Principal

- (a) Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice, a holder of any Class of Notes (other than Class A Notes) will not be entitled to any repayment of principal in respect of such Class of Notes until the date on which the Principal Amount Outstanding of the higher ranking Class(es) of Notes (as specified in Condition 2.1(b)) is reduced to zero.
- (b) If, on any Note Payment Date, there is a balance on the Principal Deficiency Ledger in respect of any Class of Notes, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption, including mandatory redemption in accordance with and subject to Condition 5.2 (*Mandatory redemption*) in respect of each Note of that Class on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Principal Shortfall in respect of that Note on such Note Payment Date. The **Principal Shortfall** in respect of any Note shall mean an amount equal to the quotient of the balance on the Principal Deficiency Ledger in respect of the Class of that Note divided by the aggregate Principal Amount Outstanding of all Notes of that Class on such Note Payment Date multiplied by the Principal Amount Outstanding of that Note.

9.3. General

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

10. EVENTS OF DEFAULT

The Security Agent at its discretion may, and if so directed by an Extraordinary Resolution (in respect of all Series) of the Noteholders of the highest ranking Class of Notes outstanding (subject, in each case, to being indemnified to its satisfaction) (in each case, the **Relevant Class**) shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Agent shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an **Enforcement Notice**) to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur (each an **Event of Default**):

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes; provided that, for the avoidance of doubt, the occurrence of any amounts of Interest Deficiency in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (but not the Class A Notes) or amounts of Principal Shortfall or Principal Deficiency shall not constitute an Event of Default;
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes, the Framework Agreement, the Domiciliary Agency Agreement or the Pledge Agreement and, except where such failure, in the reasonable opinion of the Security Agent, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Agent to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment (*conservatoir beslag / saisie conservatoire*) or an executory attachment (*executoriaal beslag / saisie exécutoire*) on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) an order being made or an effective resolution being passed for the winding-up (*ontbinding / dissolution*) of the Issuer except a winding up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Security Agent in writing or by an Extraordinary Resolution of the Noteholders; or
- (e) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (d) above, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or the Issuer being unable to pay its debts as and when they fall due or the value of its assets falling to less than the amount of its liabilities or otherwise becomes insolvent; or
- (f) proceedings are initiated against or by the Issuer under any applicable liquidation, composition, insolvency or other similar law including the procedures provided for in Book XX of the Belgian Code of Economic Law or an administrative receiver or other receiver, administrator or other similar official (including a *voorlopig bewindvoerder / administrateur provisoire* (ad hoc administrator)) has been appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or a *bevel tot betalen / commandement* (notice of demand) is notified to the Issuer under Articles 1499 or 1564 of the *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 of the Issuer and in any of the foregoing cases it shall not be discharged within thirty (30) Business Days; or

- (g) any action is taken by any authority, court or tribunal, which results in the loss of the Issuer of its status as an “institutional VBS” or which in the reasonable opinion of the Security Agent, after consultation with the Issuer and the Administrator, is very likely to result in the loss of such status and would adversely affect the Programme,

provided that, if Notes of a higher ranking Class are outstanding, no Enforcement Notice may or shall be given by the Security Agent to the Issuer in respect of a lower ranking Class of Notes, irrespective of whether an Extraordinary Resolution is passed by the Noteholders of the lower Class(es) of Notes, unless an Enforcement Notice in respect of the highest ranking Class of Notes outstanding has been given by the Security Agent. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the highest ranking Class of Notes outstanding, the Security Agent shall not be required to have regard to the interests of the Noteholders of a lower ranking Class of Notes.

The issuance of an Enforcement Notice will be reported to the Noteholders without undue delay in accordance with Condition 12 (*Notices*).

11. ENFORCEMENT

- 11.1. At any time after the Notes of any Class become due and payable, the Security Agent may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Framework Agreement, the Pledge Agreement and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding and (ii) it shall have been indemnified to its satisfaction.
- 11.2. No Noteholder may proceed directly against the Issuer unless the Security Agent, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- 11.3. The Noteholders and the Security Agent may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy of the Security Agent against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 (*Events of Default*) above is to enforce the Security.

12. NOTICES

Notices to the Noteholders (including notices of meetings of Noteholders) shall be valid if delivered by or on behalf of the Issuer to the National Bank of Belgium as operator of the Clearing System for communication by it to the participants of the Clearing System. Any such notice shall be deemed given on the date and at the time it is delivered to the Clearing System.

13. MEETINGS OF NOTEHOLDERS

The Articles 7:161 to 7:176 of the Company Code shall only apply to the extent that the Conditions, the Articles of Association of the Issuer or the Relevant Documents do not contain provisions which differ from the provisions contained in such articles.

The Framework Agreement contains provisions for convening meetings of the Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution of a change of any of these Conditions or any provisions of the Relevant Documents.

13.1. Meetings of Noteholders

- (a) A meeting of Noteholders may be convened by the Issuer, the Security Agent or by Noteholders of any Series and Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Series and Class.
- (b) In respect of each Class of Notes the Framework Agreement provides that:
 - (i) a resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of one Series only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Class of that Series;
 - (ii) a resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of any two or more Series but does not give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Class of such two or more Series;
 - (iii) a resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of any two or more Series and gives or may give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Class of such two or more Series.
- (c) In respect of each Sub-class of Notes the Framework Agreement provides that:
 - (i) a resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of one Sub-class of a Class of Notes only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Sub-class of that Class;
 - (ii) a resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of more than one Sub-class of Notes of the same Class but does not give rise to a conflict of interest between the Noteholders of such Sub-classes of Notes, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Sub-classes of Notes;
 - (iii) a resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of more than one Sub-class of the same Class of Notes and gives or may give rise to a conflict of interest between the Noteholders of such Sub-classes, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Sub-classes of Notes.

13.2. Basic Terms Change

No Basic Terms Change shall be effective unless such Basic Term Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class and Series, except that, if the Security Agent is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, no such Extraordinary Resolution is required.

13.3. Extraordinary Resolution

(a) *Quorum and majority*

- (i) The quorum for any meeting convened to consider an Extraordinary Resolution for the Notes of any Series and Class or of any one or more Series of the same Class or of one or more Sub-classes, will be two-thirds of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes then represented.
- (ii) Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class and relevant one or more Series, or of such one or more Sub-classes (whether or not they were present at the meeting at which such resolution was passed).
- (iii) A resolution signed by or on behalf of all the Noteholders of the relevant one or more Series and Class or relevant one or more Sub-classes, who for the time being are entitled to receive notice of a meeting under the Framework Agreement shall for all purposes be as valid and effective as an Extraordinary Resolution passed by a meeting of such one or more Series and Class of Noteholders or such one or more Sub-classes of Noteholders.

(b) *Limitations*

- (i) No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes of any one or more Series, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes of any one or more Series, as the case may be, shall take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Noteholders of the other Classes of each Series of the Notes then outstanding or such change is in the opinion of the Security Agent not materially prejudicial to the interests of other Noteholders of each Series.
- (ii) An Extraordinary Resolution of the Class B Noteholders of any Series or any Sub-class thereof and/or the Class C Noteholders of any Series or any Sub-class thereof and/or the Class D Noteholders of any Series or any Sub-class thereof and/or the Class E Noteholders of any Series or any Sub-class thereof shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders of each Series and/or, as the case may be, the Class B

Noteholders of each Series and/or, as the case may be, the Class C Noteholders of each Series and/or, as the case may be, the Class D Noteholders of each Series or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series, the Class B Noteholders of each Series, or the Class C Noteholders of each Series, or the Class D Noteholders of each Series, as the case may be. The Framework Agreement imposes no such limitations on the powers of the Class A Noteholders of any Series, or Sub-class thereof (subject to this Condition 13 (*Meetings of Noteholders*)), the exercise of which will be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (in any case of that Series or of any other Series), irrespective of the effect on their interests.

(c) *Programme Resolution*

(i) Notwithstanding the preceding paragraphs of this Condition 13 (*Meetings of Noteholders*), any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Security Agent:

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

(B) to remove or replace the Security Agent,

(each a **Programme Resolution**), shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes.

(ii) The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them, provided that if such Programme Resolution relates to the removal and replacement of any or all of the managing directors of the Security Agent, at least thirty (30) per cent. of the Notes of the relevant Class of all Series should be represented on any second meeting.

(iii) Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Security Agent or by Noteholders of such Class of Notes. A Programme Resolution passed at any meeting of the Noteholders of all Series of such Class of Notes shall be binding on all Noteholders of all Series of such Class of Notes, whether or not they are present at the meeting.

13.4. Other or further regulations

The Issuer may with the consent of the Security Agent and without the consent of the Noteholders prescribe such other or further regulations regarding the holding of meetings of Noteholders and attendance and voting thereat as are necessary to comply with Belgian law.

14. THE SECURITY AGENT

Annex 1 (*Security Agent Provisions*) is incorporated in these Conditions as if set out herein.

15. MODIFICATIONS, CONSENTS, WAIVERS

15.1. Modifications, waivers, authorisations by the Security Agent

(a) The Security Agent may agree, without the consent of the Noteholders, to:

- (a) any modification of any of the Conditions of any or all Series or of any Relevant Document (except for a Basic Terms Change) which is in the opinion of the Security Agent of a formal, minor or technical nature or is made to correct a manifest error; and
 - (b) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of an Event of Default and/or any breach or proposed breach, of any of the provisions of the Conditions of any Series and Class or any Sub-class of Notes and/or Relevant Documents which is in the opinion of the Security Agent not materially prejudicial to the interests of the Noteholders of such Series and Class or such Sub-class of Notes or of any Series and Class of Notes.
- (b) Any such modification, waiver or authorisation will be binding on the Secured Parties and, unless the Security Agent agrees otherwise, any such modification will be notified to the Secured Parties and the Rating Agencies as soon as practicable thereafter.

15.2. Additional rights of modification

- (a) The Security Agent may on behalf of the Noteholders and without the consent of the Noteholders or the other Secured Parties at any time and from time to time, concur with the Issuer or any other person in making any modification:
 - (i) to these Conditions or any of the Relevant Documents in order to enable the Issuer and/or the Interest Swap Counterparty to comply with any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) (the **EMIR Requirements**) or any other obligation which applies to it under the EMIR Requirements and/or any new regulatory requirements, subject to receipt by the Security Agent of a certificate of the Issuer and, where the amendment has been requested by the Interest Swap Counterparty, the Interest Swap Counterparty certifying to the Security Agent that the amendments requested by the Issuer or the Interest Swap Counterparty, as the case may be, are to be made solely for the purpose of enabling the Issuer or the Interest Swap Counterparty, as the case may be, to satisfy the EMIR Requirements, provided that the Security Agent shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Agent, would have the effect of (A) exposing the Security Agent to any additional liability or (B) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Relevant Documents and/or the Conditions, (C) as from the Securitisation Regulation being applicable to the Programme and the Notes, the Programme, any Notes or any Relevant Document not complying with the requirements set out in the Securitisation Regulation, in each case, further provided that the Security Agent has received written confirmation from the Interest Swap Counterparty in respect of the Interest Swap Agreement that it has consented to such amendment; or
 - (ii) to these Conditions or any of the Relevant Documents in order to enable the Issuer to comply with any obligation which applies to it under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) (the **CRA3 Requirements**), including any requirements imposed by the Securitisation Regulation or any other obligation which applies to it under the CRA3 Requirements, the Securitisation

Regulation, Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the **CRR Amendment Regulation**) and/or any new regulatory requirements, subject to receipt by the Security Agent of a certificate of the Issuer certifying to the Security Agent that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under the CRA3 Requirements, the Securitisation Regulation, the CRR Amendment Regulation and/or any new regulatory requirements provided that the Security Agent shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Agent, would have the effect of (i) exposing the Security Agent to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Relevant Documents and/or the Conditions or (iii) as from the Securitisation Regulation being applicable to the Programme and the Notes, the Programme, any Notes or any Relevant Document not complying with the requirements set out in the Securitisation Regulation;

- (iii) to these Conditions or any of the Relevant Documents in order to enable the Issuer to change the base rate on the Floating Rate Notes from EURIBOR to an alternative base rate (any such rate, an **Alternative Base Rate**) (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR, provided that:

(C) such modification is being undertaken due to:

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

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

(D) such Alternative Base Rate is:

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

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

(E) provided further that:

- (I) the party proposing the modification to a Relevant Document, if possible and if necessary with the cooperation of the Issuer, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Security Agent that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency and would not result in any Rating Agency placing any Notes on rating watch negative (or equivalent)) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency and would not result in any Rating Agency placing the Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Security Agent; or
- (II) the Issuer certifies in writing to the Security Agent that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 Business Days after being informed thereof that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent); and

(F) the Security Agent shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Agent, would have the effect of (i) exposing the Security Agent to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Relevant Documents and/or the Conditions; and

- (iv) to these Conditions or any of the Relevant Documents (including the Interest Swap Agreement) for the purpose of complying with any changes in the requirements of Article 6 of the Securitisation Regulation (when applicable to the Programme and the Notes), including as a result of the adoption of regulatory technical standards in relation to the Securitisation Regulation or any other risk retention legislation or regulations or official guidance in relation thereto, subject to receipt by the Security Agent of a certificate of the Issuer and, as the case may be, the party proposing the modification certifying to the Security Agent that such modification is required solely for such purpose and has been drafted solely to such effect.
- (b) Any such modification of a Relevant Document must be approved by each party thereto, except as expressly set out above.
- (c) Without prejudice to paragraph (b) above, any such modification shall be binding on the Noteholders and the other Secured Parties.
- (d) In no event may such modification be a Basic Terms Change. The Security Agent shall not be bound to give notice to the Noteholders of any modifications to the Relevant Documents agreed pursuant to this Condition, unless required by the Securitisation Regulation (when applicable to the Programme and the Notes) or any other applicable law. The Issuer shall cause notice of any such modification to be given to the Rating Agencies, the Administrator, the Pool Servicer, the Domiciliary Agent and the Dealers.

16. ISSUANCE OF FURTHER NOTES

The Issuer may issue new Series and Tranches of any Class or Sub-class of Notes from time to time without the consent of existing Noteholders, provided that on the Issue Date the following tests and conditions (the **Issuance Tests**) are satisfied:

- (a) no Event of Default has occurred and is continuing;
- (b) there is no debit balance on the Principal Deficiency Ledger on the previous Note Payment Date or, if such Issue Date is a Note Payment Date, on such Issue Date;
- (c) no Enforcement Notice has been served on the Issuer by the Security Agent;
- (d) no Trigger Event has occurred;
- (e) the Rating Agencies have confirmed in writing that the then current rating of the Notes will not be adversely affected by such issuance; and
- (f) the Available Subordinated Amount of each Class of Notes must be equal to or greater than the Required Subordinated Amount in respect of that Class of Notes.

17. GOVERNING LAW

The Notes are governed by, and will be construed in accordance with, the laws of Belgium. In relation to any legal action or proceedings arising out of or in connection with the Notes the Issuer irrevocably submits to the jurisdiction of the Courts of Brussels, Belgium. This submission is made for the exclusive benefit of the holders of the Notes and the Security Agent and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

18. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings.

Account Bank Agreement means the guaranteed investment contract to be entered into by the Issuer, the Account Bank and the Security Agent on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

Account Bank means BNP Paribas Fortis in its capacity as account bank under the Account Bank Agreement and/or its successor or successors;

Account Bank Rating Downgrade Event means the event that the Account Bank is assigned a rating of less than the Account Bank Required Rating or such rating is withdrawn by any of the Rating Agencies;

Account Bank Required Rating means:

- (a) if the Account Bank is the Servicer or if the Account Bank does not have the rating as referred to in paragraph (b), (i) the long-term, unsecured and unsubordinated debt obligations of at least A by Fitch, or (ii) a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank of at least F1 by Fitch, and a short-term deposit rating of the Account Bank of at least Prime 1 by Moody's; or
- (b) if the Account Bank is not the Servicer then (i) the long-term deposit rating of at least A by Fitch, or (ii) a short-term deposit rating of the Account Bank of at least Prime 1 by Moody's and F1 by Fitch;

Additional Security has the meaning ascribed to it in the Master Definitions Schedule;

Administrator means Intertrust (Netherlands) B.V. with its registered office at Prins Bernhardplein 200, 1000 AZ Amsterdam, The Netherlands, in its capacity as administrator of the Issuer under the Servicing Agreement, or its successor or successors;

AG Insurance means AG Insurance NV/SA, organised as a public limited liability company (*naamloze vennootschap / société anonyme*) under Belgian law, with its registered office at Boulevard Emile Jacqmain 53, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0404.494.849 (LPR Brussels);

Agreed Form means, in relation to any document, the form of the document, which has been agreed upon between the parties thereto;

Alternative Clearing System means any securities clearing system through which the Notes are cleared in addition to, or in replacement of, the Clearing System;

Articles of Association means the articles of association (*statuten / statuts*) of the Issuer;

Available Subordinated Amount means in respect of any Class of Notes on any date, the sum of:

- (a) the aggregate Principal Amount Outstanding of all lower ranking Classes of all Series of Notes (after giving effect to (i) any payments of principal scheduled to be made on the Notes on such date and (ii) the issuance of Notes scheduled to be issued on such date);

- (b) *plus* the amount of the Reserve Account on such date;
- (c) *minus* the aggregate Principal Deficiency in respect of the lower ranking Classes of all Series of Notes.

Bank Regulations has the meaning ascribed to it in Condition 5.8 and in clause 9.1 of the Mortgage Receivables Purchase Agreement;

Base Prospectus means the base prospectus issued in relation to the Programme, as the same may be amended, restated, supplemented or otherwise modified from time to time, in each case in accordance with the Dealer Agreement and the other Relevant Documents;

Basel II Accord has the meaning ascribed to it in Condition 5.8;

Basel III Accord has the meaning ascribed to it in Condition 5.8;

Basic Terms Change means, in respect of any Series and Class of Notes, any modification which would have the effect of:

- (a) reducing or cancelling of the amount payable or, where applicable, modifying, except where such modification is, in the opinion of the Security Agent, bound to result in an increase, the method of calculating the amount payable or modifying the date of payment or, where applicable, altering the method of calculating the date of payment in respect of any principal or interest in respect of such Notes (but in each case any change effected pursuant to paragraph (a)(iii) of Condition 15.2 (*Additional rights of modification*));
- (b) altering the currency in which payments under such Notes are to be made;
- (c) altering the quorum or majority required to pass an Extraordinary Resolution;
- (d) changing what constitutes a Basic Terms Change; or
- (e) altering the priority in which payments are made to the Noteholders of such Notes pursuant to any Priority of Payments (except in a manner determined by the Note Trustee not be materially prejudicial to the interests of the Noteholders of such Notes).

Basle Accord has the meaning ascribed to it in Condition 5.8;

Belgian Civil Code means the Belgian civil code of 21 March 1804, as amended from time to time.

Belgian Code of Economic Law means the Belgian code of economic law (*Wetboek Economisch Recht / Code de Droit Économique*) dated 28 February 2013, as amended from time to time;

BITC 1992 means the Belgian Income Tax Code 1992 (*Wetboek der inkomstenbelastingen / Code des impôts sur les revenus*), as amended from time to time;

BNP Paribas Fortis means BNP Paribas Fortis SA/NV, organised as a public limited liability company (*naamloze vennootschap / société anonyme*) under Belgian law, with its registered office at Montagne du Parc 3, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.199.702 (LPR Brussels);

Borrowers means the debtors, including any jointly and severally liable co-debtors, of the Mortgage Receivables;

Business Day means a day on which banks are open for business in Brussels and Luxembourg, provided that such day is also a day on which the TARGET System or any successor thereto is operating credit or transfer instructions in respect of payments in euro;

Class A Interest Shortfall means, in relation to any Note Payment Date, any shortfall of the aggregate amount under items (a) to (k) (including) of Interest Available Amount to pay interest due on the Class A Notes on the relevant Note Payment Date and any other amount as referred to in items (a) to (f) (including) of the Interest Priority of Payments;

Class A Noteholders means the several persons who are for the time being holders of any Class A Notes;

Class A Notes means the Class A Notes of all Series, or, if the context so requires, the Class A Notes of the relevant Series;

Class A Pass-through Notes means, on any date, the Class A Notes that are Pass-through Notes;

Class B Noteholders means the several persons who are for the time being holders of any Class B Notes;

Class B Notes means the Class B Notes of all Series, or, if the context so requires, the Class B Notes of the relevant Series;

Class B Pass-through Notes means, on any date, the Class B Notes that are Pass-through Notes;

Class C Noteholders means the several persons who are for the time being holders of any Class C Notes;

Class C Notes means the Class C Notes of all Series, or, if the context so requires, the Class C Notes of the relevant Series;

Class C Pass-through Notes means, on any date, the Class C Notes that are Pass-through Notes;

Class D Noteholders means the several persons who are for the time being holders of any Class D Notes;

Class D Notes means the Class D Notes of all Series, or, if the context so requires, the Class D Notes of the relevant Series;

Class D Pass-through Notes means, on any date, the Class D Notes that are Pass-through Notes;

Class E Noteholders means the several persons who are for the time being holders of any Class E Notes;

Class E Notes means the Class E Notes of all Series, or, if the context so requires, the Class E Notes of the relevant Series;

Class means either the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes;

Clearing Agreement means the clearing agreement to be entered into on or before the Programme Closing Date between the Issuer, the Domiciliary Agent and the National Bank of

Belgium, under which the National Bank of Belgium undertakes, *inter alia*, to act as securities clearing institution in relation to the Notes;

Clearing System means the securities clearing system for the time being used for the clearing of the Notes, at present the X/N securities clearing system operated by the National Bank of Belgium;

Clearing System Operator means the National Bank of Belgium, its legal successor or any operator of any Alternative Clearing System;

Commingling Risk has the meaning given thereto in clause 8.4(a) of the Mortgage Receivables Purchase Agreement;

Company Code means the Belgian act of 7 May 1999 containing the Company Code (*Wetboek van vennootschappen en verenigingen / Code des sociétés et des associations*), as amended from time to time;

Construction Account means the construction account in the name of the Issuer with the Account Bank as set out in the Account Bank Agreement or such other account(s) approved by the Security Agent;

Cooperation Agreement means the cooperation agreement dated 23 June 2008 between the Seller, the Issuer, the Security Agent and AG Insurance;

Credit Facility means, a revolving facility (*kredietopening/ouverture de crédit*) existing between the Seller and any Borrower secured by a Mortgage and/or a Mortgage Mandate, under which the Borrower may from time to time be granted term advances (*voorschotten/avances*);

Credit Institutions Supervision Law means the Belgian Law on credit institutions of 25 April 2014 (*Wet op het statuut van en het toezicht op de kredietinstellingen/loi relative au statut et au contrôle des établissements de crédit*), as amended from time to time;

Dealer Agreement means the dealer agreement entered into by the Issuer, the Security Agent, the Administrator, the Account Bank, the Seller and the Dealers as the same may be amended, restated, supplemented or otherwise modified from time to time;

Dealer means BNP Paribas Fortis in its capacity as dealer under the Dealer Agreement and/or its successor or successors and/or, as the case may, any other dealer appointed and/or its successor or successors;

Deposit Account has the meaning given thereto in clause 8.1 of the Mortgage Receivables Purchase Agreement;

Domiciliary Agency Agreement means the paying agency agreement to be entered into by the Issuer, the Domiciliary Agent, the Reference Agent and the Security Agent on or about the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

Domiciliary Agent means BNP Paribas Fortis in its capacity as domiciliary agent under the Domiciliary Agency Agreement and/or its successor or successors and/or, as the case may, any other domiciliary agent appointed as paying agent and/or its successor or successors;

Eligible Holders means investors that qualify both as (a) qualifying investors (*in aanmerking komende beleggers/investisseurs éligibles*) within the meaning of Article 5 § 3/1 of the UCITS Act that are acting for their own account; and (b) a holder of an X-Account with the Clearing

System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system;

Enforcement Available Amount means amounts recovered (*verhaald / recouvré*) by the Security Agent under the Pledge Agreement on the Mortgage Receivables and the Related Security relating thereto and the other Pledged Assets, including, without limitation, amounts recovered under or in connection with Security Agent Indemnification;

Enforcement Date means the date of an Enforcement Notice;

Enforcement Notice means a notice referred to in Condition 10;

EURIBOR has the meaning ascribed to it in the Conditions;

Euro or **euro** means the currency of the member states of the European Union that adopt a single currency in accordance with the treaty establishing the European Communities, as amended by the Treaty on the European Union;

Eurosystem means the European Central Bank and the national central banks of those countries that have adopted the euro;

Event of Default means any of the events referred to in paragraphs (a) to (g) inclusive of Condition 10;

Excluded Holders means an investor that is (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 common Belgian tax authorities to be significantly more advantageous than the Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, §1, 11° of the BITC 1992); or (ii) a Belgian or foreign transferee being a resident of or having an establishment in, or acting, for the purposes of the Notes, through a bank account held in a tax haven jurisdiction as referred to in Article 307, §1/2 of the BITC 1992,

Extraordinary Resolution has the meaning ascribed to it in clause 2.2 of Annex 2 (*Provisions for meetings of Noteholders*) to the Conditions;

Final Maturity Date means in respect of the Notes of a Series and Class the final maturity date set out in the Final Terms;

Final Terms means, in respect of any Series and Tranche of Notes and one or more Classes and/or Sub-classes of that Series or Tranche, the duly completed final terms of which a form is set out in Section “*Form of Final Terms*” on page 168, as the same may be amended, restated and/or supplemented from time to time;

Financial Collateral Act means the Law of 15 December 2004 on financial collateral (*Wet van 15 december 2004 betreffende financiële zekerheden en houdende diverse fiscale bepalingen inzake zakelijkezekerheidsovereenkomsten en leningen met betrekking tot financiële instrumenten / Loi du 15 décembre 2004 relative aux sûretés financières et portant des dispositions fiscales diverses en matière de conventions constitutives de sûreté réelle et de prêts portant sur des instruments financiers*), as amended from time to time;

Fitch means Fitch Ratings Ireland Limited - Succursale française;

Fixed Interest Rate means the rate of interest applicable to a Fixed Rate Note as set out in Condition 4;

Fixed Rate Interest Period means in relation to the Fixed Rate Notes, the interest period that commences on (and includes) a relevant Note Payment Date and ends on (but excludes) the next succeeding relevant Note Payment Date, except for the first Interest Period in respect of a Tranche, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Note Payment Date set out in the Final Terms;

Fixed Rate Note has the meaning ascribed to it in Condition 4.1;

Floating Interest Rate has the rate of interest applicable to a Floating Rate Note as set out in Condition 4;

Floating Rate Interest Period means in relation to the Floating Rate Notes, the interest period that commences on (and includes) a relevant Note Payment Date and ends on (but excludes) the next succeeding relevant Note Payment Date, except for the first Interest Period in respect of a Tranche, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Note Payment Date set out in the Final Terms;

Floating Rate Note has the meaning ascribed to it in Condition 4.1;

Framework Agreement means the framework agreement entered into by *inter alios* the Security Agent and the Issuer as the same may be amended, restated, supplemented or otherwise modified from time to time;

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

Holding means Stichting Holding Bass, organised as a foundation (*stichting / fondation*) under Belgian law, with its registered office at Marnixlaan 23, fifth floor, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0898.075.884 (LPR Brussels);

Holding Directors are:

- (a) Mr. Christophe Tans;
- (b) Mrs. Irène Florescu; and
- (c) Intertrust Financial Services BV, having its registered office at Marnixlaan 23 (5th floor), 1000 Brussels, with registration number 0861.696.827, represented by its permanent representative Mrs. Irène Florescu;

Holding Management Agreement means any management agreement entered into by the Holding, the Holding Directors and the Security Agent at the date hereof as the same may be amended, restated, supplemented or otherwise modified from time to time;

IIR Tax Regulations means the Belgian tax regulations introducing income tax, withholding tax, registration duty and VAT concessions for Belgian companies for investment in receivables (including the Issuer);

Institutional VBS means an institutional company for investment in receivables that attracts its funding exclusively from institutional or professional investors;

Insurance Policy has the meaning ascribed to it in the Master Definitions Schedule;

Interest Available Amount shall mean, on each Note Calculation Date, the sum of the following amounts received during the preceding Note Collection Period, or to be received on the immediately following Note Payment Date by the Issuer:

- (a) as interest, including any prepayment penalties and penalty interest, on the Mortgage Receivables;
- (b) as interest credited to the Issuer Accounts;
- (c) as Net Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal;
- (d) as amounts to be received from the Interest Swap Counterparty under the Interest Swap Agreement (to the extent related to interest) on the immediately succeeding Note Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Interest Swap Agreement;
- (e) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (f) as amounts to be received on the immediately following Note Payment Date in connection with a sale of Mortgage Receivables to the extent such amounts do not relate to principal;
- (g) as amounts received as Post-Foreclosure Proceeds on Mortgage Receivables;
- (h) as amounts to be drawn from the Reserve Account on the immediately following Note Payment Date;
- (i) on the Note Calculation Date on which all Notes will be redeemed in full on the next Note Payment Date (subject to Condition 9.2 (*Principal*)), the remaining balance to the credit of the Issuer Accounts if any;
- (j) any amount exceeding the Principal Amount Outstanding of the relevant Notes in relation to an issuance of such Notes that occurred since the previous Note Payment Date (excluding) and/or that is to occur prior to or on the next Note Payment Date (including), in case the issue price of such Notes is higher than 100%;
- (k) any amounts (as indemnity for losses of scheduled interest payments in respect of the Mortgage Receivables as a result of Commingling Risk, Set-Off Risk or Liquidity Shortfall Risk) to be applied from the Deposit Account on the immediately succeeding Note Payment Date; and
- (l) any amounts to be applied on the immediately succeeding Note Payment Date in accordance with item (b) of the Principal Priority of Payments prior to a Trigger Event or item (a) of the Principal Priority of Payment after a Trigger Event, as applicable.

Interest Commencement Date means the date on which the Fixed Rate Interest Period begins as set out in the Final Terms;

Interest Deficiency Ledger means, in respect of any Class of Notes (other than the Class A Notes), a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of interest due on that Class of Notes;

Interest Deficiency means at any day, the aggregate amount standing to the credit of all Interest Deficiency Ledgers on such day;

Interest Determination Date has the meaning ascribed to it in Condition 4;

Interest Priority of Payments means the order of priority of payments in which the Interest Available Amount will be applied as set out in clause 4.3 of the Framework Agreement;

Interest Surplus has the meaning ascribed to it in Condition 9.1;

Interest Swap Agreement means the interest swap agreement consisting of an 1992 ISDA Master Agreement including its Annexes, a Schedule and a Confirmation (and, if applicable a credit support annex) respectively to be entered into by the relevant Interest Swap Counterparty and the Issuer, as the same may be amended, restated, supplemented or otherwise modified from time to time;

Interest Swap Counterparty means BNP Paribas Fortis and any other party who accedes to the Programme as Interest Swap Counterparty or their successor or successors;

Issue Date means the Issue Date specified in respect of a Tranche and Class or Sub-class of Notes in the applicable Final Terms;

Issue Price means the issue price of a Tranche of Notes as set out in the Final Terms;

Issuer Accounts means the Issuer Collection Account, the Construction Account, the Reserve Account, the Deposit Account and any other bank account opened by or on behalf of the Issuer in accordance with the Relevant Documents;

Issuer Collection Account means the account with account number or such other account approved by the Security Agent in the name of the Issuer with the Account Bank;

Issuer means Bass Master Issuer NV/SA, an *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* (an institutional company for investment in receivables), incorporated under Belgian law, with its registered office at Marnixlaan 23, fifth floor, 1000 Brussels, Belgium;

Issuer Directors are:

- (a) Mr. Christophe Tans; and
- (b) Mrs. Irène Florescu;

Issuer Management Agreement means any management agreement entered into by the Issuer, the Issuer Directors and the Security Agent, as amended from time to time;

Issuer Rights means the Issuer's rights under or in connection with the Relevant Documents to which it is a party and with the Issuer Accounts;

Liquidity Shortfall Risk has the meaning given thereto in clause 8.4(c) of the Mortgage Receivables Purchase Agreement;

Loan Security means in respect of a Mortgage Loan, any Mortgage and/or Mortgage Mandate and all rights, title, interest and benefit relating to any Insurance Policies, any guarantee provided for such Mortgage Loan, any assignment of salaries (*loonsoverdracht / cession de salaire*) that the Borrower may earn and any other type of any mortgage (*hypotheek / hypothèque*), privilege (*voorrecht / privilège*), pledge, encumbrance, assignment, right of retention, subordination, right of set-off or any security interest whatsoever, so created or

arising whether relating to existing or future assets, each to the extent expressly referred to in the loan documentation governing the Mortgage Loan and, with respect to a Mortgage and/or Mortgage Mandate, except with respect to a Mortgage created in favour of the Issuer pursuant to an exercise of a Mortgage Mandate or as a result of an exchange of Mortgage (*pandwissel / échange d'hypothèque*);

Loss Rate means on any Monthly Payment Date, the Realised Losses in the preceding Mortgage Collection Period, divided by the Outstanding Principal Amount of the Mortgage Receivables on the first day of the immediately preceding Mortgage Collection Period;

Master Definitions Schedule means the master definitions schedule attached to the Framework Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time;

Monthly Calculation Date means in relation to a Monthly Payment Date the third Business Day prior to the relevant Monthly Payment Date;

Monthly Payment Date means each 15th day of each month, or, in either case, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month, in which event the Business Day immediately preceding such day;

Moody's means Moody's Deutschland GmbH;

Mortgage Collection Period means each successive period commencing on (and including) the second day of each calendar month and ending on (and including) the first day of the next calendar month, except for the first Mortgage Collection Period which will commence on (and include) the Programme Closing Date and end on (and include) the last day of the same calendar month;

Mortgage Loan means any loan (including any advance granted under a Credit Facility) entered into by the Seller or their predecessors and the relevant Borrowers that is secured by (without limitation) (i) a first ranking mortgage in respect of a Mortgaged Asset or (ii) a lower ranking mortgage and each higher ranking mortgage in respect of the same Mortgaged Asset, and that is identified for the purpose of the purchase of the Relevant Mortgage Receivables in a Sale and Assignment Agreement executed in accordance with the Mortgage Receivables Purchase Agreement;

Mortgage Mandate means in relation to each Mortgage Loan and to the extent part of the Loan Security, an irrevocable power of attorney granted by a Borrower or a third party collateral provider to certain attorneys to create a mortgage as security for the Mortgage Loan and, as the case may be, all other amounts which the Borrower owes or in the future may owe to the Seller;

Mortgage means, in relation to each Mortgage Loan and to the extent part of the Loan Security, a mortgage (*hypotheek / hypothèque*) as such term is construed under Belgian law securing the Mortgage Loan, together with the benefit of all rights relating thereto, including, for the avoidance of doubt, a mortgage created for the benefit of its Issuer pursuant to the exercise of a Mortgage Mandate or as a result of an exchange of Mortgage (*pandwissel/échange d'hypothèque*);

Mortgage Receivable means any right of the Seller against any Borrower under or in connection with any Mortgage Loan, as such right has been purchased or is to be purchased, as applicable, in accordance with the Mortgage Receivables Purchase Agreement;

Mortgage Receivables Purchase Agreement means the mortgage receivables purchase agreement entered into by the Seller, the Issuer and the Security Agent on or about the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

Mortgaged Asset means, in respect of a Mortgage or a Mortgage Mandate a real property (*onroerende zaak / chose mobilière*) underlying such Mortgage or Mortgage Mandate;

Movable Collateral Act means title XVII of Book 3 of the Belgian Civil Code;

Net Proceeds, means (a) the proceeds of a foreclosure on the Mortgaged Asset(s), (b) the proceeds of foreclosure on any other Related Security, (c) the proceeds of any other guarantees or sureties, and (d) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs;

New Mortgage Receivable means a Mortgage Receivable purchased after the Programme Closing Date;

Nominal Amount means in respect of a Note the Nominal Amount as set out in the Final Terms;

Note Calculation Date means in relation to a Note Payment Date the third business day prior to the relevant Note Payment Date;

Note Collection Period means in relation to a Note Calculation Date the three successive Mortgage Collection Periods immediately preceding such Note Payment Date, except for the first Note Collection Period, which will mean the Mortgage Collection Periods preceding the first Note Payment Date;

Note Factor means the fraction, expressed as a decimal to the twelfth point, of which the numerator is the Principal Amount Outstanding of a Note of each Series and Class or Sub-class of Notes and the denominator is the Principal Amount Outstanding of a Note of such Series and Class or Sub-class of Notes on the Programme Closing Date;

Note Payment Date has the meaning ascribed to it in Condition 4.3;

Noteholders means the several persons who are for the time being holders of any Notes;

Notes Clean-up Call Option has the meaning ascribed to it in Condition 5.4;

Notes means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

Notes Purchase Agreement means the relevant purchase agreement relating to the purchase of one or more Series and Class of Notes, on the relevant issue date between the Issuer, the Seller (or Sellers, as the case may be) and the Dealer as the same may be amended, restated, supplemented or otherwise modified from time to time;

Outstanding Principal Amount means, in respect of a Mortgage Receivable, the aggregate principal sum (*hoofdsom / principal*) due by the relevant Borrower under the relevant Mortgage Receivable and, other than in case of a repurchase, after the occurrence of a Realised Loss in respect of such Mortgage Receivable, zero;

Pass-through Notes means the Notes (i) of which the applicable Final Terms specify that they are Pass-Through Notes or (ii) that have become Pass-through Notes in accordance with Condition 5.2(d);

Pass-through Notes Redemption Available Amount has the meaning ascribed to it in Condition 5.2 (*Mandatory redemption*);

Pass-through Payable Amount means on any Monthly Payment Date:

- (a) the sum of items (i), (ii), (iii), (iv), (v), (vii) and (x) of Principal Available Amount in relation to the immediately preceding Mortgage Collection Period;
- (b) *less* any amounts received under item (v) of the Principal Available Amount to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Issuer to repay principal under the Notes upon exercise of a call-option as set out in the Framework Agreement,
- (c) *multiplied* with the Pass-through Percentage on such date,
- (d) *plus*, if on such Monthly Payment Date, after application of the Principal Priority of Payments, the amount standing to the credit of the Issuer Collection Account would be higher than 5 per cent. of the Principal Amount Outstanding of the Pass-through Notes on such date, an amount equal to the balance of the Issuer Collection Account (to the extent not related to the Pass-through Payable Amount calculated on previous Monthly Calculation Dates) multiplied with the following product:
 - (i) the sum of the Principal Payment Rate and the Loss Rate on this Monthly Payment Date; and
 - (ii) the Pass-through Percentage.

Pass-through Percentage means on any Monthly Payment Date:

- (a) the difference between:
 - (i) the Principal Amount Outstanding of all Pass-through Notes on such date,
 - (ii) less any amount remaining on the Principal Deficiency Ledger to the extent attributable to the Pass-through Notes on the previous Note Payment Date or, if such Monthly Payment Date is a Note Payment Date, on this date, to the extent attributable to the Pass-through Notes,
- (b) divided by the difference between:
 - (i) the Principal Amount Outstanding of all Notes (excluding the Class E Notes) on such date,
 - (ii) less any amount remaining on the Principal Deficiency Ledger on the previous Note Payment Date or, if such Monthly Payment Date is a Note Payment Date, on this date,

(for the avoidance of doubt, prior to giving effect to any issuance or repayment on such date, but after the application of the Interest Priority of Payments);

Pass-through Principal Available Amount means on any Note Payment Date, the sum of the Pass-through Payable Amounts on the two previous Monthly Payment Dates and on this Note Payment Date;

Pledge Agreement means the pledge agreement governed by Belgian law to be entered into on or about the Programme Closing Date between the Issuer, and the other Secured Parties pursuant to which the Issuer will pledge the Pledged Assets;

Pledged Assets means all the assets pledged pursuant to the Pledge Agreement, including the Mortgage Receivables, the Related Security, any Additional Security, and the Issuer Rights, including the Issuer Accounts;

Pool Servicer means BNP Paribas Fortis with respect to Mortgage Receivables, in its capacity of pool servicer under the Servicing Agreement, or, as the case may be, any party who accedes to the Programme as Pool Servicer or their successor or successors;

Post-Foreclosure Proceeds means any amounts received, recovered or collected from a Borrower in respect of a Mortgage Receivable in addition to Net Proceeds, whether in relation to interest, principal or otherwise, following completion of foreclosure on the Mortgage and other collateral securing the Mortgage Receivable;

Principal Amount Outstanding means, in respect of any Note and on any date, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of such Note that have become due and payable since the Programme Closing Date and on or prior to such date;

Principal Available Amount means the sum of the following amounts received or held by the Issuer in relation to the immediately preceding Mortgage Collection Period:

- (i) as repayment and prepayment of principal under the Mortgage Receivables;
- (ii) on a Note Calculation Date, any amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Note Payment Date;
- (iii) as Net Proceeds on any Mortgage Receivable, to the extent such proceeds relate to principal;
- (iv) as amounts received in connection with a repurchase of Mortgage Receivables by the Seller and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal;
- (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal;
- (vi) any part of the Principal Available Amount calculated on the preceding Monthly Calculation Date which has not been applied towards payment of the relevant Notes (other than Class E Notes) or purchase of New Mortgage Receivables on the immediately preceding Monthly Payment Date;
- (vii) as amounts to be received from the Construction Account on the Issuer Collection Account on the immediately succeeding Monthly Payment Date;
- (viii) for the period between the previous Monthly Payment Date (excluding) up to the next Monthly Payment Date (including), the net proceeds from an issuance of Notes (other than Class E Notes) less net proceeds used to purchase Mortgage Receivables on another day than a Monthly Payment Date, and other than amounts referred to under item (j) of the Interest Available Amount; and
- (ix) any amounts (as indemnity for losses of scheduled principal payments in respect of the Mortgage Receivables as a result of Commingling Risk, Set-Off Risk or Liquidity Shortfall Risk) to be applied from the Deposit Account on the immediately succeeding Monthly Payment Date or Note Payment Date, as the case may be;

Principal Deficiency Ledger means, in respect of any Class of Notes (other than the Class E Notes), a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of principal due on that Class of Notes;

Principal Deficiency means, at any day, the aggregate amount standing to the credit of the Principal Deficiency Ledgers on such day;

Principal Payment Rate means on any Monthly Payment Date, items (i), (iii), (iv), (v) and (vii) of the Principal Available Amount in relation to the immediately preceding Mortgage Collection Period, less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Issuer to repay principal under the Notes upon exercise of a call-option as set out in the Framework Agreement, divided by the Outstanding Principal Amount of the Mortgage Receivables on the first day of the immediately preceding Mortgage Collection Period;

Principal Priority of Payments after a Trigger Event means the order of priority of payments in which the Principal Available Amount will be applied as set out in clause 4 of the Framework Agreement;

Principal Priority of Payments means the Principal Priority of Payments prior to a Trigger Event or the Principal Priority of Payments after a Trigger Event, as the case may be;

Principal Priority of Payments prior to a Trigger Event means the order of priority of payments in which the Principal Available Amount will be applied as set out in clause 4 of the Framework Agreement;

Principal Redemption Amount has the meaning ascribed to it in Condition 5.2 (*Mandatory redemption*);

Principal Shortfall has the meaning ascribed to it in Condition 9.2 (*Principal*);

Priority of Payments means the Priority of Payments upon Enforcement together with the Interest Priority of Payments and the Principal Priority of Payments, as applicable;

Priority of Payments upon Enforcement means the order of priority of payments in which the Enforcement Available Amount will be applied as set out in clause 5 of the Framework Agreement;

Programme Closing and **Programme Closing Date** mean 23 June 2008;

Programme means this € 30,000,000,000 Residential Mortgage Backed Note Programme of the Issuer;

Programme Resolution has the meaning ascribed to it in Condition 14.3;

Pro-rata Condition shall mean, in respect of a Note Payment Date, that:

- (a) no amount is recorded on any Principal Deficiency Ledger on such date after giving effect to payments to be made on the relevant Note Payment Date in accordance with the Interest Priority of Payments; and
- (b) not more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for more than 90 days;
- (c) on the previous Note Payment Date, the balance on the Reserve Account was at least equal to the Required Subordination Amount in respect of Class D; and

- (d) the aggregate Outstanding Principal Amount of all Mortgage Receivables is not less than 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables at any time since the Programme Closing Date.

Prospectus Regulation means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market;

Quarterly Investor Report has the meaning ascribed to it in the Master Definitions Schedule.

Rating Agencies means Fitch and Moody's;

Realised Losses means, in respect of any period, the sum of (a) the amount of the difference between (y) the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables in respect of which the Seller, the Pool Servicer or the Issuer has foreclosed in such period, and (z) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables, and (b), with respect to the Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (y) the aggregate Outstanding Principal Amount of the Mortgage Receivables, and (z) the purchase price of the Mortgage Receivables sold to the extent relating to principal, whereby, in case of items (a) and (b), for the purpose of establishing the Outstanding Principal Amount in the case of set-off or defence to payments asserted by the Borrowers any amount by which the Mortgage Receivables have been extinguished will be disregarded.

Redemption for Change of Law has the meaning ascribed to it in Condition 5.9;

Reference Agent means BNP Paribas Fortis or its successor or successors;

Reference Banks means the banks referred to as in Condition 4.6;

Regulatory Change has the meaning ascribed in Condition 5.8;

Related Security means the Loan Security and the Additional Security;

Relevant Documents means the Dealer Agreement, the Pledge Agreement, the Framework Agreement, the Clearing Agreement, the Notes Purchase Agreements, the Domiciliary Agency Agreement, the Holding Management Agreement, the Security Agent Management Agreement, the Issuer Management Agreement, the Account Bank Agreement, the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Interest Swap Agreement and the Cooperation Agreement;

Relevant Mortgage Receivable means, in respect of a particular Sale and Assignment Agreement, a Mortgage Receivable that relates to a Mortgage Loan described in the loan list attached to such agreement;

Repayment Test means the conditions and tests (including the required levels of subordination) necessary to repay a Series and Class or Subclass of Subordinated Notes on a Note Payment Date. The conditions and tests are the following:

- (a) the amount of principal due (or any part thereof) in respect of the Class of Notes (other than Class A Notes) may only be paid if and to the extent that:
- (i) after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Available Subordinated Amount(s) in respect of each higher ranking Class of Notes is at least equal to

the Required Subordinated Amount in respect of that higher ranking Class of Notes on such Note Payment Date; or

- (ii) if the Available Subordinated Amount(s) in respect of each higher ranking Class of Notes is lower than the Required Subordinated Amount in respect of that higher ranking Class of Notes, if the Available Subordinated Amount in respect of each higher ranking Class of Notes is at least equal to the Available Subordinated Amount in respect of that higher ranking Class of Notes before giving effect to such payments and issuances.
- (b) the amount of principal due (or any part thereof) in respect of a Class E Notes of a Series and Class or Subclass can only be repaid on a Note Payment Date if, following the application of the Interest Priority of Payments on such date, the amount standing to the credit of the Reserve Account is at least equal to the Reserve Account Target Level.

Required Subordinated Amount means, in respect of any Class of Notes on any date, the product of the relevant Required Subordinated Percentage and the Principal Amount Outstanding of all Notes (other than the Class E Notes) on such date (after giving effect to (i) any payments of principal scheduled to be made on the Notes on such date and (ii) the issuance of Notes scheduled to be issued on such date).

Required Subordinated Percentage means:

- (a) in respect of any Class of Notes (other than the Class E Notes), a percentage determined by the Issuer from time to time (without the consent of the Security Agent or any Secured Party) as notified to the Secured Parties, provided that the Issuer has notified the Rating Agencies in advance of such proposed change of any Required Subordinated Percentage; and
- (b) in respect of the Class E Notes, 0.00 per cent.

Reserve Account means the account with account number 001-5570428-85 or such other account approved by the Security Agent in the name of the Issuer with the Account Bank in order to credit the net proceeds of the Class E Notes;

Reserve Account Target Level means the aggregate Principal Amount Outstanding of the Class E Notes of all Series on their respective Issue Date that are outstanding on such date, taking into account any redemptions and any issuances of Class E Notes to be made on such date;

Sale and Assignment Agreement means the relevant sale and assignment agreement or deed of sale and assignment (as applicable), in respect of Mortgage Receivables in the form attached as Schedule 1 (*Form of Sale and Assignment Agreement*) to the Mortgage Receivables Purchase Agreement substantially in the Agreed Form, as the same may be amended, restated, supplemented or otherwise modified from time to time;

Secured Parties means (a) the Noteholders, (b) the Issuer Directors, (c) the Administrator, (d) the Domiciliary Agent, (e) the Seller, (f) the Reference Agent, (g) the Holding Directors, (h) the Security Agent Directors, (i) each Pool Servicer, (j) each Interest Swap Counterparty and (k) the Account Bank;

Secured Party means any of the Secured Parties;

Security Agent Indemnification has the meaning ascribed to it in the Mortgage Receivables Purchase Agreement;

Security Agent means Stichting Security Agent Bass, organised as a foundation (*stichting*) under the laws of the Netherlands, with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands;

Security Agent Termination Event has the meaning ascribed to it in Condition 15.7;

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

Seller Collection Account Provider Rating Downgrade Event means the event that the Seller Collection Account Provider is assigned a rating of less than the Seller Collection Account Provider Required Rating or such rating is withdrawn by any of the Rating Agencies;

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

Seller Downgrade Event means in respect of a Seller, the event that (i) the long term, unsecured, unsubordinated and unguaranteed debt obligations of such Seller are assigned a rating of less than A by Fitch or such rating is withdrawn by Fitch and the short term, unsecured, unsubordinated and unguaranteed debt obligations of such Seller are assigned a rating of less than F1 by Fitch or such rating is withdrawn by Fitch or (ii) the long term, unsecured and unguaranteed debt obligations of such Seller are assigned a rating of less than A3 by Moody's or such rating is withdrawn by Moody's;

Series and Class means a particular Class of Notes of a given Series;

Series means all Classes of Notes issued on a given date which are expressed to be the same Series in the Final Terms and any Class of Notes issued on any other date which is (i) expressed to be consolidated and (ii) is identical in all respects except for the Issue Date, Interest Commencement Date and Issue Price with the same Class of Notes issued on such date;

Servicing Agreement means the servicing agreement entered into by the Administrator, the Pool Servicer, the Issuer and the Security Agent on or about the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

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

Step-up Date means in respect of the Notes of a Series and Class the step-up date set out in the Final Terms;

Sub-class means in respect of a Series and Class of Notes a sub-class thereof;

Subordinated Notes means the Class B Notes, the Class C notes, the Class D Notes and the Class E Notes;

Swap Agreement means any Interest Swap Agreement;

Swap Counterparty means any Interest Swap Counterparty;

TARGET System Trans-European Automated Real-Time Gross Settlement European Transfer System;

Tax Eligible Investor means all persons and organisations 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 relatif à la perception et à la bonification du précompte mobilier (Royal decree of 26 May 1994 on the deduction of withholding tax), as amended from time to time;

Trigger Event means any of the following events:

- (a) an amount is debited to the Principal Deficiency Ledger in respect of the Class A Notes;
or
- (b) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution and liquidation or any of its assets are placed under administration; or
- (c) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the entering into suspension of payments, or if applicable, emergency regulations or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (d) on a given Note Payment Date, after application of the Pass-through Principal Available Amount in accordance with the Principal Priority of Payments Prior to a Trigger Event, an amount remains standing to the credit of the Issuer Collection Account which is in excess of an amount equal to 2.5 per cent of the Principal Amount Outstanding of the Soft-bullet Notes (other than the Class E Notes), on such Note Payment Date, and if such an excess amount has been continuously outstanding on the Issuer Collection Account for at least six (6) months prior to the relevant Note Payment Date; or
- (e) more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for more than 90 days; or
- (f) on the previous Note Payment Date, the balance on the Reserve Account was less than the Class D Required Subordination Amount.

UCITS Act means 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;

X-Account means an exempted securities account with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

SECURITY AGENT PROVISIONS

1. APPOINTMENT

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

2. POWERS

- 2.1. The Security Agent, acting in its own name and on its own behalf and on behalf of the Noteholders and the other Secured Parties, shall have the powers and authorities set forth in the Conditions, including this Annex 1, and in any of the Relevant Documents to which it is a party and such powers incidental thereto, which it will exercise in accordance with and subject to the provisions of the Conditions and the Relevant Documents. In particular, but without limitation, the Security Agent shall have the power:
 - (a) to accept the Security on behalf of the Noteholders and the other Secured Parties;
 - (b) upon service of an Enforcement Notice, to proceed against the Issuer to enforce the performance of the Relevant Documents and to enforce the Security on behalf of the Secured Parties;
 - (c) to collect all proceeds in the course of enforcing the Security;
 - (d) to apply or to direct the application of the proceeds of enforcement in accordance with the Conditions and the Relevant Documents;
 - (e) to exercise all other powers and rights and perform all duties given to the Security Agent under the Relevant Documents; and
 - (f) generally, to do all things necessary in connection with the performance of such powers and duties.

3. DELEGATION OF POWERS

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

4. REMUNERATION

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

5. RELIANCE

- 5.1. In determining whether or not any power, trust, authority, duty or discretion or any change, event or occurrence under or in relation to the Conditions or any of the Relevant Documents will be:
 - (a) materially prejudicial to the interests of Noteholders;
 - (b) exposing the Security Agent to any additional liability;
 - (c) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Agent or the Noteholders in respect of the Notes, the Conditions or the Relevant Documents; or

- (d) resulting in the Programme, any Note or any Relevant Document to not comply with the requirements set out in the Securitisation Regulation (when applicable to the Programme and the Notes),

the Security Agent shall be able to rely on, and act on any advice or opinion of or any certificate obtained from a valuer, accountant, banker, broker, securities company or other company other than the Rating Agencies, or any certificate obtained in accordance with the provisions of Condition 15.1 (*Modifications, waivers, authorisations by the Security Agent*), whether obtained by itself or the Issuer. The Security Agent shall not be liable for any loss occasioned by such action, save where such loss is due to its gross negligence, wilful misconduct or fraud.

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

6. LIABILITY

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

- 6.2. The Security Agent shall not be liable for acting upon any resolution purporting to have been passed at any meeting of any Series and Class of Noteholders in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or passing of the resolution or that for any reason the resolution was not valid or binding upon such Noteholders. If the Security Agent has acted upon such resolution, each Noteholder of such Series and Class of Notes shall forthwith on demand indemnify (*schadeloos stellen / indemniser*) the Security Agent for its pro rata share in any liability, loss or expense incurred or expected to be incurred by the Security Agent in any way relating to or arising out of its acting as Security Agent in respect of that of a particular Series and Class of Notes, except to the extent that the liability or loss arises directly from the Security Agent's gross negligence (*grove fout / faute lourde*) or wilful misconduct (*grove schuld / faute intentionnelle*). The liability shall be shared between the Noteholders of the relevant Series and Class or Sub-class of Notes *pro rata* according to the respective Principal Amounts Outstanding of the Notes held by each of them respectively.

7. INDEMNITY / REIMBURSEMENT

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

8. NOTIFICATION OF BREACHES

The Security Agent shall inform the parties listed in paragraph 10.2 upon its receipt of a notice in writing from the Issuer of a Notification Event, an Event of Default or a breach of the representations and warranties set out clauses 3 (*Representations and Warranties Relating to the Mortgage Loans / Mortgage Receivables*) and 4 (*Representations and Warranties Relating to the Seller*) of the Mortgage Receivables Purchase Agreement, unless such notice has already been made to such parties by the Administrator in accordance with the Servicing Agreement.

9. REPORTING BY THE SECURITY AGENT

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

10. ENFORCEMENT PROCEEDINGS

- 10.1. At any time following the occurrence of an Event of Default, the Security Agent at its discretion may, or if so directed by an Extraordinary Resolution of all Class A Noteholders or if no Class A Notes are outstanding, by an Extraordinary Resolution of the holders of all Class B Notes or if no Class A Notes and Class B Notes are outstanding by an Extraordinary Resolution of the holders of all Class C Notes or if no Class A Notes, Class B Notes and Class C Notes are outstanding by an Extraordinary Resolution of the holders of all Class D Notes or if no Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding by an Extraordinary Resolution of the holders of all Class E Notes (subject, in each case, to being indemnified to its satisfaction) shall (but in the case of the occurrence of any of the events mentioned in Condition 10(b), only if the Security Agent shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the relevant Class) deliver an Enforcement Notice to the Issuer.
- 10.2. The Security Agent shall send a copy of any Enforcement Notice to each of:
- (a) the Administrator;
 - (b) the Directors;
 - (c) the Domiciliary Agent;
 - (d) the Reference Agent;
 - (e) the Account Bank;
 - (f) the Pool Servicer(s);
 - (g) the Interest Swap Counterparties;
 - (h) the Seller(s); and
 - (i) the Rating Agencies.
- 10.3. At any time after the Enforcement Date, the Security Agent may at its discretion, but subject to paragraph 10.8, and without further notice take such proceedings as it may think fit against the Issuer to enforce the terms of this Agreement, the Pledge Agreement, the Notes and any of the

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

- 10.8. Neither the Secured Parties nor the Security Agent may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full. The only remedy of the Security Agent against the Issuer after an Enforcement Notice has been given pursuant to Condition 10 (*Events of Default*) is to enforce the Pledge Agreement to which the Security Agent is a party.
- 10.9. In connection with the exercise of its functions (including but not limited to those referred to in this paragraph) the Security Agent shall have regard to the interests of the Class A Noteholders and the Class B Noteholders and the Class C Noteholders and the Class D Noteholders and the Class E Noteholders each as a Class or as the case may be as a Series and Class and in accordance with Condition 9 (*Subordination and limited recourse*) and shall not have regard to the consequences of such exercise for individual Noteholders. The Security Agent shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax or other consequence of any such exercise upon individual Noteholders. In addition, the Security Agent shall have regard to the interests of the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the applicable Priority of Payments determines which interests of which Secured Party prevails.
- 10.10. In the event that the Pledge Agreement has been fully enforced and the proceeds of such enforcement, after payment of all claims ranking in priority to the Class E Notes, or the Class D Notes, or the Class C Notes, or the Class B Notes, or the Class A Notes, as the case may be, in accordance with the Framework Agreement are insufficient to pay in full all amounts outstanding in respect of the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A Notes, as the case may be, then the Class E Noteholders, the Class D Noteholders, the Class C Noteholders, the Class B Noteholders and the Class A Noteholders, as the case may be, shall have no further claim against the Issuer or the Security Agent in respect of any such unpaid amounts.
- 10.11. In the event that the Pledge Agreement has been fully enforced and the proceeds of such enforcement and any other amounts received by the Security Agent, after payment of all claims ranking in priority to any claim of a Secured Party in accordance with the Framework Agreement are insufficient to pay in full all amounts outstanding in respect of the respective payment to the relevant Secured Party, then the relevant Secured Party shall have no further claim against the Issuer or the Security Agent in respect of such unpaid amount.

11. RETIREMENT AND REMOVAL

- 11.1. Until all amounts payable by the Issuer to the Secured Parties have been paid in full, the Security Agent shall not retire and may only be removed from its duties under this Agreement as set out below.
- 11.2. If any of the following events (each a **Security Agent Termination Event**) occurs:
- (a) an order is made or an effective resolution is passed for the dissolution (*ontbinding / dissolution*) of the Security Agent except a dissolution (*ontbinding / dissolution*) for the purpose of a merger where the Security Agent remains solvent; or
 - (b) the Security Agent ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or

- (c) the Security Agent defaults in the performance or observance of any of its material covenants and obligations under the Conditions or the Relevant Document and (except where such default is incapable of remedy, when no such continuation and/or notice shall be required) such default continues unremedied for a period of thirty (30) Business Days after the earlier of the Security Agent becoming aware of such default or receipt by the Security Agent of written notice from the Issuer requiring the same to be remedied; or
- (d) the Security Agent becomes subject to any bankruptcy (*faillissement / faillite*), judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*) or other insolvency proceeding under applicable laws; or
- (e) the Security Agent is rendered unable to perform its material obligations under this Agreement for a period of twenty (20) Business Days by circumstances beyond its reasonable control or *force majeure*;

then the Issuer may by notice in writing terminate the appointment of the Security Agent with effect from a date (not earlier than the date of the notice) specified in the notice and appoint a substitute security agent selected by the Issuer which shall act as security agent until a new security agent is appointed by the general meeting of Noteholders which shall promptly be convened by the Issuer. Upon such selection being made and notified by the Issuer to the Secured Parties in a way deemed appropriate by the Issuer all rights and powers granted to the person then acting as Security Agent shall terminate and shall automatically be vested in the substitute security agent so selected. All references to the Security Agent in the Conditions and the Relevant Documents shall where and when appropriate be read as references to the substitute security agent as selected and upon vesting of rights and powers pursuant this paragraph.

- 11.3. The Noteholders shall be entitled to terminate the appointment of the Security Agent by a Programme Resolution notified to the Issuer and the Security Agent, provided:
- (a) in the same resolution a substitute security agent is appointed; and
 - (b) such substitute security agent meets all legal requirements, if any, to act as security agent in respect of an Institutional VBS and accepts to be bound by the terms of this Agreement and all other Relevant Documents in the same way as its predecessor.
- 11.4. The Security Agent shall not be discharged from its responsibilities under this Agreement until a suitable substitute security agent which has been accepted by the Issuer and the Noteholders (such approval not being unreasonably withheld) has been appointed.
- 11.5. Such termination shall also terminate the appointment and power-of-attorney by the other Secured Parties. The other Secured Parties hereby irrevocably agree that the substitute security agent shall from the date of its appointment act as agent (*lasthebber / mandataire*) of the other Secured Parties on the terms of this Agreement.

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. CONVENING MEETINGS / NOTICES / ACCESS / MANAGEMENT

1.1. Convenings and notices

- (a) The meetings of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series or of one or more Series and Class, as the case may be, may be convened by the Security Agent as often as it reasonably considers desirable.
- (b) The Security Agent shall convene a meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series, at the written request of: (a) the Issuer; or (b) the Noteholders of any Class holding not less than ten (10) per cent. of the total Principal Amount Outstanding of the Notes of such Class who prove their capacity in a way satisfactory to the Security Agent.
- (c) The Security Agent shall convene a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of one or more Series and Class, at the written request of: (a) the Issuer; or (b) the Noteholders of such one or more Series and Class holding not less than ten (10) per cent. of the total Principal Amount Outstanding of the Notes of such one or more Series and Class who prove their capacity in a way satisfactory to the Security Agent.
- (d) A request as referred to in paragraph (b) or (c) of this paragraph 1.1 (*Convenings and notices*) must contain the subject matter to be discussed and an explanatory memorandum. All persons entitled to request to convene a meeting shall be entitled to bring forward subjects to be discussed.
- (e) In the event that the Issuer requests the convening of a meeting, the Security Agent shall contemporaneously with the notice convening the meeting (in accordance with Condition 12 (*Notices*)), prepare a written report to the Noteholders of such Class or one or more Series and Class concerning the subject matter to be discussed and announce by advertisement that the report may be obtained in due time before the meeting free of charge at its offices in Brussels and at the specified offices of the Domiciliary Agent.
- (f) In the event that the request for the convening of a meeting is made pursuant to paragraph (b) or (c) of this paragraph 1.1 (*Convenings and notices*), the Noteholders of the relevant one or more Classes or the relevant one or more Series and Class shall contemporaneously with the filing of their request send a copy thereof and a description of the subject matter to be discussed together with a copy of the explanatory memorandum to the Issuer.
- (g) In the event of the non-fulfilment of the provisions of paragraphs (d) and (f) of this paragraph 1.1 (*Convenings and notices*), the obligation of the Security Agent to convene the meeting shall cease.
- (h) If the Security Agent fails to convene the meeting referred to in paragraph (b) or (c) in this paragraph 1.1 (*Convenings and notices*) within one month after receipt of the request, the Issuer or, as the case may be, any Noteholder of the relevant one or more Classes or relevant one or more Series and Class shall have the right to convene the meeting themselves with due observance of the notice periods and the formalities set forth in this Schedule.

- (i) The meetings of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series or of one or more Series and Class shall be held in Brussels at a place and at a time to be designated in the notice convening the meeting. The notice shall be given not less than fourteen (14) and not more than twenty-one (21) calendar days before the meeting, excluding the date of publication of the notice and the date of the meeting. Notice shall be done by publication in English, Dutch and French on the website of Bloomberg and (ii) in the Belgian State Gazette (*Belgisch Staatsblad / Moniteur Belge*). Such notice shall be published a second time, with an interval of eight (8) calendar days between each publication. A copy of the notice shall be given to the Security Agent (unless the general meeting shall be convened by the Security Agent) and to the Issuer (unless the general meeting shall be convened by the Issuer).
- (j) In urgent cases, at the discretion of the Security Agent, the period of notice for convening a second meeting as referred to in paragraphs 1.3(b), 2.2(a), 2.2(b) and 4.1 may be reduced to not less than seven (7) calendar days.
- (k) Regardless of who convenes a meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders, the Security Agent undertakes to include in the notice referred to in paragraph (i) in this Schedule either the contents of the agenda and of all documents which must by law or in accordance with the Articles of Association of the Issuer or the provisions of the Framework Agreement or this Schedule be deposited, or to state in such notice where those documents are made available to the Noteholders of one or more Classes or of one or more Series and Class concerned.
- (l) In the case of meetings of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders, one copy of the agenda and of the other documents referred to in the foregoing paragraph shall be filed with Euronext Brussels not later than the day on which the notice of the meeting is given or the deposit must take place.

1.2. Access to the Meeting

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

1.3. Management of the Meeting

- (a) The chairman of a meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series or of one or more Series and Class shall be a person nominated by the Security Agent; if the person nominated by the Security Agent is not present at the meeting or if the Security Agent does not nominate any person, the meeting shall appoint one of those present to act as chairman.
- (b) The chairman may with the consent of (and shall if directed by) any general meeting adjourn the same from time to time and from place to place but no business shall be transacted at any

adjourned general meeting except business which could have been transacted at the general meeting from which the adjournment took place. At least ten (10) calendar days' notice of any general meeting adjourned due to a quorum not being reached, shall be given in the same manner as for an original general meeting, and such notice shall state the quorum required at the adjourned general meeting. Subject as aforesaid, it shall not be necessary to give any notice of an adjourned general meeting.

2. VOTING / EXTRAORDINARY RESOLUTIONS / PROGRAMME RESOLUTIONS

2.1. Voting

- (a) Each Note carries one vote.
- (b) The Issuer may not vote on any Notes held by it whether directly or indirectly, and such Notes shall not be taken into account in establishing the total amount outstanding.
- (c) For the election of persons an absolute majority of votes validly cast is required. If no one obtains an absolute majority on the first ballot, a second ballot shall take place between the two persons who obtained most votes. If more than two would qualify for a second ballot by reason of obtaining the same number of votes, the two persons who will participate in the second ballot shall be chosen by lot. In the second ballot, the person who obtains most votes shall be elected; if the votes are equally divided in such second ballot, the decision shall be made by lot.
- (d) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of one Series only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Class of that Series.
- (e) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of any two or more Series but does not give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Class of such two or more Series.
- (f) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of a Class of Notes of any two or more Series and gives or may give rise to a conflict of interest between the Noteholders of such Class of such two or more Series, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Class of such two or more Series.
- (g) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of one Sub-Class of a Class of Notes only, shall be deemed to have been duly passed, if passed at a meeting of the Noteholders of such Sub-Class of that Class.
- (h) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of more than one Sub-Class of Notes of the same Class but does not give rise to a conflict of interest between the Noteholders of such Sub-Classes of Notes, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of such Sub-Classes of Notes.
- (i) A resolution which, in the sole opinion of the Security Agent, affects the interests of the holders of more than one Sub-Class of the same Class of Notes and gives or may give rise to a conflict of interest between the Noteholders of such Sub-Classes, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of the Noteholders of such Sub-Classes of Notes.

2.2. Extraordinary Resolutions

- (a) Except as otherwise provided in the Framework Agreement or in this Schedule, at the meetings of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series, or of one or more Series and Class, as the case may be, all matters shall be decided by an absolute majority of the validly cast votes and in case the votes are equally divided the proposal shall be deemed to be rejected. The expression **Extraordinary Resolution** where used in this document means a resolution passed at a duly convened meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders and/or Class E Noteholders of all Series or of one or more Series and Class, as the case may be, held in accordance with the provisions herein contained, where at least two-thirds of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, are represented, and at such meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including a Basic Terms Change (as defined below) shall be at least seventy five (75) per cent. of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, and the majority required shall be at least seventy five (75) per cent. of the validity cast votes at that Extraordinary Resolution. If at such a meeting the aforesaid quorum, is not represented, a second meeting of Noteholders of one or more Classes or of the relevant one or more Series and Class concerned, as the case may be, will be held within one (1) month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, then represented.
- (b) If at a meeting no Noteholder is present or represented, a second meeting of Noteholders of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, shall be held within one (1) month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting and if at that meeting no Noteholder is present or represented, the Security Agent taking into account the interests of the Noteholders of the relevant one or more Classes or of the relevant Series and Class, as the case may be, shall decide on the matters discussed during the first meeting, except in cases where the provisions of the following paragraph apply.
- (c) Without any prejudice to paragraph (h) and (i) of this clause 2.2 and clause 15 (*Amendments, variations and waivers*) of the Framework Agreement, any change to the Conditions or any provisions of the Relevant Documents can be effected by an Extraordinary Resolution, provided, however, that no change of certain terms by the Noteholders of any Class of any Series including the date of maturity of the Notes of the relevant Class of the relevant Series, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a **Basic Terms Change**) shall be effective unless such Basic Term Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class and Series, except that, if the Security Agent is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, no such Extraordinary Resolution is required.

- (d) Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class and relevant one or more Series, or of such one or more Sub-classes (whether or not they were present at the meeting at which such resolution was passed).
- (e) In urgent matters the Security Agent will, notwithstanding Condition 13 (*Meetings of Noteholders*) and paragraph (b) above, be entitled, in case of impending bankruptcy, suspension of payments or reorganisation of the Issuer, to be judged by the Security Agent in its reasonable opinion, to abandon in whole or in part, to diminish or to change any rights of Noteholders of the relevant Class or of the relevant one or more Series and Class, as the case may be, as well as to take other measures in the interest of Noteholders, if the Security Agent, after consultation with Euronext Brussels, is of the opinion that these actions will book no delay, even without authorisation of the meeting of Noteholders of the relevant Class or of the relevant one or more Series and Class, as the case may be. The Security Agent will give notice to the Noteholders of actions and operations as mentioned above as soon as possible. For the use or non-use of the authorisation given to the Security Agent in this paragraph, and the consequences emanating therefrom, the Security Agent will never be liable nor can it ever be held liable except in case of wilful misconduct (*grove schuld / faute intentionelle*) or gross negligence (*grove fout/ faute lourde*) of the Security Agent.
- (f) No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending the maturity of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes of any one or more Series, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes of the Class E Notes of any one or more Series, as the case may be, shall take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Noteholders of the following lower Class of Notes of each Series of the Notes then outstanding to which the change relates, as the case may be, or such change is in the opinion of the Security Agent not materially prejudicial to the interests of such Noteholders of each Series.
- (g) An Extraordinary Resolution of the Class B Noteholders of all Series of Notes or of one or more Series and Class of Notes, as the case may be, shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders. The Framework Agreement imposes no such limitations on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, irrespective of the effect on their interests.
- (h) An Extraordinary Resolution of the Class C Noteholders of all Series of Notes or of one or more Series and Class of Notes, as the case may be, shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and of the Class B Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and of the Class B Noteholders. The Framework Agreement imposes no such limitations on the powers of the Class A Noteholders and of the Class B Noteholders, the exercise of which will be binding on the Class C Noteholders, irrespective of the effect on their interests.
- (i) An Extraordinary Resolution of the Class D Noteholders of all Series of Notes or of one or more Series and Class of Notes, as the case may be, shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and of the Class B Noteholders and of the Class C Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, of the Class B Noteholders and of the Class C Noteholders. The Framework Agreement imposes no such limitations on the powers of the Class A Noteholders and of the Class B Noteholders and of the

Class C Noteholders, the exercise of which will be binding on the Class D Noteholders, irrespective of the effect on their interests.

- (j) An Extraordinary Resolution of the Class E Noteholders of all Series of Notes or of one or more Series and Class of Notes, as the case may be, shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, of the Class B Noteholders and of the Class C Noteholders and of the Class D Noteholders or when it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, of the Class B Noteholders, of the Class C Noteholders and of the Class D Noteholders. The Framework Agreement imposes no such limitations on the powers of the Class A Noteholders, of the Class B Noteholders and of the Class C Noteholders and of the Class D Noteholders, the exercise of which will be binding on the Class E Noteholders, irrespective of the effect on their interests.
- (k) Subject to paragraphs (g) to (j) of this clause 2.2, an Extraordinary Resolution of the Class A Noteholders of a Series, the Class B Noteholders of a Series, the Class C Noteholders of a Series, the Class D Noteholders of a Series or the Class E Noteholders of a Series shall only be effective when the Security Agent is of the opinion that it will not be materially prejudicial to the Noteholders of other Series or when it is sanctioned by an Extraordinary Resolution of the Noteholders of all Series of the respective Classes.

2.3. Programme Resolution

- (a) Notwithstanding the preceding paragraphs of this Annex 2 and Condition 13 (*Meetings of Noteholders*), any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Security Agent:
 - (c) to take any enforcement action pursuant to Condition 10 (*Events of Default*) and Condition 11 (*Enforcement*); or

to remove or replace the Security Agent,

(each a **Programme Resolution**), shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes.

- (b) The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them, provided that if such Programme Resolution relates to the removal and replacement of any or all of the managing directors of the Security Agent, at least thirty (30) per cent. of the Notes of the relevant Class of all Series should be represented on any second meeting.
- (c) Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Security Agent or by Noteholders of such Class of Notes. A Programme Resolution passed at any meeting of the Noteholders of all Series of such Class of Notes shall be binding on all Noteholders of all Series of such Class of Notes, whether or not they are present at the meeting.
- (d) To take exceptional action in connection with events not provided for in this Framework Agreement, the Security Agent must obtain the authorisation of a meeting of Class A Noteholders. The provisions of paragraph 2.10 of this Schedule referring to “Extraordinary Resolution” are likewise applicable to the adoption of resolutions granting such authority.

2.4. Written Resolutions

Except as otherwise provided in the Framework Agreement or in this Schedule, all matters may be decided by a resolution in writing signed by or on behalf of holders of an absolute majority of the aggregate of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be. A resolution in writing signed by or on behalf of holders of two-thirds of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be, shall take effect as an Extraordinary Resolution, except that the majority required for a resolution in writing including a Basic Terms Change shall be at least seventy five (75) per cent. of the Principal Amount Outstanding of the Notes of the relevant one or more Classes or of the relevant one or more Series and Class, as the case may be. Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

2.5. Compliance with Belgian law

- (a) Subject to all other provisions contained in these presents, the Issuer may with the consent of the Security Agent and without the consent of the Noteholders prescribe such other or further regulations regarding the holding of meetings of the Noteholders and attendance and voting thereat as are necessary to comply with Belgian law. Articles 7:161 to 7:176 of the Company Code shall only apply to the extent that the Conditions, the by-laws of the Issuer or the Relevant Documents do not contain provisions that differ from the provisions contained in such articles. The Relevant Documents contain in particular, but without limitation, the following provisions that differ from the provisions of the Company Code:
- (a) notwithstanding the provisions of article 7:165 of the Company Code, the notices in relation to meetings of Noteholders will be published as set out in Condition 12 (*Notices*);
 - (b) notwithstanding the provisions of article 7:161 of the Company Code, the meeting of Noteholders and the Security Agent shall have the powers given to them in the Relevant Documents, including, but not limited to, those given to them in these Conditions.

3. RESOLUTIONS

- 3.1. All resolutions including Extraordinary Resolutions and Programme Resolutions duly adopted at a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or of Class D Noteholders and/or of Class E Noteholders of all Series or of one or more Series and Class, as the case may be, are binding upon all Noteholders of the relevant of a Class of Notes or of the relevant one or more Series and Class of Notes, as the case may be, whether or not they are present at the meeting.
- 3.2. Minutes shall be taken of the proceedings of the meeting and signed by the chairman and another person to be appointed by the meeting. If minutes of the proceedings of a meeting are made by a civil law notary, the counter-signature of the chairman shall suffice.
- 3.3. A resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a general meeting in accordance with the provisions contained in the Conditions shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a general meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Conditions. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.

- 3.4. The Security Agent shall implement a resolution of a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or of Class D Noteholders and/or of Class E Noteholders within the time set in that resolution, after the resolution has become final.
- 3.5. If the Security Agent fails to implement a resolution, except in the circumstances mentioned in paragraph 4.1 of this Schedule, any or all of its managing directors may be removed by a Programme Resolution of a meeting of Class A Noteholders of all Series in accordance with paragraph (j) here above, except that such Programme Resolution may be passed with a majority of two-thirds of the votes cast, irrespective of the principal amount of the Class A Notes then represented.
- 3.6. Unless the Issuer has an obligation to take such action under the Relevant Documents, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Security Agent, without the consent of the Issuer and, if applicable, certain other transaction parties.

4. RESOLUTION NOT IN THE INTERESTS OF NOTEHOLDERS

- 4.1. In the event that a resolution adopted by a meeting of Class A Noteholders and/or of Class B Noteholders and/or of Class C Noteholders and/or of Class D Noteholders and/or of Class E Noteholders of all Series or of one or more Series and Class, as the case may be, is, in the opinion of the Security Agent, contrary to the interests of the Noteholders of one or more Classes or one or more Series and Classes, as the case may be, concerned, the Security Agent shall be entitled to postpone the implementation of that resolution and to convene another meeting of the Noteholders of the relevant one or more Classes or the relevant Series and Class, as the case may be, concerned for which notice shall be given within two (2) weeks after the previous meeting. Such meeting shall take place not later than one (1) month after the previous meeting.
- 4.2. In the second meeting of the Noteholders of one or more Classes or one or more Series and Classes, as the case may be, concerned referred to in the foregoing paragraph, a resolution regarding the subject matter covered by the resolution of the previous meeting may be adopted by a majority of not less than two-thirds of the validly cast votes, regardless of the principal amount of the Notes of the relevant one or more Classes or one or more Series and Class, as the case may be, represented at the meeting.
- 4.3. If the Security Agent does not exercise the right granted by paragraph 4.1 of this Schedule within fourteen (14) days, the resolution shall become final.

FORM OF FINAL TERMS

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

Final Terms dated [•].

Bass Master Issuer SA/NV

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

Issued under the EUR 30,000,000,000

Residential Mortgage Backed Note Programme

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

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

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

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

PART A - CONTRACTUAL TERMS

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

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

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

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

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

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]

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

[Other]

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

- 10 Date [board (or similar)] approval for issuance of Notes obtained:]

[•]

(N.B Only relevant where board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 11 Fixed Rate Note Provisions:

[Applicable/Not Applicable][to and including [•]]

- (a) Fixed Rate prior to the Step-up Date:

[•] per cent. per annum payable quarterly

- (b) As of the Step-up Date the Fixed Rate Notes will switch to Floating Rate Notes:

[Applicable/Not Applicable]

(If (a) and (b) are not applicable, delete the remaining sub-paragraphs of this paragraph)

- (c) Note Payment Date(s):

15th day of [____] of each year up to and including the Final Maturity Date]/[specify other] (or, if such day is not a Business Day (as defined in the Conditions), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day)

- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes:

[•]

- 12 Floating Rate Notes Provisions:

Applicable

(Note that soft bullet Fixed Rate Notes switch to Floating Interest Rates after the Step-up date)

- (a) Interest:

[Euribor][specify other and give details] plus Interest Margin

- (b) Interest Margin prior to the Step-up Date: [Not applicable]/ [●] per cent per annum
- (c) Interest Margin after the Step-up Date: [●] per cent. per annum
- (d) Note Payment Date(s): 15th day of [_____] of each year up to and including the Final Maturity Date]/[specify other] (or, if such day is not a Business Day (as defined in the Conditions), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day)
- (i) Other terms relating to the method of calculating interest for Floating Rate Notes: [None/Give details]
- 13 Other: [●] (When changing the interest determination, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)

PROVISIONS RELATING TO REDEMPTION OF THE NOTES

- 14 Pass-through Notes or Soft Bullet Notes or other: [Pass-through Notes/Soft Bullet Notes/other]
- 15 Step-up Date: Note Payment Date falling in or nearest to [specify month and year]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 16 Form of Notes: Dematerialised Securities
- 17 Additional Business Centre(s) or other special provisions relating to [Interest Payment Days]: [Not Applicable/give details].
[Note that this item relates to and the date and place of payment]
- 18 New Global Note: No
- 19 Other Final terms: [Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

- 20 Other final terms: [Not Applicable/give details] *(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*

DISTRIBUTION

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

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 30,000,000,000 Residential Mortgage Backed Note Programme of Bass Master Issuer NV/SA, *Institutionele Vennootschap voor belegging in schuldvorderingen naar Belgisch recht / Société d'investissement en créances institutionnelle de droit belge.*

STABILISATION

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

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the impact of such information. The Issuer accepts responsibility accordingly.

[The [Seller] accepts responsibility for the information contained in these Final Terms in respect of [the Additional Pool[s] provided under C below] [the Consolidated Pool[s] provided under C below]. To the best of the knowledge and belief of the [Seller] (which [has] taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the impact of such information. The [Seller] accepts responsibility accordingly.]

Signed on behalf of the Issuer:

BASS MASTER ISSUER NV/SA, institutionele VBS naar Belgisch recht

Name: [●]

Title: [●]

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the *[specify relevant regulated market (for example Euronext Brussels, the Bourse de Luxembourg, the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and if*

relevant, admission to an official list (for example, the Official List of the U.K. Listing Authority)]/[specify relevant other market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [specify relevant regulated market (for example Euronext Brussels, the Bourse de Luxembourg, the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and if relevant, admission to an official list (for example, the Official List of the U.K. Listing Authority)] [specify relevant other market] with effect from [●].] [Not Applicable.]

- (b) Listing: *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (c) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

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

[S&P]

[Moody's]

[[Other]: [●]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

3. [SPECIFIC INTEREST SWAP AGREEMENT

Hedging Agreement Provider: [●]

Nature of Hedging Agreement: [●]

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

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

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

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

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

Reasons for the offer: [•]

Estimated net proceeds: [•]

Estimated total expenses: [•]

6. YIELD (Fixed Rate Notes Only)

Indication of yield: [•]

[The yield is calculated on the basis of the Issue Price, the Rate of Interest applicable from and including the Interest Commencement Date until and excluding the Maturity Date, and the Final Redemption Amount. It is not an indication of future yield.]

7. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

(insert here any other relevant codes such as CINS codes): [•]

Any clearing system(s) other than the Securities Settlement System, Euroclear, Clearstream, Germany, SIX SIS, Switzerland, Monte Titoli, Italy, InterBolsa, Portugal and any other NBB investor (I)CSDs and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of the Domiciliary Agent (if any): [•]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No] [Note that the designation "yes" simply means that the Notes to be held in a manner which would allow Eurosystem eligibility and does not necessarily mean that

the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

Benchmark: [Not applicable]/ [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation.]

8. OTHER SERIES ISSUED

The aggregate Principal Amount Outstanding of the Notes on the Issue Date of the Notes described herein issued by Bass Master Issuer NV/SA *institutionele vennootschap voor belegging in schulvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge* [(converted, where applicable, into euros at the [*specify rate*])] including the Notes described herein, will be:

- | | |
|--------------------|-----|
| (a) Class A Notes: | [•] |
| (b) Class B Notes: | [•] |
| (c) Class C Notes: | [•] |
| (d) Class D Notes: | [•] |
| (e) Class E Notes: | [•] |

PART C

INFORMATION ON, IF APPLICABLE, THE ADDITIONAL POOL[S] OF MORTGAGE RECEIVABLES TO BE SOLD TO THE ISSUER ON OR ABOUT THE ISSUE DATE IN RELATION TO THIS ISSUE OF NOTES AND , IF APPLICABLE, THE CONSOLIDATED POOL OF MORTGAGE RECEIVABLES HELD BY THE ISSUER

[*Include if applicable*] The numerical data set out below relate to a consolidated pool of Mortgage Loans (the **Consolidated Pool**) as of [•] [____] [•], which combines an additional pool of Mortgage Loans (the **Additional Pool**) and the pool of Mortgage Receivables held by the Issuer prior to the Issue Date (the **Current Pool**). The numerical information in respect of the Consolidated Pool will relate to the Consolidated Pool which will be determined prior to the relevant Issue Date. Therefore, the

information set out below in respect of the Consolidated Pool may not entirely reflect the Consolidated Pool as it is on the relevant Issue Date.

[Include if applicable] [The numerical data set out below relate to a provisional pool of Mortgage Loans (the **Provisional Pool**) as of [•] [____] [•] of the Issuer. A final portfolio will be selected on or before the Issue Date, from the Provisional Pool and, as a result of repayments, prepayments, new production and other circumstances, may also include other mortgage loans which were not included in the Provisional Pool. The information on the Provisional Pool set out below may therefore not necessarily correspond to the Mortgage Receivables actually sold by the Seller to the Issuer on the Issue Date.]

The Mortgage Loans that are selected for inclusion in the [Consolidated Pool/Provisional Pool] will have been originated on the basis of the Seller's lending criteria. The material aspects of the seller's lending criteria are described in the Section "Mortgage Loan underwriting and servicing" and "Sale of the Mortgage Loans – representations and warranties" of the Base Prospectus. Standardised credit scoring is not used in the Belgian mortgage market. For an indication of the credit quality of borrowers in respect of the Mortgage Loans, investors may refer to such lending criteria and to the historical performance of the Mortgage Loans in the [Consolidated Pool] as set forth in these Final Terms. One significant indicator of borrower credit quality is arrears. The information presented in the table "days in arrears" below reflects the arrears experience for Mortgage Loans that were contained in the Consolidated Pool. BNP Paribas Fortis SA/NV services all of the Mortgage Loans it originates. The [Consolidated Pool/Provisional Pool] as of [•] [____] [•] consists of [•] Mortgage Loans, comprising loans originated by BNP Paribas Fortis SA/NV [and its predecessors] and secured over properties located in Belgium and having an aggregate outstanding principal balance of approximately EUR [•] as at that date. The Mortgage Loans in the [Consolidated Pool/Provisional Pool] as at [•] [____] [•] were originated by the seller between [•] and [•].

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

[The following is an example of the information which may be provided in the Final Terms. If applicable, details of the Consolidated Pool and/or Provisional Pool may be provided in the below manner or in a similar manner. For each Final Terms the specific information in the tables will, if necessary, be adjusted. Information may be provided on a Seller by Seller basis or on a consolidated basis.]

Key Characteristics of the pool	
Outstanding Principal Balance (EUR)	[•]
Average Borrower Balance (EUR)	[•]
Maximum Borrower Balance (EUR)	[•]
Number of Borrowers	[•]

Number of Advances	[•]
Weighted Average Seasoning (years)	[•]
Weighted Average Remaining Maturity (years)	[•]
Weighted Average Coupon (%)	[•]
Weighted Average DTI	[•]
Weighted Average LTV	[•]
Weighted Average Indexed LTV	[•]
Weighted Mortg Covg Ratio	[•]

Loan Size				
Ranges	Outstanding Principal	Proportion of Total	Number of Borrowers	Proportion of Total
Loan Size <=50000	[•]	[•]	[•]	[•]
50000 < Loan Size <= 100000	[•]	[•]	[•]	[•]
100000 < Loan Size <= 150000	[•]	[•]	[•]	[•]
150000 < Loan Size <= 200000	[•]	[•]	[•]	[•]
200000 < Loan Size <= 250000	[•]	[•]	[•]	[•]
250000 < Loan Size <= 300000	[•]	[•]	[•]	[•]
300000 < Loan Size <= 350000	[•]	[•]	[•]	[•]
350000 < Loan Size <= 400000	[•]	[•]	[•]	[•]
400000 < Loan Size <= 450000	[•]	[•]	[•]	[•]
450000 < Loan Size <= 500000	[•]	[•]	[•]	[•]
500000 < Loan Size <= 550000	[•]	[•]	[•]	[•]
550000 < Loan Size <= 600000	[•]	[•]	[•]	[•]
600000 < Loan Size <= 650000	[•]	[•]	[•]	[•]
650000 < Loan Size <= 700000	[•]	[•]	[•]	[•]
700000 < Loan Size <= 750000	[•]	[•]	[•]	[•]
750000 < Loan Size <= 800000	[•]	[•]	[•]	[•]
800000 < Loan Size <= 850000	[•]	[•]	[•]	[•]
850000 < Loan Size <= 900000	[•]	[•]	[•]	[•]
900000 < Loan Size <= 950000	[•]	[•]	[•]	[•]
950000 < Loan Size <= 1000000	[•]	[•]	[•]	[•]
Loan Size > 1000000	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

LTV				
Ranges	Outstanding Principal	Proportion of Total	Number of Borrowers	Proportion Of Total
LTV <=0.1	[•]	[•]	[•]	[•]
0.1 < LTV <= 0.2	[•]	[•]	[•]	[•]
0.2 < LTV <= 0.3	[•]	[•]	[•]	[•]
0.3 < LTV <= 0.4	[•]	[•]	[•]	[•]
0.4 < LTV <= 0.5	[•]	[•]	[•]	[•]
0.5 < LTV <= 0.6	[•]	[•]	[•]	[•]
0.6 < LTV <= 0.7	[•]	[•]	[•]	[•]
0.7 < LTV <= 0.8	[•]	[•]	[•]	[•]
0.8 < LTV <= 0.9	[•]	[•]	[•]	[•]
0.9 < LTV <= 1	[•]	[•]	[•]	[•]
1 < LTV <= 1.1	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Indexed LTV				
Ranges	Outstanding Principal	Proportion of Total	Number of Borrowers	Proportion of Total
Indexed LTV <=0.1	[•]	[•]	[•]	[•]
0.1 < Indexed LTV <= 0.2	[•]	[•]	[•]	[•]
0.2 < Indexed LTV <= 0.3	[•]	[•]	[•]	[•]
0.3 < Indexed LTV <= 0.4	[•]	[•]	[•]	[•]
0.4 < Indexed LTV <= 0.5	[•]	[•]	[•]	[•]
0.5 < Indexed LTV <= 0.6	[•]	[•]	[•]	[•]
0.6 < Indexed LTV <= 0.7	[•]	[•]	[•]	[•]
0.7 < Indexed LTV <= 0.8	[•]	[•]	[•]	[•]
0.8 < Indexed LTV <= 0.9	[•]	[•]	[•]	[•]
0.9 < Indexed LTV <= 1	[•]	[•]	[•]	[•]
1 < Indexed LTV <= 1.1	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Mortg Covg Ratio					
Ranges	Outstanding Principal	Proportion of Total	Number of Borrowers	Proportion Total	of
Mortg Covg Ratio = 0	[•]	[•]	[•]	[•]	
0 < Mortg Covg Ratio <= 0.1	[•]	[•]	[•]	[•]	
0.1 < Mortg Covg Ratio <= 0.2	[•]	[•]	[•]	[•]	
0.2 < Mortg Covg Ratio <= 0.3	[•]	[•]	[•]	[•]	
0.3 < Mortg Covg Ratio <= 0.4	[•]	[•]	[•]	[•]	
0.4 < Mortg Covg Ratio <= 0.5	[•]	[•]	[•]	[•]	
0.5 < Mortg Covg Ratio <= 0.6	[•]	[•]	[•]	[•]	
0.6 < Mortg Covg Ratio <= 0.7	[•]	[•]	[•]	[•]	
0.7 < Mortg Covg Ratio <= 0.8	[•]	[•]	[•]	[•]	
0.8 < Mortg Covg Ratio <= 0.9	[•]	[•]	[•]	[•]	
0.9 < Mortg Covg Ratio <= 1	[•]	[•]	[•]	[•]	
1 < Mortg Covg Ratio <= 1.1	[•]	[•]	[•]	[•]	
1.1 < Mortg Covg Ratio <= 1.2	[•]	[•]	[•]	[•]	
1.2 < Mortg Covg Ratio <= 1.3	[•]	[•]	[•]	[•]	
1.3 < Mortg Covg Ratio <= 1.4	[•]	[•]	[•]	[•]	
1.4 < Mortg Covg Ratio <= 1.5	[•]	[•]	[•]	[•]	
1.5 < Mortg Covg Ratio <= 1.6	[•]	[•]	[•]	[•]	
1.6 < Mortg Covg Ratio <= 1.7	[•]	[•]	[•]	[•]	
1.7 < Mortg Covg Ratio <= 1.8	[•]	[•]	[•]	[•]	
1.8 < Mortg Covg Ratio <= 1.9	[•]	[•]	[•]	[•]	
1.9 < Mortg Covg Ratio <= 2	[•]	[•]	[•]	[•]	
Mortg Covg Ratio > 2	[•]	[•]	[•]	[•]	
TOTAL	[•]	[•]	[•]	[•]	

Tot Covg Ratio				
Ranges	Outstanding Principal	Proportion of Total	Number of Borrowers	Proportion of Total
Tot Covg Ratio = 1	[•]	[•]	[•]	[•]
1 < Tot Covg Ratio <= 1.2	[•]	[•]	[•]	[•]
1.2 < Tot Covg Ratio <= 1.4	[•]	[•]	[•]	[•]
1.4 < Tot Covg Ratio <= 1.6	[•]	[•]	[•]	[•]
1.6 < Tot Covg Ratio <= 1.8	[•]	[•]	[•]	[•]
1.8 < Tot Covg Ratio <= 2	[•]	[•]	[•]	[•]
2 < Tot Covg Ratio <= 2.2	[•]	[•]	[•]	[•]
2.2 < Tot Covg Ratio <= 2.4	[•]	[•]	[•]	[•]
2.4 < Tot Covg Ratio <= 2.6	[•]	[•]	[•]	[•]
2.6 < Tot Covg Ratio <= 2.8	[•]	[•]	[•]	[•]
2.8 < Tot Covg Ratio <= 3	[•]	[•]	[•]	[•]
Tot Covg Ratio > 3	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Ranges	Outstanding Principal	Origination Year			of
		Proportion Total	of Number Advances	Proportion Total	
1990	[•]	[•]	[•]	[•]	
1991	[•]	[•]	[•]	[•]	
1992	[•]	[•]	[•]	[•]	
1993	[•]	[•]	[•]	[•]	
1994	[•]	[•]	[•]	[•]	
1995	[•]	[•]	[•]	[•]	
1996	[•]	[•]	[•]	[•]	
1997	[•]	[•]	[•]	[•]	
1998	[•]	[•]	[•]	[•]	
1999	[•]	[•]	[•]	[•]	
2000	[•]	[•]	[•]	[•]	
2001	[•]	[•]	[•]	[•]	
2002	[•]	[•]	[•]	[•]	
2003	[•]	[•]	[•]	[•]	
2004	[•]	[•]	[•]	[•]	
2005	[•]	[•]	[•]	[•]	
2006	[•]	[•]	[•]	[•]	
2007	[•]	[•]	[•]	[•]	
2008	[•]	[•]	[•]	[•]	
TOTAL	[•]	[•]	[•]	[•]	

Seasoning				
Ranges (in year)	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
Seasoning <= 1	[•]	[•]	[•]	[•]
1 < Seasoning <= 2	[•]	[•]	[•]	[•]
2 < Seasoning <= 3	[•]	[•]	[•]	[•]
3 < Seasoning <= 4	[•]	[•]	[•]	[•]
4 < Seasoning <= 5	[•]	[•]	[•]	[•]
5 < Seasoning <= 6	[•]	[•]	[•]	[•]
6 < Seasoning <= 7	[•]	[•]	[•]	[•]
7 < Seasoning <= 8	[•]	[•]	[•]	[•]
8 < Seasoning <= 9	[•]	[•]	[•]	[•]
9 < Seasoning <= 10	[•]	[•]	[•]	[•]
10 < Seasoning <= 11	[•]	[•]	[•]	[•]
11 < Seasoning <= 12	[•]	[•]	[•]	[•]
12 < Seasoning <= 13	[•]	[•]	[•]	[•]
13 < Seasoning <= 14	[•]	[•]	[•]	[•]
14 < Seasoning <= 15	[•]	[•]	[•]	[•]
Seasoning > 15	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Remaining Maturity				
Ranges (in year)	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
Remaining Maturity <= 5	[•]	[•]	[•]	[•]
5 < Remaining Maturity <= 10	[•]	[•]	[•]	[•]
10 < Remaining Maturity <= 15	[•]	[•]	[•]	[•]
15 < Remaining Maturity <= 20	[•]	[•]	[•]	[•]
20 < Remaining Maturity <= 25	[•]	[•]	[•]	[•]
25 < Remaining Maturity <= 30	[•]	[•]	[•]	[•]
30 < Remaining Maturity <= 35	[•]	[•]	[•]	[•]
35 < Remaining Maturity <= 40	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Original Maturity				
Ranges (in year)	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
Original Maturity <= 5	[•]	[•]	[•]	[•]
5 < Original Maturity <= 10	[•]	[•]	[•]	[•]
10 < Original Maturity <= 15	[•]	[•]	[•]	[•]
15 < Original Maturity <= 20	[•]	[•]	[•]	[•]
20 < Original Maturity <= 25	[•]	[•]	[•]	[•]
25 < Original Maturity <= 30	[•]	[•]	[•]	[•]
30 < Original Maturity <= 35	[•]	[•]	[•]	[•]
35 < Original Maturity <= 40	[•]	[•]	[•]	[•]
Original Maturity > 40	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Interest Type				
Interest Type	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
Fixed	[•]	[•]	[•]	[•]
Variable with Cap	[•]	[•]	[•]	[•]
VariableWithoutCap	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

DTI				
Ranges	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
DTI <= 0.1	[•]	[•]	[•]	[•]
0.1 < DTI <= 0.2	[•]	[•]	[•]	[•]
0.2 < DTI <= 0.3	[•]	[•]	[•]	[•]
0.3 < DTI <= 0.4	[•]	[•]	[•]	[•]
0.4 < DTI <= 0.5	[•]	[•]	[•]	[•]
0.5 < DTI <= 0.6	[•]	[•]	[•]	[•]
0.6 < DTI <= 0.7	[•]	[•]	[•]	[•]
0.7 < DTI <= 0.8	[•]	[•]	[•]	[•]
DTI > 0.8	[•]	[•]	[•]	[•]
Unknown	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Employee Loans				
Employees	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
N	[•]	[•]	[•]	[•]
Y	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Insurance Loan Type				
Insurance Loan Type	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
Branche23	[•]	[•]	[•]	[•]
Home Leader and Team Plan	[•]	[•]	[•]	[•]
NA	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Interest Rate				
Ranges	Outstanding Principal	Proportion of Total	Number of Advances	Proportion of Total
Interest Rate <= 0.02	[•]	[•]	[•]	[•]
0.02 < Interest Rate <= 0.03	[•]	[•]	[•]	[•]
0.03 < Interest Rate <= 0.04	[•]	[•]	[•]	[•]
0.04 < Interest Rate <= 0.05	[•]	[•]	[•]	[•]
0.05 < Interest Rate <= 0.06	[•]	[•]	[•]	[•]
0.06 < Interest Rate <= 0.07	[•]	[•]	[•]	[•]
0.07 < Interest Rate <= 0.08	[•]	[•]	[•]	[•]
0.08 < Interest Rate <= 0.09	[•]	[•]	[•]	[•]
0.09 < Interest Rate <= 0.1	[•]	[•]	[•]	[•]
0.1 < Interest Rate <= 0.11	[•]	[•]	[•]	[•]
0.11 < Interest Rate <= 0.12	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Next Reset Year						
Year	Outstanding Principal	Proportion of Total	Number Advances	of	Proportion of Total	of
Fixed Rate	[•]	[•]	[•]		[•]	
2008	[•]	[•]	[•]		[•]	
2009	[•]	[•]	[•]		[•]	
2010	[•]	[•]	[•]		[•]	
2011	[•]	[•]	[•]		[•]	
2012	[•]	[•]	[•]		[•]	
2013	[•]	[•]	[•]		[•]	
2014	[•]	[•]	[•]		[•]	
2015	[•]	[•]	[•]		[•]	
2016	[•]	[•]	[•]		[•]	
2017	[•]	[•]	[•]		[•]	
2018	[•]	[•]	[•]		[•]	
2019	[•]	[•]	[•]		[•]	
2020	[•]	[•]	[•]		[•]	
2022	[•]	[•]	[•]		[•]	
TOTAL	[•]	[•]	[•]		[•]	

Int Payment Frequency						
Frequency	Outstanding Principal	Proportion of Total	of	Number Advances	of	Proportion of Total
Monthly	[•]	[•]		[•]		[•]
Semi Annually	[•]	[•]		[•]		[•]
Quarterly	[•]	[•]		[•]		[•]
Unknown	[•]	[•]		[•]		[•]
TOTAL	[•]	[•]		[•]		[•]

Redemption Type				
Frequency	Outstanding Principal	Proportion of Total	of Number Advances	of Proportion of Total
Annuity	[•]	[•]	[•]	[•]
Linear	[•]	[•]	[•]	[•]
Interest Only	[•]	[•]	[•]	[•]
Int. Only (with Insurance)	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]

Days in arrears					
# days	Outstanding Principal	Proportion of Total	Number Advances	of Proportion of Total	of
Not in Arrears	[•]	[•]	[•]	[•]	
1-30	[•]	[•]	[•]	[•]	
31-45	[•]	[•]	[•]	[•]	
TOTAL	[•]	[•]	[•]	[•]	

ISSUANCE TESTS

The Issuer may issue new Series and Tranches of any Class of Notes from time to time without obtaining the consent of existing Noteholders. As a general matter, the Issuer may only issue a new Series or Tranche of that Class of Notes if sufficient subordination remains in place for each Class of Notes following such issuance. The conditions and tests (including the required levels of subordination) necessary to issue a Series or Tranche of any Class of Notes (the **Issuance Tests**), are the following:

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

- (a) no Event of Default shall have occurred which is continuing;
- (b) there may be no debit balance on the Principal Deficiency Ledger on the previous Note Payment Date or, if such Issue Date is a Note Payment Date, on such Issue Date;
- (c) no Enforcement Notice has been served on the Issuer by the Security Agent;
- (d) no Trigger Event shall have occurred;
- (e) the Rating Agencies have been notified at least 90 calendar days in advance of such issuance; and
- (f) the Available Subordinated Amount of each Class of Notes must be equal to or greater than the Required Subordinated Amount in respect of that Class of Notes.

The **Required Subordinated Amount** in respect of any Class of Notes is calculated, on any date, as the product of:

- (a) the **Required Subordinated Percentage** in respect of that Class of Notes, being, on the date of this Base Prospectus (subject to change as set out below):
 - (i) in respect of the Class A Notes: 11.15 per cent.;
 - (ii) in respect of the Class B Notes: 8.15 per cent.;
 - (iii) in respect of the Class C Notes: 5.15 per cent.;
 - (iv) in respect of the Class D Notes: 1.15 per cent.; and
- (b) the Principal Amount Outstanding of all Notes (other than the Class E Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

The **Available Subordinated Amount** in respect of any Class of Notes is calculated, on any date, as the sum of:

- (a) the aggregate Principal Amount Outstanding of all lower ranking Classes of all Series of Notes (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date);
- (b) *plus* the amount of the Reserve Account on such date;
- (c) *minus* the aggregate Principal Deficiency in respect of the lower ranking Classes of all Series of Notes.

The Issuer may change the Required Subordinated Percentage from time to time without the consent of the Security Agent or the Noteholders. The Issuer shall notify the Rating Agencies in advance of such change.

USE OF PROCEEDS

The net proceeds from the issue of the Notes, other than the Class E Notes, will be applied to purchase Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement from time to time.

The Issuer will credit the net proceeds from the Class E Notes to the Reserve Account.

SUBSCRIPTION AND SALE

Dealers

Subject to the terms and conditions set out in the Dealer Agreement the Issuer may appoint one or more dealers (each a **Dealer**) in connection with the issuance of a Series of Notes. In the Dealer Agreement BNP Paribas Fortis SA/NV has been appointed as initial Dealer for the Programme (the **Initial Dealer**). The Issuer, the Security Agent, the Dealers thus appointed will enter into a notes purchase agreement per issue of Notes substantially in the form set out in a schedule to the Dealer Agreement. Any such agreement will extend to those matters stated under Final Terms and Terms and Conditions of the Notes above. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the redocumentation of the Programme and the issue of Notes under the Programme.

The names of Dealers thus appointed will be specified in the Final Terms.

General

The distribution of this Base Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Base Prospectus in accordance with applicable laws and regulations. Neither this Base Prospectus nor any other information supplied constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Notes.

Each Dealer will agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Dealer shall have any responsibility therefore.

Neither the Issuer nor any Dealer shall represent, that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available there under, or assumes any responsibility for facilitating such sale.

General sale, holding and transfer restrictions

See Section “Transfer and Holding Restrictions” on page 195.

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

European Economic Area - Prohibition of Sales to EEA Retail Investors

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

- (a) the expression **retail investor** means a person who is one (or more) of the following:

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

MiFID II product governance / target market

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

Prohibition of sales to consumers in Belgium

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

United Kingdom

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

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

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

United States

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

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

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

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

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

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **Financial Instruments and Exchange Act**) and each Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

TRANSFER AND HOLDING RESTRICTIONS

Eligible Holders

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

- (d) qualifying investors (*in aanmerking komende beleggers / investisseurs éligibles*) as defined in Article 5 §3/1 of the Belgian Act of 3 August 2012 on institutions for collective investment that satisfy the criteria of directive 2009/65/EC and on institutions for investment in receivables (*Wet betreffende de instellingen voor collectieve belegging die voldoen aan de criteria van richtlijn 2009/65/EG en de instellingen voor belegging in schuldvorderingen / Loi relative aux organismes de placement collectif qui répondent aux conditions de la Directive 2009/65/CE et aux organismes de placement en créances*), as amended from time to time (the **UCITS Act (Qualifying Investors)**) that are acting for their own account (in accordance with Article 271/1 of the UCITS Act); and
- (e) a holder of an exempt securities account (**X-Account**) with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system.

The categories of “Qualifying Investors” are defined in the UCITS as:

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

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

Excluded Holders

Notes may not be acquired by:

- (a) 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 Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, §1, 11° of the BITC 1992); or
- (b) a Belgian or foreign transferee being a resident of or having an establishment in, or acting, for the purposes of the Notes, through a bank account held in a tax haven jurisdiction as referred to in Article 307, §1/2 of the BITC 1992,

(Excluded Holders)

TAXATION OF THE NOTES IN BELGIUM

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

The summary provided below is based on the information provided in this Base Prospectus and on the Belgian tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Base Prospectus and with the exception of subsequent amendments with retroactive effect.

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

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

1. GENERAL RULE

Any taxes which may be due relating to payments of interest and/or principal in respect of the Notes will be borne by the beneficiary of those payments.

If the Issuer, the National Bank of Belgium, its legal successor or any operator of any Alternative Clearing System (the **Clearing System Operator**), the Domiciliary Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature in respect of any payment in respect of the Notes, the Issuer, the Clearing System Operator or such Domiciliary Agent or any other person (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer, the Clearing System Operator, any Domiciliary Agent nor any other person will be obliged to gross up the payment in respect of the Notes or make any additional payments to holders of Notes in respect of such withholding or deduction. If any such withholding or deduction is required by law, the Issuer may, at its option, redeem the relevant Notes.

2. BELGIAN TAX

2.1 Belgian withholding tax

The interest component of the payments on the Notes will, as a rule, be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30 per cent. Both Belgian domestic tax law and applicable tax treaties may provide for a lower or zero rate subject to certain conditions and formalities being complied with.

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

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

- (a) Belgian resident corporations subject to Belgian corporate income tax within the meaning of Article 2, §1, 5°b) of the BITC 1992 ;
- (b) without prejudice to Article 262, 1° and 5° of the BITC 1992, institutions, associations and companies provided for in Article 2, § 3 of the Belgian law of 9 July 1975 on the control of insurance companies (other than those referred to in (1°) and (3°) of that Article);
- (c) state regulated institutions for social security, or institutions assimilated therewith, provided for in Article 105, 2° of the Royal Decree implementing the BITC 1992;
- (d) non-resident 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, whose Notes are held for the exercise of their professional activities in Belgium and which are subject to non-resident income tax in Belgium pursuant to Article 233 of the BITC 1992;
- (g) the Belgian State with respect to its investments which are exempt from withholding tax in accordance with Article 265 of the BITC 1992;
- (h) investment funds organised under foreign law which are an undivided estate managed by a management company on behalf of the participants, when their participation rights are not publicly issued in Belgium and are not traded in Belgium; and
- (i) Belgian resident companies, not provided for under (a), whose sole or principal activity consists in the granting of credits and loans.

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

Participants to the Clearing System must keep the Notes they hold for non-Tax Eligible Investors in a non-exempt securities account (**N-account**). All payments of interest on such Notes will be made

subject to deduction of withholding at the rate of 30 per cent. This withholding tax is withheld by the NBB from the interest payment and paid to the tax authorities.

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

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

Upon opening an X-Account with the Clearing System or a Clearing System Participant, a Tax Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance and send it to the participant to the Clearing System where this account is kept. There are no ongoing certification requirements for Tax Eligible Investors save that they need to inform the Clearing System Participants of any change of the information contained in the statement of its eligible status. However, Clearing System Participants are required to annually report to the Clearing System as to the eligible status of each investor for whom they hold Notes in an X-Account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary in respect of the Notes that such intermediary holds for the account of its clients (the **Beneficial Owners**), provided that such clients are Tax Eligible Investors. In such case, the intermediary must certify to the Clearing System Participant on a form approved by the Minister of Finance that (a) the intermediary itself is a Tax Eligible Investor and (b) the relevant client holding its Notes through the intermediary is also a Tax Eligible Investor. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

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

In the event of any changes made in the laws or regulations governing the exemption for Tax Eligible Investors, neither the Issuer nor any other person will be obliged to make any additional payments in the event that the Issuer, the Clearing System or its Clearing System Participants, the Domiciliary Agent or any other person are required to make any withholding or deduction in respect of the payments on the Notes. If any such withholding or deduction is required by law, the Issuer may, at its option, redeem the relevant Notes.

In accordance with the rules and procedures of the Clearing System, a Noteholder who is withdrawing Notes from an X-Account will, following payment of interest accrued on those Notes from the last preceding Payment Date, be entitled to claim an indemnity from the Belgian tax authorities of an amount

equal to the withholding tax, if any, on the interest payable on the Notes from the last preceding Payment Date until the date of withdrawal of the Notes from the Clearing System.

2.2 Belgian income tax

2.2.1. *Belgian resident corporations*

Interest on the Notes received by a corporate Noteholder who is a Belgian resident for tax purposes, i.e. who is subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*) is taxable at the ordinary corporate income tax rate of, in principle, 25 per cent. as of assessment year 2021, which is linked to a taxable period starting at the earliest on 1 January 2020. As an exception, small and medium-sized companies are taxable at a reduced corporate income tax rate of 20 per cent. on the first EUR 100,000 of their taxable base, again as of assessment year 2021, subject to a number of conditions. Any capital gains realised on the Notes will be subject to the same corporate income tax rate. Any capital loss on the Notes should in principle be tax deductible.

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

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

2.2.2. *Belgian resident legal entities*

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

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

2.2.3. *Non-residents of Belgium*

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

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

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

2.3 Tax on stock exchange transactions

The sale of the Notes on the secondary market executed in Belgium through a financial intermediary will trigger a tax on stock exchange transactions (*taks op de beursverrichtingen / taxe sur les opérations de bourse*) of 0.12 per cent. with a maximum of EUR 1,300 per party and per transaction. The tax is

due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

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

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

The tax on stock exchange transactions will not be payable by exempt persons acting for their own account, including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of miscellaneous taxes and duties (*Wetboek diverse rechten en taksen / Code des droits et taxes divers*).

2.4 Tax on Securities Accounts

The Law of 17 February 2021 introducing an annual tax on securities accounts has been published in the Belgian Official Gazette on February 25, 2021. The law introduces an indirect tax on securities accounts (the **Tax on Securities Accounts**) which applies to securities accounts held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held, with a financial intermediary which is established or located in Belgium or abroad. The tax also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary established or located in Belgium, and to non-residents which hold one or more securities accounts through a Belgian establishment.

Belgian resident and non-resident individuals, companies and legal entities will be taxed at a rate of 0.15 per cent. on the average value of qualifying financial instruments held on one or more securities accounts during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. No Tax on Securities Accounts will be due provided that the average value of the qualifying financial instruments on those accounts amounts to less than EUR 1,000,000 during the specific reference period. If, however, the average value of the qualifying financial instruments on those accounts amounts to EUR 1,000,000 or more, the Tax on

Securities Accounts will be due on the entire average value of the qualifying financial instruments on those accounts during the specific reference period (and, hence, not only on the part which exceeds the EUR 1,000,000 threshold). However, the amount of the Tax on Securities Accounts is limited to 10 per cent. of the difference between the average value of the qualifying financial instruments on those accounts and EUR 1,000,000.

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

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

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

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

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

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

2.5 Exchange of Information

(i) Common Reporting Standard

Following recent international developments, the exchange of information is governed by the Common Reporting Standard (CRS). On 10 December 2020, 110 jurisdictions signed the Multilateral Competent Authority Agreement (MCAA), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions, including Belgium, have committed to exchange information as from 2018, two jurisdictions as from 2019, three jurisdictions 2020 and four as from 2021.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made

with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

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

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

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (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 as determined by the Royal Decree of 14 June 2017, as amended. The Royal Decree provides that (i) for a first list of 18 countries, the mandatory automatic exchange of information applies as of income year 2016 (first information exchange in 2017), (ii) for a second list of 44 countries, the mandatory automatic exchange of information applies as of income year 2017 (first information exchange in 2018), (iii) for Nigeria, the automatic exchange of information applies as of income year 2018 (first information exchange in 2019), and (iv) for another list of 6 countries, the mandatory automatic exchange of information applies as of income year 2019 (first information exchange in 2020).

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

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

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

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime with respect to certain payments to any non-U.S. financial institutions (a "foreign financial institution", or FFI (as defined by FATCA)) (i) in a jurisdiction that has not signed an intergovernmental agreement (IGA) or (ii) in a jurisdiction that has not reached agreements in substance and that did not become a Participating FFI by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) and is not otherwise exempt from or in deemed compliance with FATCA. The list of approved jurisdictions and jurisdictions that have reached agreements in substance can be consulted on the IRS' website: <http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx>. The information contained on the website of the U.S. Internal Revenue Services (www.treasury.gov) does not form part of this Information Memorandum and has not been scrutinised or approved by the FSMA.

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

or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

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

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

FATCA is particularly complex. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisors on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

(iii) The Proposed Financial Transactions Tax (FTT)

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

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

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

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

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

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

STABILISATION

In connection with each issue of Notes a stabilising manager (each a **Stabilising Manager**) may be appointed. If a Stabilising Manager is appointed, the relevant Stabilising Manager will be set out in the Final Terms. The Stabilising Manager or any duly appointed person acting for the Stabilising Manager may over-allot (provided that the aggregate Principal Amount Outstanding of the relevant Class or Sub-class of any Series of Notes allotted does not exceed 105 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Sub-class of any Series of Notes) or effect transactions with a view to supporting the market price of the relevant Class or Sub-class of any Series of Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action.

Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Class or Sub-class of any Series of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant Class or Sub-class of any Series of Notes.

Stabilisation transactions shall be conducted in accordance with all applicable laws and regulations as amended from time to time.

INFORMATION RELATING TO CERTAIN TRANSACTION PARTIES

THE ISSUER

Name and Status

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

Its registered office is at Marnixlaan 23, fifth floor, 1000 Brussels, Belgium and it is registered with the Crossroad Bank for Enterprises under 0898.307.694 and its telephone number is +32 2 209 22 00. Its website is at <https://www.bnpparibasfortis.com/investors/securitization/securitization/bass-master-issuer-n-v---s-a>. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

The Issuer is subject to the rules applicable to *institutionele vennootschappen voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelles de droit belge* as set out in the UCITS Act. It has been duly registered with the Belgian Federal Public Service Finance (*Federale Overheidsdienst Financiën / Services Public Fédéral Finances*) (the **Belgian Federal Public Service Finance**) on 10 June 2008 as an *institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht / société d'investissement en créances institutionnelle de droit belge*. This registration cannot be considered a judgement as to the quality of the transaction, nor on the situation or prospects of the Issuer.

The Issuer has been licensed by the FSMA (formerly the CBFA) on 10 June 2008 as a mortgage loan institution in accordance with Article VII.159 §1 of the Belgian Code of Economic Law .

Incorporation

The Issuer was incorporated on 2 June 2008 for an unlimited period of time.

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

The founders of the Issuer are Stichting Holding Bass and Genfinance International NV.

Share Capital and Shareholding

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

Sixty one thousand nine hundred (61,900) of the shares of the Issuer are owned by Stichting Holding Bass. One hundred (100) shares are owned by Genfinance International NV. Stichting Holding Bass is a foundation (*stichting / fondation*) incorporated under the laws of Belgium on 15 May 2008. The objects of Stichting Holding Bass are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and comparable companies and to exercise all rights attached to such shares and to dispose of and encumber such shares.

The directors of Stichting Holding Bass are:

- (a) Brecht Guldemont, resident at Lostraat 148, 1760 Roosdaal, with national registration number 592-8767415-54;
- (b) Christophe Tans, resident at 96 Gravierstraat, 3700 Tongeren, Belgium, with national registration number 72.12.23 – 205.22; and
- (c) Intertrust Financial Services BV, having its registered office at Marnixlaan 23, fifth floor, 1000 Brussels, with registration number 0861.696.827, represented by its permanent representative Irene Florescu,

(the **Holding Directors**).

Each of the Holding Directors has entered into a management agreement with Stichting Holding Bass and the Security Agent.

Corporate Purpose and Permitted Activity

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

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

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

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

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

Board of Directors

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

- (a) Irene Florescu, resident at 12 Rue du Cyclone, 1330 Rixensart, Belgium, with national registration number 66.07.26 – 532.26; and
- (b) Christophe Tans, resident at 96 Gravierstraat, 3700 Tongeren, Belgium, with national registration number 72.12.23 – 205.22,

(the **Issuer Directors**).

The current term of office of the Issuer Directors has started on 23 January 2017 for a duration of six years.

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

- (a) in person:
 - (a) B-ARENA N.V.
 - (b) BELGIAN LION NV
 - (c) BUSCHBERG ASSOCIATES S.A.
 - (d) CANTERBURY HOLDING S.A.
 - (e) CASINO FINANCE INTERNATIONAL S.A.
 - (f) CULTURA 2006 FONDATION PRIVEE
 - (g) BAYREUTH SA
 - (h) FEBEX INVEST S.P.R.L.
 - (i) GRANJA S.C.R.L.
 - (j) LOAN INVEST N.V.
 - (k) PENATES FUNDING N.V.
 - (l) FLI GROUP BVBA
 - (m) PEGALAND SRL
 - (n) ROYAL STREET N.V.
 - (o) LA CITY SA
 - (p) DEKA REGENT SA
 - (q) STICHTING BACHELIER - PRIVATE STICHTING
 - (r) PEGAMO III SRL
 - (s) PEGAMO V SRL
 - (t) PEGASON SRL
 - (u) PEGACOSMOS SRL
 - (v) NEWBELCO SA
 - (w) PEGAMO I SRL
 - (x) PEGASON SRL
 - (y) PEGARE SRL
 - (z) PEGAPARK SRL

- (aa) CAPRESE II SA
- (bb) ELSINORE SA
- (cc) DAVOS SA
- (dd) FIGUERAS SA
- (ee) FPE (BE) Holding SRL
- (ff) THE ONE OFFICE SA
- (gg) WTSS PARC MOUSCRON SA
- (hh) SILVER TOWER SA
- (ii) BELALAN BISCHOFSCHEIM LEASEHOLD SA
- (jj) STICHTING ICLHB FINANCE PRIVATE STICHTING
- (kk) MARNIX FREEHOLD BVBA-FIIS
- (ll) MARNIX LEASEHOLD BVBA-FIIS
- (mm) COSMOTE GLOBAL SOLUTIONS NV
- (nn) MIR Bidco SA
- (oo) D SQUARE REAL ESTATE SA FIIS
- (pp) STICHTING HOLDING NOOR FUNDING - PRIVATE STICHTING
- (qq) STICHTING HOLDING RECORD LION - PRIVATE STICHTING
- (rr) STICHTING HOLDING ESMEE - PRIVATE STICHTING
- (ss) STICHTING VESTA - PRIVATE STICHTING
- (b) as permanent representative of Intertrust Belgium NV:
 - (a) AISELA10 S.P.R.L.
 - (b) BOETIE BELGIUM HOLDING S.P.R.L.
 - (c) FONCIERE BRUXELLES SAINTE-CATHERINE S.A.
 - (d) FONCIERE GAND CATHEDRALE S.A.
 - (e) FONCIERE IGK S.A.
 - (f) FRIBLER BELGIUM HOLDING S.P.R.L.
 - (g) GULAG BELGIUM HOLDING S.P.R.L.
 - (h) GELASE S.A.
 - (i) MOULIN ROUGE S.A.
 - (j) SEDNA 2006 S.P.R.L.

- (k) SONNAT S.A.
- (l) PASSPORT BELGIUM SA
- (c) as permanent representative of Phidias Management NV:
 - (a) BBQ HOLDINGS N.V.
 - (b) STICHTING HOLDING B-CARAT I PRIVATE STICHTING
 - (c) B-CARAT N.V.
 - (d) BONITO BELGIUM HOLDINGS N.V.
 - (e) CARP HOLDINGS N.V.
 - (f) CLANTERN HOLDINGS N.V.
 - (g) COMMUNITY WASTE HOLDING PRIVATE STICHTING
 - (h) CONCESIONES CARRETERAS N.V.
 - (i) CPIS S.A.
 - (j) CPIV S.A.
 - (k) CPIW S.A.
 - (l) CPIT S.A.
 - (m) DEXTORA N.V.
 - (n) GATTACA HOLDINGS N.V.
 - (o) HT MEDIA HOLDINGS N.V.
 - (p) ICAP BELCO 2007 N.V.
 - (q) IRONMONGER HOLDINGS N.V.
 - (r) MASCOT HOLDINGS N.V.
 - (s) NEW AFFINITY S.A.
 - (t) NORTH AMERICA POWER INC. S.A.
 - (u) PURA VIDA BELGIUM S.A.
 - (v) PVD BELGIUM S.A.
 - (w) SQUADRON ASIA PACIFIC II N.V.
 - (x) SQUADRON ASIA PACIFIC N.V.
 - (y) VACCA-INVEST S.P.R.L.
 - (z) SECURHOLDS S.P.R.L.
 - (aa) ANFIRI BVBA

- (bb) TPG BELGIUM S.A.
- (d) as permanent representative of Intertrust Financial Services BV:
 - (a) AVOCENT BELGIUM LTD S.P.R.L.
 - (b) MERCURIUS FUNDING N.V.
 - (c) DEXIA SECURED FUNDING BELGIUM N.V.
 - (d) STICHTING HOLDING SAKIA - PRIVATE STICHTING
 - (e) STICHTING HOLDING BASS - PRIVATE STICHTING
 - (f) STICHTING HOLDING BELGIAN LION - PRIVATE STICHTING
 - (g) STICHTING JPA PROPERTIES - PRIVATE STICHTING
- (e) as permanent representative of Stichting Holding Esmee Private Stichting:
 - (a) ESMEE MASTER ISSUER N.V.
- (f) as permanent representative of Intertrust Corporate Services NV:
 - (a) JPA PROPERTIES B.V.B.A.
 - (b) KENT PHARMACEUTICALS FOUNDATION Private Stichting:
 - (c) PAI TAP LIMITED S.A.
 - (d) LOCH LOMOND FOUNDATION PRIVATE STICHTING
- (g) as permanent representative of Stichting Holding Sakia Private Stichting:
 - (a) SAKIA FUNDING N.V.

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

- (a) in person:
 - (b) B-ARENA N.V.
 - (c) BELGIAN LION NV
 - (d) CASINO FINANCE INTERNATIONAL S.A.
 - (e) CITIC CAPITAL FUTURE HOLDINGS S.P.R.L.
 - (f) BAYREUTH SA
 - (g) EVERE REAL ESTATE S.P.R.L.
 - (h) GELASE S.A.
 - (i) CASTLE ROCK HOLDINGS S.P.R.L.
 - (j) GRANJA S.C.R.L.
 - (k) LOAN INVEST N.V.

- (l) PENATES FUNDING N.V.
- (m) FLI GROUP BVBA
- (n) WEALTH ROCK HOLDINGS S.P.R.L.
- (o) PEGALAND SRL
- (p) ROYAL STREET N.V.
- (q) SPE III STEVENS S.P.R.L.
- (r) SPE III VOLTA S.P.R.L.
- (s) OMEGA PHARMA NV
- (t) OMEGA PHARMA INVEST NV
- (u) FOUR-LEAF INVESTMENT NV
- (v) CAR PARK DEVELOPMENT NV
- (w) CENTRAL PARK NV
- (x) FOUR-LEAF HOTELS NV
- (y) LA LINIERE HOTEL SA
- (z) MERCATORPARK ANTWERP NV
- (aa) QUINTENPARK ANTWERP NV
- (bb) HOTEL DEVELOPMENT ANTWERPEN NV
- (cc) HOTEL DEVELOPMENT CORPORATION NV
- (dd) INTERNATIONAL HOTEL DEVELOPMENT FLANDERS NV
- (ee) QUINTENPARK HOTELS NV
- (ff) SPE III RUNWAY
- (gg) LA CITY SA
- (hh) REC DE II S.P.R.L.
- (ii) PEGAPARK SRL
- (jj) DEKA REGENT SA
- (kk) STICHTING BACHELIER - PRIVATE STICHTING
- (ll) PEGAMO III SRL
- (mm) NEWBELCO SA
- (nn) AZOLVER BELGIUM BV
- (oo) PEGAMO V SRL

- (pp) PEGASON SRL
- (qq) PEGASON SRL
- (rr) PEGARE SRL
- (ss) PEGACOSMOS SRL
- (tt) PEGAMO I SRL
- (uu) CAPRESE II SA
- (vv) ELSINORE SA
- (ww) DAVOS SA
- (xx) THE ONE OFFICE SA
- (yy) MARNIX GM
- (zz) BELALAN BISCHOFSCHEIM LEASEHOLD SA
- (aaa) STATE GRID INTERNATIONAL DEVELOPMENT BELGIUM LIMITED SRL
- (bbb) FIGUERAS SA
- (ccc) FPE (BE) Holding SRL
- (ddd) WTSS PARC MOUSCRON SA
- (eee) SILVER TOWER SA
- (fff) STICHTING ICLHB FINANCE PRIVATE STICHTING
- (ggg) FONDATION HOLDING AUTO ABS BELGIUM LOANS Fondation Privee
- (hhh) ICLHB FINANCE NV
- (iii) MARNIX FREEHOLD BVBA-FIIS
- (jjj) SECURHOLDS S.P.R.L.
- (kkk) MARNIX LEASEHOLD BVBA-FIIS
- (lll) MARNIX LEASEHOLD BVBA-FIIS
- (mmm) STICHTING BUMPER BE PRIVATE STICHTING
- (nnn) BUMPER BE NV
- (ooo) COSMOTE GLOBAL SOLUTIONS NV
- (ppp) MIR Bidco SA
- (qqq) D SQUARE REAL ESTATE SA FIIS
- (rrr) STICHTING HOLDING NOOR FUNDING - PRIVATE STICHTING
- (sss) STICHTING HOLDING RECORD LION - PRIVATE STICHTING

- (ttt) STICHTING HOLDING SAKIA - PRIVATE STICHTING
 - (uuu) STICHTING HOLDING BASS - PRIVATE STICHTING
 - (vvv) STICHTING HOLDING BELGIAN LION - PRIVATE STICHTING
- (b) as permanent representative of Intertrust Belgium NV:
- (a) ABN AMRO BEHEERMAATSCHAPPIJ 2 N.V.
 - (b) ATHOR INVESTMENTS S.P.R.L.
 - (c) AVOCENT BELGIUM LTD S.P.R.L.
 - (d) BBQ HOLDINGS N.V.
 - (e) STICHTING HOLDING B-CARAT I PRIVATE STICHTING
 - (f) B-CARAT N.V.
 - (g) BELEGGINGSMAATSCHAPPIJ WASSENAARSE STAND B.V.B.A.
 - (h) BFCC SPRL
 - (i) BONITO BELGIUM HOLDINGS N.V.
 - (j) CARP HOLDINGS N.V.
 - (k) CANTERBURY HOLDING S.A.
 - (l) CLANTERN HOLDINGS N.V.
 - (m) COMMUNITY WASTE HOLDING PRIVATE STICHTING
 - (n) CONCESIONES CARRETERAS N.V.
 - (o) CONSOLIDATED MINERALS (BELGIUM) LIMITED S.P.R.L.
 - (p) CONSORTIUM REAL ESTATE S.A.
 - (q) CPIS S.A.
 - (r) CPIT S.A.
 - (s) CPIV S.A.
 - (t) CULTURA 2006 FONDATION PRIVEE
 - (u) EVERYAN HOSPITALITY PROPERTIES S.A.
 - (v) CPIW S.A.
 - (w) GCCL (BELGIUM) SERVICES S.P.R.L.
 - (x) DEXTORA N.V.
 - (y) ELI DENTAL S.P.R.L.
 - (z) DIGITALIX S.A.

- (aa) FEBEX INVEST S.P.R.L.
- (bb) ESMEE MASTER ISSUER N.V.
- (cc) FUEL BIDCO N.V.
- (dd) GATTACA HOLDINGS N.V.
- (ee) GLOBAL INCOME S.P.R.L.
- (ff) GLOBAL OPPORTUNITY INVESTMENTS S.P.R.L.
- (gg) HERITAGE FUND S.P.R.L.
- (hh) HIH GLOBAL RUE ROYALE S.A.
- (ii) HT MEDIA HOLDINGS N.V.
- (jj) ICAP BELCO 2007 N.V.
- (kk) IRONMONGER HOLDINGS N.V.
- (ll) TRANSCONTINENTAL OIL TRANSPORTATION S.P.R.L.
- (mm) REVERIE BAY HOSPITALITY SA
- (nn) JPA PROPERTIES B.V.B.A.
- (oo) MASCOT HOLDINGS N.V.
- (pp) KENT PHARMACEUTICALS FOUNDATION Private Stichting
- (qq) KF JAPAN B.V.B.A.
- (rr) KIPLING INVESTMENTS BELGIUM N.V.
- (ss) LAMOTHE BELGIUM B.V.B.A.
- (tt) NEW AFFINITY S.A.
- (uu) MONTINDU N.V.
- (vv) NORTH AMERICA POWER INC. S.A.
- (ww) ORCANADO B.V.B.A.
- (xx) PAI TAP LIMITED S.A.
- (yy) PROLOGIS MEXICO HOLDING I (A) B.V.B.A.
- (zz) PROLOGIS MEXICO HOLDING II (A) B.V.B.A.
- (aaa) PROLOGIS MEXICO HOLDING III (A) B.V.B.A.
- (bbb) PROLOGIS MEXICO HOLDING IV (A) B.V.B.A.
- (ccc) PROLOGIS MEXICO HOLDING V (A) B.V.B.A.
- (ddd) STRATEGIC METALS B.V.B.A.

- (eee) PVD BELGIUM S.A.
- (fff) PURA VIDA BELGIUM S.A.
- (ggg) RIMA 2 N.V.
- (hhh) ROBHEIN BEHEER B.V.B.A.
- (iii) SQUADRON ASIA PACIFIC II N.V.
- (jjj) STORM HOLDING NEDERLAND B.V. B.V.B.A.
- (kkk) TAIFOEN HOLDING B.V. B.V.B.A.
- (lll) SQUADRON ASIA PACIFIC N.V.
- (mmm) TRANCOSO S.A.
- (nnn) ROSPA BELGIUM B.V.B.A.
- (ooo) THIMAY II B.V.B.A.
- (ppp) VACCA-INVEST S.P.R.L.
- (qqq) RESS HOLDING S.P.R.L.
- (rrr) SONNAT S.A.
- (sss) SECURHOLDS S.P.R.L.
- (ttt) TREFONDINVEST B.V.B.A.
- (uuu) YAN COMMERCE S.P.R.L.
- (vvv) WASABI CAPITAL S.P.R.L.
- (www) BRUSSELS DOCKS BidCo SA
- (xxx) EQUITIX GWC HOLDCO NV
- (yyy) TRONE HOLDING SA
- (zzz) IMMO WATRO SA
- (aaaa) HUDSON GLOBAL RESOURCES BELGIUM NV
- (bbbb) VIFAMA PATRIMOINE S.P.R.L.
- (cccc) WADI INVESTMENT S.P.R.L.
- (dddd) BUNBEG SPRL
- (eeee) AUTO ABS BELGIUM LOANS 2019 SA
- (ffff) ANFIRI BVBA
- (gggg) LOCH LOMOND FOUNDATION PRIVATE STICHTING
- (hhhh) TPG BELGIUM S.A.

- (c) as permanent representative of Phidias Management NV:
 - (a) BOETIE BELGIUM HOLDING S.P.R.L.
 - (b) LONKO BELGIUM HOLDING S.P.R.L.
- (c) as permanent representative of Intertrust Financial Services BV
 - (d) NOOR FUNDING N.V.
 - (e) QUANTESSE PRIVATE STICHTING
 - (f) STICHTING HOLDING NOOR FUNDING - PRIVATE STICHTING
 - (g) STICHTING HOLDING ESMEE - PRIVATE STICHTING
- (d) as permanent representative of Stichting Vesta - Private Stichting:
 - (a) MERCURIUS FUNDING N.V.
 - (b) DEXIA SECURED FUNDING BELGIUM N.V.
- (e) as permanent representative of Intertrust Corporate Services NV:
 - (a) SAKIA FUNDING N.V.
 - (b) STICHTING JPA PROPERTIES - PRIVATE STICHTING
 - (c) STICHTING VESTA - PRIVATE STICHTING

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

Other administrative, management or supervisory bodies

The Issuer has no other administrative, management or supervisory bodies than the board of directors. The board of directors will delegate some of its management powers to the Administrator for the purpose of assisting it in the management of the affairs of the Issuer but it will retain overall responsibility for the management of the Issuer, in accordance with the UCITS Act.

Following the enactment of the Belgian Act of 17 December 2008 on the installation of an audit committee within listed companies and financial institutions and the implementation thereof in the Company Code, the Issuer has in particular confirmed that no audit committee will be installed within its board of directors based on the exemption available to companies the only business activity of which is limited to the issuance of asset backed securities as provided for in Article 7:99, §8, 1° of the Company Code. Whereas the type and limited number of transactions effected within the context of the securitisation transaction entered into by the Issuer and the limitation of the Issuer's activities (see *Corporate Purpose and Permitted Activity* above), should not result in complex financial reporting, the Issuer deems the installation of a separate audit committee within the board of directors not useful, also taken into account that the board of directors is only constituted of a limited number of professional directors.

Conflicts of interest

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

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

Issuer Management Agreement

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

In addition each of the Issuer Directors agrees in the relevant Issuer Management Agreements that it will not enter into any agreement relating to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Agent. The Rating Agencies will be notified by the Issuer Directors in advance of the entering into of such other agreements.

Shareholders' Meeting

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

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

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

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

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

Share Transfer Restrictions

Given the specific purpose of the Issuer and Article 3, 3° of the UCITS Act, the shares in the Issuer can only be held by qualifying investors (*in aanmerking komende beleggers / investisseurs éligibles*) within

the meaning of Article 5, §3/1 of the UCITS Act. Each transfer in violation of the share transfer restrictions contained in Article 11 of the Articles of Association of the Issuer, is null and is not enforceable against the Issuer. In addition:

- (a) if shares are transferred to a transferee who does not qualify as a qualifying investor (*in aanmerking komende beleggers / investisseurs éligibles*) within the meaning of Article 5, §3/1 of the UCITS Act, the Issuer will not register such transfer in its share register; and
- (b) as long as shares are held by a shareholder who does not qualify as a qualifying investor (*in aanmerking komende beleggers / investisseurs éligibles*) within the meaning of Article 5, §3/1 of the UCITS Act, the payment of any dividend in relation to the shares held by such shareholder will be suspended.

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

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

Corporate Governance

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

Capitalisation

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

Share Capital

Issued Share Capital: EUR 62,000

Borrowings:

Class A Notes:	EUR 19,800,000,000.00
Class B Notes:	EUR 660,000,000.00
Class C Notes:	EUR 660,000,000.00
Class D Notes:	EUR 880,000,000.00
Class E Notes:	EUR 252,000,000.00

Auditors

On 31 May 2018, the general meeting of shareholders of the Issuer appointed PwC Bedrijfsrevisoren, incorporated under Belgian law with registered office at Woluwedal 18, 1932 Zaventem, Belgium and member of the Instituut der Bedrijfsrevisoren as statutory auditor of the Issuer replacing Deloitte Bedrijfsrevisoren, incorporated under Belgian law with registered office at Luchthaven Brussel Nationaal 1 J (Gateway building), 1930 Zaventem, Belgium.

Belgian Tax Position of the Issuer

Withholding Tax on Moneys Collected by the Issuer

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

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

Corporation tax

The Issuer is subject to corporate income tax at the current ordinary rate of 25 per cent. However its tax base is notional: it can only be taxed on any disallowed business expenses and any abnormal or gratuitous benefits received by it. The Issuer does not anticipate incurring any such expenses or receiving any such benefits.

Value added tax (VAT)

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

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

Accounting Year

The Issuer's accounting year ends on 31 December of each year. As to the first year, the Issuer's accounting year started on the date of the incorporation of the Issuer and ended on 31 December 2008.

Litigation

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

Financial Information concerning the Issuer

Pursuant to Article 34 of the Articles of Association of the Issuer, the profit of the Issuer may (after constitution of the legal reserve) either be distributed as divided or reserved for later distribution or for the cover of risk of default of payment of the Mortgage Receivables.

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

The Issuer's financial statements are consolidated with those of the Seller. Audited financial statements for the two most recent three accounting years relate to year started on 1 January 2019 and ended on 31 December 2019, on 1 January 2018 and ended on 31 December 2018. The Issuer's Auditor has confirmed that the annual accounts for such accounting years provide a true and fair view as of respectively 31 December 2019, 31 December 2018 and 31 December 2017 in accordance with the

accounting standards applicable in Belgium. The audited financial statements of the Issuer for the financial years 2018 and 2019 are available at <https://www.bnpparibasfortis.com/investors/financial-reports> and are incorporated by reference into this Base Prospectus (see *Documents incorporated by reference* on page 228). Other information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA. There has been no material adverse change in the financial position or prospects of the issuer since the date of its last published audited financial statements.

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

BNPPF is part of the BNP Paribas group (the **BNP Paribas Group**) (of which BNP Paribas SA (**BNPPF**) is the parent company), a leading bank in Europe with an international reach. It has a presence in 69 countries, with more than 193,000 employees, including over 148,000 in Europe. The BNP Paribas Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The BNP Paribas Group helps all its clients (individuals, community associations, entrepreneurs, small and medium enterprises ("SMEs"), corporate and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the BNP Paribas Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNPP is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNPP also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

At 31 December 2020, the BNP Paribas Group had consolidated assets of EUR 2,488.5 billion (compared to EUR 2,164.7 billion at 31 December 2019), consolidated loans and receivables due from customers of EUR 809.5 billion (compared to EUR 805.8 billion at 31 December 2019), consolidated items due to customers of EUR 941 billion (compared to EUR 834.7 billion at 31 December 2019) and shareholders' equity (the BNP Paribas Group share including income for 2020) of EUR 112.8 billion (compared to EUR 107.4 billion at 31 December 2019). Pre-tax net income for the year ended 31 December 2020 was EUR 9.82 billion (compared to EUR 11.39 billion for the year ended 31 December 2019). Net income, attributable to equity holders, for the year ended 31 December 2020 was EUR 7.07 billion (compared to EUR 8.17 billion for the year ended 31 December 2019).

Retail & Private Banking Belgium

Market position

Market leadership in Belgium.

463 branches operating under the BNPPF brand are complemented by 249 franchises under the Fintro brand and 660 points of sale run under a partnership with bpost. Other channels include a fleet of 1,423 ATMs, banking services via the internet through Easy Banking Web and Mobile banking (together 2.3 million active users).

With 30 Private Banking centres and one Private Banking Centre by James (Private Banking Centre with remote services through digital channels), BNPPF is an important player in the Belgian private banking market. Individuals with assets of more than EUR 250,000 are eligible for private banking services. Wealth Management caters to clients with potential assets of more than EUR 5 million. They benefit from a dedicated service model and are primarily served via two Wealth Management centres in Antwerp and Brussels.

Key developments in 2020

2020 was a particularly intense period for Retail & Private Banking (**RPB**), which continued the process of transforming its service model, against a background marked by the worldwide coronavirus crisis.

RPB forged ahead with the implementation of the bank's five-point strategic plan, "High 5 for 2025", though making profound adjustments in line with the ongoing health and economic situation. Accordingly, a number of commercial advertisements were suspended in order to avoid any subject likely to be regarded as inappropriate in the current circumstances. Meanwhile, BNPPF embarked on several new information initiatives.

BNPPF (including as successor to Belgolaise NV/SA, ASLK Bank NV/SA and Generale Bank) has significantly more than five years of experience in the origination, underwriting and servicing of mortgage loans similar to those included in the portfolio of Mortgage Receivables that are transferred to the Issuer.

Audited historical financial information and audit reports

Selected historical key financial information in relation to BNPPF:

Comparative Annual Financial Data – In millions of EUR		
	31/12/2020	31/12/2019
	(audited)	(audited)
Revenues	7,893	8,036
Cost of risk	(676)	(454)
Net income	2,294	2,618
Net income attributable to shareholders	1,870	2,212
Total consolidated balance sheet	335,135	313,195
Shareholders' equity (without minority interests)	24,513	22,985
Consolidated loans and receivables due from customers	188,742	187,998
Consolidated items due to customers	193,770	184,378
Tier 1 Capital	22,461	19,100
Tier 1 Ratio	16.6%	13.9%
Total Capital	25,060	21,706
Total Capital Ratio	18.5%	15.8%

BNPPF 2020 Financial Results

In 2020, the consolidated net income attributable to equity holders amounted to EUR 1,870 million, down by -15.4% compared to 2019. When excluding non-recurrent items (related mainly to the net gain on the sale of Von Essen Bank GmbH in 2019, the impairment of the equity-method investment in bpost bank and one-off results at BNPP-AM in 2020, the depreciation of the Turkish lira and few non-material scope changes), the underlying evolution showed a decrease of -7.7%*.

The below analysis focuses on this underlying evolution.

Resilient gross operating income and net income within the context of the current health crisis and persistently low interest rates.

Revenues amounted to EUR 7,893 million, up 1.1%* vs. 2019.

- In Belgium¹, revenues decreased by -1.5%*, mainly due to a lower margin on deposits at Belgian Retail Banking, impacted by the persistently low interest rate environment, only partially mitigated by the positive evolution of loan volumes and a significant increase in revenues from financial fees.
- In other business lines, revenues increased by 4.0%*, essentially driven by the continued development of activities at Arval, Leasing Solutions and Personal Finance, and by the loan growth in Luxembourg. In Turkey, the decrease of revenues is due to lower commission income impacted by new regulations, only partially offset by a strong evolution of loan volumes.

Costs reduced to EUR 4,542 million, down by -0.6%* vs. 2019.

- In Belgium, costs decreased by -2.9%*, reflecting the impact of the measures taken to continue improving the efficiency, with among others the successful ongoing digitalisation of BNPPF's customer services, the further branch network adaptation and a reduction in headcount, partly offset by inflation and higher banking taxes. There was a positive jaws effect in Belgium.
- In other business lines, the cost increase was limited to 2.6%* (compared to an increase of 8.5%* in 2019), thanks to additional cost containment measures in the context of the health crisis. Positive jaws effect in all business lines, except in Turkey where the stronger cost increase is mainly due to the impact of inflation.

Gross operating income increased by 3.4%* to EUR 3,351 million. The consolidated cost / income ratio improved at 57.5% compared to 59.2% in 2019. In Belgium, the ratio was at 63.5% compared to 66.0% in 2019.

Cost of risk amounted to EUR 676 million, corresponding to 32 basis points of average outstanding customer loans, to be compared to 22 basis points in 2019. The increase in cost of risk (EUR 271 million*) is mainly due to the provisioning of expected losses on performing loans (stages 1 and 2) (EUR 205 million*).

- In Belgium, the cost of risk was materially higher (21 basis points compared to 4 basis points in 2019).
- Outside Belgium, the cost of risk materially increased in all business lines, except in Turkey where the higher provisioning of expected losses on performing loans was offset by write-backs.

The share of earnings of equity-method entities was down by -14.6%*, at EUR 322 million, mainly due to a lower contribution from BNP Paribas Bank Polska, BNP Paribas Asset Management and AG Insurance, also impacted by the current crisis.

The net income attributable to equity holders of EUR 1,870 million, was down by -7.7%* compared to 2019. Except Belgium, Turkey and main Equity-Method entities, all other business lines achieve a positive evolution of the net income attributable to equity holders.

Strong Financial Structure

As at 31 December 2020,

The consolidated balance sheet totalled EUR 335 billion, an increase of EUR 22 billion or 7% compared to the end of 2019;

* Excluding the non-recurrent items, i.e. at constant scope, constant exchange rates, and excluding other one-off results.

¹ Belgium includes Belgian Retail Banking (BRB), Corporate and Institutional Banking (CIB BE) and other activities of BNPPF in Belgium.

The consolidated Common Equity Tier 1 ratio stood at 15.9% (compared to 13.2% as of 31 December 2019), well above the regulatory threshold of 9.2%⁴; and

The non-consolidated Liquidity Coverage Ratio stood at 191% (compared to 127% as of 31 December 2019), well above the regulatory threshold of 100%.

Both ratios reflect the strong financial structure of the bank.

Resilient gross operating income and net income within the context of the current health crisis and persistently low interest rates

In 2020, **revenues** amounted to EUR 7,893 million, up 1.1%* compared to 2019.

In Belgium, revenues decreased by -1.5%*, mainly due to a lower margin on deposits at Belgian Retail Banking, impacted by the persistently low interest rate environment, only partially mitigated by the positive evolution of loan volumes and a significant increase in revenues from financial fees.

Outside Belgium, the cost of risk materially increased in all business lines, except in Turkey where the higher provisioning of expected losses on performing loans was offset by write-backs on specific files down by -14.6%*, at EUR 322 million, mainly due to a lower contribution from BNP Paribas Bank Polska, BNP Paribas Asset Management and AG Insurance, also impacted by the current crisis.

Capital

The table below details the composition of the regulatory capital of BNP Paribas Fortis as at 31 December 2020.

In millions of euros	31 December 2020	
	Basel III	of which transitional arrangements *
Common Equity Tier 1 (CET1) capital : instruments and reserves		
Capital instruments and the related share premium accounts	11,905	-
Retained earnings	11,420	-
Accumulated other comprehensive income (and other reserves)	(1,165)	-
Funds for general banking risk	-	-
Minority interests (amount allowed in consolidated CET 1)	1,488	-
Independently reviewed interim profits net of any foreseeable charge or dividend	891	-
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	24,539	-
Common Equity Tier 1 (CET1) : regulatory adjustments	(3,035)	-
COMMON EQUITY TIER 1 (CET1) CAPITAL	21,504	-
Additional Tier 1 (AT1) capital: instruments	957	205
Additional Tier 1 (AT1) capital: regulatory adjustments	-	-
ADDITIONAL TIER 1 (AT1) CAPITAL	957	205
TIER 1 CAPITAL (T1 = CET1 + AT1)	22,461	205
Tier 2 (T2) capital: instruments and provisions	2,842	60
Tier 2 (T2) capital: regulatory adjustments	(243)	-
TIER 2 (T2) CAPITAL	2,599	60
TOTAL CAPITAL (TC = T1 + T2)	25,060	265

(*) By virtue of regulation (EU) N° 575/2013

STICHTING SECURITY AGENT BASS

Stichting Security Agent Bass is a foundation (*stichting*) incorporated under the laws of the Netherlands on 4 June 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, and if necessary to enforce such security rights, for the benefit of creditors of legal entities amongst which the Issuer (including the holders of Notes to be issued by the Issuer) and to perform acts and legal acts, including the acceptance of 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.

For more information on the role and liabilities of the Security Agent, see Condition 15.1 and Section "Security for the Issuer's obligations" on page 108.

INFORMATION RELATING TO THIS BASE PROSPECTUS

DOCUMENTS INCORPORATED BY REFERENCE

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

- The Issuer's audited annual accounts for the financial year ended 31 December 2018 including the notes thereto and the audit report prepared in connection therewith.
- The Issuer's audited annual accounts for the financial year ended 31 December 2019 including the notes thereto and the audit report prepared in connection therewith.

See "Where more information can be found" on page 230 below for information on where copies of the documents containing the information incorporated by reference can be obtained.

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

SUPPLEMENTS TO THIS BASE PROSPECTUS

Obligation to publish a supplement

Every significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the Notes and which arises or is noted between the time when this Base Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to this Base Prospectus without undue delay, in accordance with Article 23 of the Prospectus Regulation.

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

Where the supplement will be published

Following approval by the FSMA, the supplement shall be published in accordance with at least the same arrangements as were applied when this Base Prospectus was published. See “Where more information can be found” on page 230 below for information on where copies of any supplements can be obtained.

WHERE MORE INFORMATION CAN BE FOUND

The website of the Issuer

The following documents and information can be obtained from the website <https://www.bnpparibasfortis.com/investors/securitization/securitization/bass-master-issuer-n-v---s-a>:

1. This Base Prospectus.
2. All documents containing information incorporated by reference into this Base Prospectus as set out in “Documents incorporated by reference” on page 228 above.
3. Any supplements to this Base Prospectus published from time to time by the Issuer after approval by the FSMA, as set out in “Supplements to this Base Prospectus” on page 229 above (including any documents containing information that may be incorporated by reference into those supplements).
4. The Final Terms for each Series and Tranche of Notes that is admitted to trading on a regulated market in the European Economic Area.
5. The up to date Articles of Association of the Issuer.
6. Quarterly Investor Reports.
7. Monthly Investor Reports.

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

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

The Securitisation Repository

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

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

The information in points (b) and (c) will be available at the latest 15 days after the date of this Base Prospectus.

The securitisation repository is expected to be European Data Warehouse, available at <https://eurodw.eu/?lang=nl>, or any other website that may be notified by the Issuer from time to time, provided that such replacement website conforms to the requirements set out in Article 7(2) of the Securitisation Regulation. Except for any potential overlap with “*Documents incorporated by reference*” referred to on page 228 above, any information on or linked to by the website <https://eurodw.eu/?lang=nl> does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

The website of Euronext Brussels

The information referred to in paragraphs 1 to 5 above (as applicable) will also be published on the website of Euronext Brussels (www.euronext.com) in relation to Notes that are admitted to trading on the regulated market of Euronext Brussels. The information contained on the website of Euronext Brussels (www.euronext.com) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

Copies of the Base Prospectus on a durable medium on request

Any potential investor in Notes admitted to trading on a regulated market in the European Economic Area, can request a copy of the Base Prospectus on a durable medium (including an electronic copy by e-mail or a copy printed on paper) to be delivered free of charge to that potential investor. Delivery shall be limited to jurisdictions in which the offer of the Notes to the public is made or where admission to trading on a regulated market is taking place. Such requests can be made by e-mail to the Domiciliary Agent at docsecurities.mbc@bnpparibasfortis.com.

Quarterly Investor Reports and Monthly Investor Reports

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

In addition to the Quarterly Investor Report, the Monthly Investor Report will be sent by the Administrator to the Investors on the third Business Day following the Monthly Payment Date.

The Investor Reports will be made available for inspection by the Administrator on the website <https://www.intertrustgroup-fgreporting.com> and will be made available upon request free of charge to any person at the office of the Domiciliary Agent. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

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

The Monthly Investor Reports will include, among other things, information on the Mortgage Loans and payments in arrears, loan-to-value analysis in respect of the Mortgage Loans and recent values on the portfolio, will be made available, from the date of this Base Prospectus as long as any Series and Class (or Sub-class) of Notes issued by the Issuer remain outstanding (including during the period while the prospectus is valid and the Notes are listed), and can be accessed via the following website: <https://www.bnpparibasfortis.com/investors/securitization/securitization/bass-master-issuer-n-v---s-a>. The information provided in such reports will be updated monthly. The information contained on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

All defined terms used in the Monthly Investor Reports have the meanings given to them in this Base Prospectus, unless otherwise defined in such Monthly Investor Report.

Reporting under the Securitisation Regulation

As from the Programme and the Notes becoming subject to the Securitisation Regulation, the Administrator will procure the publication of a Quarterly Investor Report, which will include:

- (a) the information required by Article 7(1)(e) of the Securitisation Regulation; and
- (b) certain loan-by-loan information in relation to the Mortgage Loans in respect of the relevant Mortgage Collection Period prior to pricing of any Series of Notes upon request, to the extent required by and in accordance with Article 7(1)(a) of the Securitisation Regulation.

As from the Programme and the Notes becoming subject to the Securitisation Regulation, the Administrator will also procure:

- (a) the publication of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation without delay; and
- (b) that the information required by Article 7(1)(a) of the Securitisation Regulation is made available to potential investors before pricing upon request, and that the information required by Article 7(1)(b) to (d) is made available before pricing at least in draft or initial form.
- (c) if applicable, that each STS notification in accordance with Article 27 of the Securitisation Regulation is made available prior to the pricing of any such series of notes,

in each case by means of the securitisation repository mentioned above.

Verification of data

As from the Programme and the Notes becoming subject to the Securitisation Regulation, prior to the issuance of any Notes, the Seller may cause a sample of the Mortgage Loans that will be sold to the Issuer to be subject to external verification by one or more appropriate and independent third parties (such as a review of a representative sample of Mortgage Loans based on agreed upon procedures) for the purposes of Article 22(2) of the Securitisation Regulation, the details of which shall be set out in the applicable Final Terms.

Liability cashflow model

The Administrator will make available a liability cashflow model, either directly or indirectly through one or more entities which provide such liability cashflow models to investors generally, which precisely represents the contractual relationship between the Mortgage Loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer, (i) prior to pricing of the Notes, to potential investors and (ii) on an on-going basis, to Noteholders and to potential investors in the notes upon request.

Post-issuance information

The Issuer will publish the following post-issuance information:

1. Quarterly Investment Reports
2. Monthly Investment Reports
3. Data referred to in paragraph (a) above, to be made available through the securitisation repository.

Other information

No person is or has been authorised to give any information or to make any representation other than those contained in the documents referred to above in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger.

RESPONSIBILITY STATEMENT

The Issuer

The Issuer is responsible for the information in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the Issuer's knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

The Dealers and the Arranger

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

BNP Paribas Fortis SA/NV as Seller, Pool Servicer, Domiciliary Agent, Listing Agent, Reference Agent, the Account Bank and the Interest Swap Counterparty

BNP Paribas Fortis SA/NV as Seller, Pool Servicer, Domiciliary Agent, Listing Agent, Reference Agent, the Account Bank and the Interest Swap Counterparty accepts responsibility solely for the following sections of this Base Prospectus:

Section "Mortgage Loan underwriting and servicing" on page 62 and following;

Section "Overview of the Belgian residential mortgage market" on page 67 and following;

Section "BNP Paribas Fortis SA/NV" on page 222 and following.

To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information in these sections and any other information from third parties identified as such in these sections has been accurately reproduced and as far as the Seller is aware and is able to ascertain from information published by that third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Seller accepts responsibility accordingly.

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**SELLER, POOL SERVICER, INTEREST SWAP COUNTERPARTY, ACCOUNT BANK,
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