

## PROSPECTUS DATED 16 NOVEMBER 2020

**Tulip Mortgage Funding 2020-1 B.V. as Issuer** *(incorporated as a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid), existing and incorporated under the laws of the Netherlands, with registered office at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands, registered with the Dutch trade register (Kamer van Koophandel) under number 80370845, with Legal Entity Identifier 724500OFDWCLKRGJHN17. The Securitisation Transaction unique number is 724500T5HC7NI06PEW24N202001.*

	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>Class Z1</b>	<b>Class Z2</b>	<b>Class X</b>	<b>Class R</b>
<b>Principal Amount</b>	EUR 206,000,000	EUR 6,200,000	EUR 4,700,000	EUR 7,747,000	EUR 3,600,000	EUR 1,600,000	EUR 200,000
<b>Issue Price</b>	100 per cent.	97.665 per cent.	95.403 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
<b>Interest Rate /Revenue</b>	Euribor for 3-month deposit, plus a margin of 0.65 per cent. per annum, with a floor of 0 per cent. per annum	Euribor for 3-month deposit, plus a margin of 0.9 per cent. per annum, with a floor of 0 per cent. per annum	Euribor for 3-month deposit, plus a margin of 1.05 per cent. per annum, with a floor of 0 per cent. per annum	(i) up to (and including) the First Optional Redemption Date Euribor for 3-month deposit, plus a margin of 0 per cent. per annum, with a floor of 0 per cent. per annum, and (ii) following (but excluding) the First Optional Redemption Date, zero	(i) up to (and including) the First Optional Redemption Date Euribor for 3-month deposit, plus a margin of 0 per cent. per annum, with a floor of 0 per cent. per annum, and (ii) following (but excluding) the First Optional Redemption Date, zero	the Class X Residual Amount	the Class R Residual Amount
<b>Subordinated Step-up Margin following First Optional Redemption Date</b>	0.4875 per cent. per annum subject to the calculation in accordance with Condition 4(d) (Subordinated Step-up Consideration following the First Optional Redemption Date)	0.9 per cent. per annum subject to the calculation in accordance with Condition 4(d) (Subordinated Step-up Consideration following the First Optional Redemption Date)	1.05 per cent. per annum subject to the calculation in accordance with Condition 4(d) (Subordinated Step-up Consideration following the First Optional Redemption Date)	N/A	N/A	N/A	N/A
<b>Expected ratings (DBRS / Fitch)<sup>1</sup></b>	AAA(sf) / AAAsf	AA (low)(sf) / AAAsf	A (low)(sf) / A-sf	N/A	N/A	N/A	N/A
<b>First Notes Payment Date</b>	Notes Payment Date falling in January 2021	Notes Payment Date falling in January 2021	Notes Payment Date falling in January 2021	Notes Payment Date falling in January 2021	Notes Payment Date falling in January 2021	Notes Payment Date falling in January 2021	Notes Payment Date falling in January 2021
<b>First Optional Redemption Date</b>	Notes Payment Date falling in October 2024	Notes Payment Date falling in October 2024	Notes Payment Date falling in October 2024	Notes Payment Date falling in October 2024	N/A	N/A	N/A
<b>Final Maturity Date</b>	Notes Payment Date falling in January 2058	Notes Payment Date falling in January 2058	Notes Payment Date falling in January 2058	Notes Payment Date falling in January 2058	Notes Payment Date falling in January 2058	Notes Payment Date falling in January 2058	Notes Payment Date falling in January 2058

<sup>1</sup> The ratings do not address the likelihood of payment of subordinated step-up.

## Tulpenhuis 1 B.V. as Seller and Servicer

(incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law)

This document constitutes a prospectus (the **Prospectus**) within the meaning of Articles 3(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the Prospectus Regulation). This Prospectus has been approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**), as competent authority under the Prospectus Regulation. The AFM only approves this 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 and the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. This Prospectus shall be valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to 12 months after its approval by the AFM and shall expire on 16 November 2021, at the latest. It is noted that the obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

<b>Closing Date</b>	The Issuer will issue the Notes on 18 November 2020 (or such other date as may be agreed between the Seller, the Issuer, the Arranger and the Joint Lead Managers (the <b>JLMs</b> )).
<b>Underlying Assets</b>	The Issuer will make payments on the Notes in accordance with the applicable Priority of Payments from, <i>inter alia</i> , payments of principal and interest received from a portfolio comprising Mortgage Loans originated by the Seller and secured over residential properties located in the Netherlands. The legal title of the resulting Mortgage Receivables will be assigned by the Seller to the Issuer on the Closing Date and, subject to certain conditions being met, on any Purchase Date thereafter. See section 7.1 ( <i>Purchase, repurchase and sale</i> ) for more details.
<b>Security for the Notes</b>	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, <i>inter alia</i> , the Mortgage Receivables and the Issuer Rights (see Section 4.7 ( <i>Security</i> )).
<b>Denomination</b>	The Notes will be issued with minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof with a maximum denomination of EUR 199,000.
<b>Form</b>	The Notes will be in bearer form. The Notes will be represented by the Global Notes, without coupons attached. Interests in the Global Notes will only in limited circumstances be exchangeable for Notes in definitive form.
<b>Interest/ Revenue</b>	The Floating Rate Notes will carry a floating rate of interest as set out above, payable quarterly in arrear on each Notes Payment Date. The interest on the Class X Notes and the Class R Notes will be equal to the Class X Residual Amount and the Class R Residual Amount, respectively. See further Section 4.1 ( <i>Terms and conditions</i> ) and Condition 4 ( <i>Interest and Subordinated Step-up Consideration</i> ).
<b>Redemption Provisions</b>	Unless previously redeemed in full, payments of principal on the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, will be made in arrear on each Notes Payment Date in the circumstances set out in, and subject to and in accordance with, the Conditions through the application of the Available Principal Funds, including as a result of the Seller exercising the Seller Call Option, the Clean-Up Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders exercising the Class R Call Option on the First Optional Redemption Date or any Optional Redemption Date thereafter, or the Remarketing Call Option. The Issuer also has the right to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, for tax reasons, subject to and in accordance with Condition 6(g) ( <i>Redemption for tax reasons</i> ), at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption. On each Notes Payment Date, the Class Z2 Notes, the Class X Notes and the Class R Notes will be subject to mandatory redemption (in whole or in part) in the circumstances set out in, and subject to and in accordance with, the Conditions through the application of the Available Class Z2 Redemption Funds, Available Class X Redemption Funds and the Available Class R Redemption Funds, respectively. The Notes will mature on the Final Maturity Date (to the extent not previously redeemed). See further Condition 6 ( <i>Redemption</i> ).
<b>Subscription and sale</b>	The JLMs have pursuant to the Senior Subscription Agreement agreed to subscribe for the Rated Notes on the Closing Date, subject to certain conditions precedent being satisfied. Furthermore, the Seller has pursuant to the Junior Subscription Agreement agreed to purchase on the Closing Date, subject to certain conditions precedent being satisfied, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes.
<b>Credit Rating Agencies</b>	Each of the Credit Rating Agencies is established in the European Union and is registered under the CRA Regulation. As such each of the Credit Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority ( <b>ESMA</b> ) on its website in accordance with the CRA Regulation.
<b>Ratings</b>	Credit ratings will be assigned by DBRS and Fitch to the Rated Notes as set out above on or before the Closing Date. The Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes will not be assigned a credit rating. The credit ratings assigned by DBRS on the Closing Date address (a) the timely payment of interest and ultimate payment of principal to the Class A Noteholders, (b) the ultimate payment of principal and ultimate payment of interest to the Class B Noteholders prior to them being the Most Senior Class of Notes outstanding and timely payment of interest once they are the Most Senior Class of Notes outstanding, and (c) the ultimate payment of interest and principal to the Class C Noteholders by a date that is not later than the Final Maturity Date, each in accordance with and subject to the Conditions. The credit ratings assigned by Fitch on the Closing Date address the likelihood of (a) timely payment of interest to the Class A Noteholders and the Class B Noteholders on each Notes Payment Date and payment in full of principal to the Class A Noteholders and the Class B

	Noteholders by a date that is not later than the Final Maturity Date and (b) full payment of interest and principal due to the Class C Noteholders by a date that is not later than the Final Maturity Date prior to them being the Most Senior Class of Notes outstanding and timely payment of interest once they are the Most Senior Class of Notes outstanding. Both the ratings of DBRS and Fitch do not address the likelihood of payment of the Subordinated Step-up Consideration (set forth in Condition 4(d)).
<b>Listing</b>	Application has been made to list the Notes (other than the Class Z1 Notes and the Class Z2 Notes) on Euronext Amsterdam. This Prospectus has been approved by the AFM and constitutes a prospectus for the purposes of the Prospectus Regulation.
<b>Eurosystem Eligibility</b>	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper each of which is recognised as an International Central Securities Depository. It does not necessarily mean that the Class A 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 at the Eurosystem's discretion of the Eurosystem eligibility criteria. The Subordinated Notes are not intended to be held in a manner which will allow Eurosystem eligibility.
<b>Simple, Transparent and Standardised Securitisation (STS-securitisation)</b>	The securitisation transaction described in this Prospectus is intended to qualify as an STS-securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the securitisation transaction described in this Prospectus meets on the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and will be notified prior to or on the Closing Date by the Seller, as originator, to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (at the date of this Prospectus: <a href="https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation">https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation</a> ). The Seller, as originator and the Issuer have used the services of PCS, a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. No assurance can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. Investors should verify the current status of the securitisation transaction described in this Prospectus on ESMA's website. None of the Issuer, Issuer Administrator, Reporting Entity, Arranger, each JLM, Security Trustee, Servicer, Seller or any of the other transaction parties makes any representation or accepts any liability for the securitisation transaction described in this Prospectus to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.
<b>Limited recourse obligations</b>	The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available to it. See Section 1 ( <i>Risk factors</i> ).
<b>Subordination</b>	Each Class of Notes, other than the Class A Notes, is subordinated to other Classes of Notes in reverse alphabetical order. See Section 5 ( <i>Credit structure</i> ).
<b>Retention and Information Undertaking</b>	The Seller, as originator, has undertaken to the Issuer, the Security Trustee and the JLMs that, for as long as the Notes are outstanding, it shall retain, on an ongoing basis, a material net economic interest in the securitisation transaction described in this Prospectus which shall in any event not be less than five (5) per cent, in accordance with article 6 of the Securitisation Regulation. On the Closing Date, such interest is retained in accordance with item 3(d) of article 6 of the Securitisation Regulation by the Seller holding all of the Class Z1 Notes and all of the Class Z2 Notes. The Seller has also undertaken to make available materially relevant information to investors in accordance with article 7 of the Securitisation Regulation so that investors are able to verify compliance with article 6 of the Securitisation Regulation. Each prospective Noteholder should ensure that it complies with the Securitisation Regulation to the extent applicable to it. The Issuer Administrator, on behalf of the Issuer and / or the Reporting Entity, will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with information on the retention of the material net economic interest by the Seller. Each prospective institutional investor (as such term is defined in the Securitisation Regulation) is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, Tulpenhuis 1 B.V. (in its capacity as the Seller and the Servicer), the Issuer Administrator, the Arranger nor the JLMs make any representation that the information described above is sufficient in all circumstances for such purposes. See further Section 4.4 ( <i>Regulatory and industry compliance</i> ) for more details. The Seller does not intend to retain at least five (5) per cent. of the credit risk of the securitised assets for purposes of compliance with 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.
<b>Volcker Rule</b>	The Issuer is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the Volcker Rule). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the <b>Investment Company Act</b> ) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determinations that (i) the Issuer would satisfy all of the elements of the exemption from registration under the Investment Company Act provided by Section 3(c)(5)(C) thereunder, and, accordingly, (ii) 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) of the Investment Company Act for their exclusion and/or exemption from registration under the Investment Company Act.

<b>Important information and responsibility statements</b>	<p>The Issuer is responsible for the information contained in this Prospectus. In addition to the Issuer, each of the Seller, the Swap Counterparty, Issuer Account Bank or Stater Nederland B.V. is responsible for the information as referred to in the following paragraphs. To the best of the Issuer's knowledge the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts such responsibility accordingly. For the information set forth in the following sections of this Prospectus: all paragraphs dealing with article 6 of the Securitisation Regulation, paragraph <i>Portfolio Information</i> in Section 1 (<i>Transaction overview</i>), Section 3.4 (<i>Seller</i>), Section 3.5 (<i>Servicer, Sub-Servicer and Delegate Sub-Servicers</i>), Section 3.8 (<i>Reporting Entity</i>), Section 4.4 (<i>Regulatory and industry compliance</i>), Section 6.1 (<i>Stratification tables</i>), Section 6.2 (<i>Description of Mortgage Loans</i>), Section 6.3 (<i>Origination and servicing</i>), Section 6.4 (<i>Dutch residential mortgage market</i>), 6.5 (<i>NHG Guarantee programme</i>) and the paragraphs <i>Risk retention under the Securitisation Regulation</i> and <i>STS-securitisation</i> in Section 8 (<i>General</i>), the Issuer has relied on information from the Seller, for which the Seller is responsible. To the best of the Seller's knowledge the information contained in these paragraphs and sections, as applicable, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly. For Section 3.9 (<i>Issuer Account Bank</i>), Section 3.7 (<i>Swap Counterparty</i>) and Section 6.3.4 (<i>Stater Nederland B.V.</i>), the Issuer has relied on information from the Issuer Account Bank, the Swap Counterparty and Stater Nederland B.V., respectively, for which the Issuer Account Bank, the Swap Counterparty and Stater Nederland B.V., respectively is responsible. To the best of the Issuer Account Bank's, the Swap Counterparty's and Stater Nederland B.V.'s knowledge the information contained in the paragraphs and sections for which they are responsible, as applicable, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer Account Bank, the Swap Counterparty and Stater Nederland B.V., respectively, accepts responsibility accordingly. The information in these sections and any other information from third parties set forth in and specified as such in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party explicitly mentioned in this Prospectus, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Arranger nor the JLMs (nor any of their respective affiliates) has separately verified the information set out in this Prospectus. To the fullest extent permitted by law, none of the Arranger or JLMs (nor any of their respective affiliates) makes any representation, express or implied, or accepts any responsibility or liability for (i) the content of this Prospectus, (ii) the accuracy or completeness of any statement or information contained in or consistent with this Prospectus in connection with the offering of the Notes or (iii) compliance of the securitisation transaction described in this Prospectus with the requirements of the Securitisation Regulation. Neither the Arranger or the JLMs nor any of their respective affiliates accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or the offer. Furthermore, none of the Arranger or the JLMs will have any responsibility for any act or omission of any other party in relation to this offer. The Arranger and the JLMs (including their respective affiliates) disclaim any and all liability whether arising in tort or contract or otherwise in connection with this Prospectus or any such information or statements. No representation or warranty express or implied, is made by any of the Arranger or JLMs or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document. The Arranger and the JLMs are acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.</p>
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The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any state securities laws, and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable state or local securities laws.

**Investing in any of the Notes involves certain risks. For a discussion of the material risks involved with an investment in the Notes, see Section 1 (*Risk factors*) herein.**

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language to ensure that the correct technical meaning may be ascribed to them under applicable law. Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in Section 9.1 (*Definitions*) of Section 9 (*Glossary of Defined Terms*) (the **Glossary of Defined Terms**) set out in this Prospectus. The principles of interpretation set out in Section 9.2 (*Interpretation*) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus. The date of this Prospectus is 16 November 2020.

*Arranger*

**HSBC**

*Joint Lead Managers*

**BNP Paribas**

**HSBC**

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## 1 RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, all factors which are material for the purpose of assessing the market risk associated with the Notes are also described below as at the date of this Prospectus. The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, to the extent applicable, principal or other amounts on or in connection with the Notes may occur for other reasons not known to the Issuer or not deemed to be material enough. The Issuer does not represent that the statements below regarding the risks of investing in any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's own circumstances and financial condition. Per sub-category the most material risk factors are mentioned first as referred to in article 16 (1) of the Prospectus Regulation.*

### 1.1 Risks related to the Notes

#### 1.1.1 Credit risks related to the Notes

##### **Credit Risk**

The ability of the Issuer to redeem all of the Notes on the Final Maturity Date in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default (which occurs if, amongst others, the Issuer has insufficient funds available to pay any interest due on the Class A Notes), depends substantially upon whether the collections under the Mortgage Receivables are sufficient to redeem the Notes. The Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer (or any of its sub-servicers) to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Mortgage Receivables in order to discharge all amounts due and owed by the relevant Borrowers under the relevant Mortgage Receivables. This risk may affect the Issuer's ability to make payments on the Notes, but is mitigated to some extent by certain credit enhancement features which are described in Section 5 (*Credit structure*) and the fact that as of the Cut-Off Date, there are no Mortgage Loans in arrears (as set forth in the stratification table 19 (*Arrears status*)) and 84.71 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables as of Cut-off Date are amortising as further set forth in stratification table 2 (*Redemption type*), both tables included in Section 6.1 (*Stratification tables*). The amortising Mortgage Loans are anticipated to deleverage over time and as a result potentially reducing losses. There is no assurance that these measures and features will protect the holders of any Class of Notes against all risks of losses and therefore there remains a risk that the Issuer will not have sufficient funds available to fulfil its payment obligations under the Notes. The Issuer will report the Mortgage Receivables in arrears and the Realised Losses in respect thereof in the Investor Reports on an aggregate basis. Investors should be aware that the Realised Losses reported may not reflect all losses that already have occurred or are expected to occur, because a Realised Loss is recorded, inter alia, only after the Servicer has determined that foreclosure of the Mortgage and other collateral securing the

Mortgage Receivable has been completed which process may take a considerable amount of time and may not necessarily be in line with the policies of other originators in the Dutch market.

***Subordinated Notes bear a greater risk of non-payment than Higher Ranking Classes of Notes***

With respect to any Class of Notes being Subordinated Notes, the applicable subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes. As a result, the Noteholders of any Class of Notes with a lower payment priority bear a greater risk of non-payment than any Class of Notes with a higher payment priority than such Class of Notes. The obligation to pay the Subordinated Step-up Consideration in respect of any of the Rated Notes is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Rated Notes in accordance with the Conditions and the Trust Deed (see further *Risk related to Subordinated Step-up Consideration payable in respect of the Rated Notes after the First Optional Redemption Date being subordinated to certain other payments* below). See further Section 5 (*Credit structure*) and Section 4.1 (*Terms and conditions*).

It is however noted that the Class Z2 Notes, the Class X Notes and the Class R Notes will on each Notes Payment Date or relevant date (as applicable) be redeemed in accordance with Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) with the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds and the Available Class R Redemption Funds (as applicable). If the Class X Notes have been redeemed (in part or in full) and there is a shortfall in the amount available to the Issuer to pay interest and/or principal on the other Classes of Notes, this may result in the other Classes of Notes (other than the Class Z2 Notes and the Class R Notes) bearing a greater loss than that borne by the Class X Notes.

Hence, if the Issuer will not have sufficient funds available to fulfil its payment obligations under the Notes, the Noteholders of any Class of Notes subordinated to any Higher Ranking Class of Notes will sustain a higher loss than the Noteholders of such Higher Ranking Class of Notes. Noteholders should note that the risk described in this risk factor amplifies the credit risks described in the other risk factors setting out the possible consequence of the Issuer having insufficient funds available to fulfill its payment obligations under the Notes.

***Risk related to Subordinated Step-up Consideration payable in respect of the Rated Notes after the First Optional Redemption Date being subordinated to certain other payments***

Following the First Optional Redemption Date and provided that no Enforcement Notice has been delivered, the Noteholders of each of the Rated Notes will in accordance with the Revenue Priority of Payments, on a *pro rata* and *pari passu* basis within a Class and in accordance with the respective amounts outstanding of the Rated Notes, respectively, at such time, receive the Subordinated Step-up Consideration in respect of such Class, if available.

Following the First Optional Redemption Date and provided that no Enforcement Notice has been delivered, the obligation to pay the Subordinated Step-up Consideration in respect of the Rated Notes is subordinated to payments of a higher order of priority including, but not limited to, any amount necessary to (i) pay interest (and other than, for the avoidance of doubt, the Subordinated Step-up Consideration) on each Class (other than the Class Z1 Notes, Class Z2 Notes, Class X Notes and Class R Notes), (ii) make good any shortfall reflected in the relevant sub-ledger of the Principal Deficiency Ledger in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes until the debit balance, if any, on each such sub-



ledger of the Principal Deficiency Ledger is reduced to zero and (iii) replenish the Reserve Account up to the amount of the Reserve Account First Target Level and the Reserve Account Second Target Level respectively, in accordance with and subject to the Revenue Priority of Payments.

Following the First Optional Redemption Date and provided that no Enforcement Notice has been delivered, there is a risk that, in the event that on any Notes Payment Date, prior to redemption in full of the Rated Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of Subordinated Step-up Consideration due in respect of any Class of Rated Notes on such Notes Payment Date. In that event, the amount available (if any) shall be applied towards satisfaction of the Subordinated Step-up Consideration due on such Notes Payment Date to the holders of (i) the Class A Notes on a *pro rata* and *pari passu* basis in accordance with the respective amount of Class A Subordinated Step-up Consideration to be distributed to the Class A Noteholders at such time and, thereafter, (ii) the Class B Notes on a *pro rata* and *pari passu* basis in accordance with the respective amount of Class B Subordinated Step-up Consideration to be distributed to the Class B Noteholders at such time and, thereafter (iii) the Class C Notes on a *pro rata* and *pari passu* basis in accordance with the respective amount of Class C Subordinated Step-up Consideration to be distributed to the Class C Noteholders at such time.

Non-payment of the Subordinated Step-up Consideration will not cause an Event of Default but a *pro rata* share of such shortfall shall be treated as if it were an amount due on the next succeeding Notes Payment Date as long as such Subordinated Step-up Consideration has not been paid. The credit ratings assigned by the Credit Rating Agencies do not address the likelihood of any payment of the Subordinated Step-up Consideration (being an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year) in respect of any relevant Class of Rated Notes. The risk that the Issuer is not able to fulfil its payment obligations in respect of the Subordinated Step-up Considerations arises, among other things, if any of the credit risks described in the risk factors included in this Prospectus materialises and as a result of such credit risk materialising the Issuer will have insufficient funds available to fulfil its payment obligations in respect of the Subordinated Step-up Consideration.

***Risks related to the effectiveness of the rights of pledge granted to the Security Trustee in case of insolvency of the Issuer***

Under or pursuant to the Pledge Agreements, various security interests will be granted by the Issuer to the Security Trustee (see for additional details Section 4.7 (*Security*)). The Issuer is a special purpose vehicle, most creditors (including the Secured Creditors) of which have agreed to limited recourse and non-petition provisions, and is therefore unlikely to become insolvent. If it would, however, be declared bankrupt or granted a suspension of payments the following should be noted. To the extent that the receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future receivable cannot be invoked against the estate of the Issuer, if such future receivable comes into existence on or after the date the Issuer has been declared bankrupt or has been granted a suspension of payments. The Issuer has been advised that some of the assets pledged to the Security Trustee under the Issuer Rights Pledge Agreement and Issuer Accounts Pledge Agreement may be regarded as future receivables and therefore this may lead to losses under the Notes. This would for example apply to amounts paid to the

Issuer Transaction Accounts and the Swap Cash Collateral Account following the Issuer's bankruptcy, or suspension of payments. If all the collections under the Mortgage Receivables in relation to a Mortgage Calculation Period would be paid into any such Issuer Account following its bankruptcy or suspension of payments, such collections fall within the bankruptcy estate of the Issuer. Such amounts will not be available for distributions by the Security Trustee to the Secured Creditors (including the Noteholders). This may result in losses under the Notes.

***Risks related to the creation of pledges on the basis of the Parallel Debt***

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the rights of pledge under the Pledge Agreements in favour of the Security Trustee, in the Trust Deed the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee an amount equal to the aggregate amount due (*verschuldigd*) by the Issuer to all the Secured Creditors from time to time under or in connection with the Transaction Documents (the **Parallel Debt**). There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and on the question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge. However, the Issuer has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements and the Deeds of Assignment and Pledge. Should the Parallel Debt not constitute a valid basis for the creation of security rights, the Pledged Assets may secure none of the liabilities of the Issuer vis-à-vis the Secured Creditors and the proceeds of the Pledged Assets will not be available for distributions by the Security Trustee to the Secured Creditors (including the Noteholders) and therefore the Security Trustee may have insufficient funds available to it to fulfil the Issuer's payment obligations under the Notes. This may result in losses under the Notes. The same applies, *mutatis mutandis*, to the parallel debt included in the Collection Foundation Account Pledge Agreement. For additional details, reference is made to Section 4.7 (*Security*).

**1.1.2 Market and liquidity risks related to the Notes**

***Risks related to the limited liquidity of the Notes***

There is not, at present, any active and liquid secondary market for the Notes. Although application has been made to Euronext Amsterdam for the Notes (other than the Class Z1 Notes and the Class Z2 Notes) to be admitted to the official list and trading on its regulated market, there can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that such liquidity will continue for the life of the Notes. A decrease in the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The secondary market has experienced disruptions resulting from reduced investor demand for mortgage loans and mortgage-backed securities. This has had a material adverse impact on the market value of mortgage-backed securities similar to the Notes. As a result, the secondary market for mortgage-backed securities is experiencing limited liquidity. Limited liquidity in the secondary market for mortgage-backed securities may continue to have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors.

Consequently, investors may not be able to sell or acquire credit protection on their Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to investors.

In addition, the forced sale into the market of mortgage-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are experiencing funding difficulties could adversely affect an investor's ability to sell the Notes and/or the price an investor receives for the Notes in the secondary market. Thus, Noteholders bear the risk of limited liquidity of the secondary market for mortgage-backed securities and the effect thereof on the value of the Notes and should therefore be aware that they may suffer loss if they intend to sell any of the Notes on the secondary market for such Notes.

***Risks in relation to negative interest rates on the Issuer Transaction Accounts***

Pursuant to the Issuer Account Agreement the interest rate accruing on the balances standing to the credit of any of the Issuer Transaction Accounts could be less than zero in case €STR minus the applicable margin is below zero. Any negative interest will be payable by the Issuer to the Issuer Account Bank. If the Issuer has the obligation to pay interest accruing on the balances standing to the credit of any of the Issuer Transaction Accounts to the Issuer Account Bank instead of receiving interest thereon, this will reduce the income of the Issuer and its possibility to generate further income on the assets held in the form of cash in the Issuer Transaction Accounts. This risk increases if the amount deposited on the Issuer Transaction Accounts becomes (more) substantial and/or if the €STR rate becomes more negative. Ultimately such negative interest rate and/or an enduring obligation of the Issuer to make such payments in respect thereof to the Issuer Account Bank could result in the Issuer having insufficient funds to fulfil its obligations under the Notes in full. This may therefore result in losses under the Notes.

***Risk that Class A Notes may not be recognised as eligible Eurosystem Eligible Collateral***

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper. This does not necessarily mean that the Class A 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 at the Eurosystem's discretion of the Eurosystem eligibility criteria as amended from time to time, which criteria will include the requirement that loan-by-loan information be made available to investors in accordance with the template which is available on the website of the European Central Bank or, following a three (3) month transitional period after the final implementing technical standards pursuant to article 7(4) of the Securitisation Regulation becoming applicable and a repository having been designated pursuant to article 10 of the Securitisation Regulation, in accordance with the final disclosure templates as adopted in such final regulatory technical standards and final implementing technical standards. It has been agreed in the Administration Agreement that the Issuer Administrator shall use its best efforts to make such loan-by-loan information available on a quarterly basis within one (1) month after each Notes Payment Date, for as long as such requirement is effective, to the extent it has such information available. Should such loan-by-loan information not comply with the European Central Bank's requirements or not be available at such time, the Class A Notes may not be recognised as Eurosystem Eligible Collateral. The Subordinated Notes are not intended to be held in a manner which allows their Eurosystem eligibility.

In addition, the Eurosystem eligibility criteria include that the Notes must be admitted to trading on a regulated market as defined in the Directive 2004/39/EC of the European Parliament and of the Council of

21 April 2004 on markets in financial instruments, or traded on certain non-regulated markets specified by the ECB. Application has been made to Euronext Amsterdam for the Class A Notes to be admitted to listing on or about the Signing Date. However, there is no assurance that the Class A Notes will be admitted to listing on Euronext Amsterdam. If the Class A Notes do not fulfill all the Eurosystem eligibility criteria, they will not be recognised as Eurosystem Eligible Collateral and this is likely to have a negative impact on the liquidity and/or value of the Class A Notes. Noteholders should therefore be aware that they may not be able to sell the Class A Notes and/or they may suffer loss if they intend to sell any of the Class A Notes.

***Risk related to the ECB Purchase Programme and the pandemic emergency purchase programme***

In September 2014, the ECB initiated an asset purchase programme (**APP**) whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the euro area and, also, to help enterprises across Europe to enjoy better access to credit, boost investments, create jobs and thus support the overall economic growth. The expanded APP commenced in March 2015 and encompasses the earlier announced asset-backed securities purchase programme and the covered bond purchase programme. On 1 November 2019 net purchases were restarted under the Governing Council's APP at a monthly pace of EUR 20 billion. On 23 January 2020 the Governing Council of the ECB communicated to the market that the ECB will continue to make net purchases under its APP at a monthly pace of EUR 20 billion. The Governing Council expects them to run for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest rates.

At the 10 September 2020 meeting of the Governing Council it has been decided that the ECB will continue its purchases under the pandemic emergency purchase programme (**PEPP**) with a total envelope of EUR 1,350 billion. These purchases contribute to easing the overall monetary policy stance, thereby helping to offset the downward impact of the pandemic on the projected path of inflation. The purchases will continue to be conducted in a flexible manner over time, across asset classes and among jurisdictions. This allows the Governing Council to effectively stave off risks to the smooth transmission of monetary policy. The Governing Council will conduct net asset purchases under the PEPP until at least the end of June 2021 and, in any case, until it judges that the coronavirus crisis phase is over. The Governing Council will reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2022.

In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance. Furthermore, net purchases under the asset purchase programme (APP) will continue at a monthly pace of EUR 20 billion, together with the purchases under the additional EUR 120 billion temporary envelope until the end of the year. The Governing Council continues to expect monthly net asset purchases under the APP to run for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest rates. The Governing Council intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when it starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favorable liquidity conditions and an ample degree of monetary accommodation.

Finally, the Governing Council will also continue to provide ample liquidity through its refinancing operations. In particular, the latest operation in the third series of targeted longer-term refinancing operations (**TLTRO III**) has registered a very high take-up of funds, supporting bank lending to firms and households.

The Governing Council adopted on 7 April 2020 (Decision (EU) 2020/506) a package of temporary collateral easing measures to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations, such as the targeted longer-term refinancing operations (TLTRO-III). The package is complementary to other measures including additional longer-term refinancing operations (**LTROs**) and the PEPP as a response to the coronavirus emergency. The measures collectively support the provision of bank lending especially by easing the conditions at which credit claims are accepted as collateral. At the same time the Eurosystem is increasing its risk tolerance to support the provision of credit via its refinancing operations, particularly by lowering collateral valuation haircuts for all assets consistently. On 22 April 2020 the Governing Council adopted temporary measures to further mitigate the effect on collateral availability of possible rating downgrades resulting from the economic fallout from the COVID-19 pandemic. The decision complements the broader collateral easing package that was announced on 7 April 2020. Together these measures aim to ensure that credit institutions have sufficient assets that they can mobilise as collateral with the Eurosystem to participate in the liquidity-providing operations and to continue providing funding to the euro area economy, (**Collateral Easing Measures**). It is expected that the Collateral Easing Measures will remain in force in any event until September 2021.

It remains uncertain which effect this restart of the APP, the introduction of the PEPP and the Collateral Easing Measures will have on the volatility in the financial markets and the overall economy in the Eurozone and the wider European Union. The restart of the APP and/or the termination of the APP, the launch of the PEPP and the termination of the PEPP and the Collateral Easing Measures and the readjustment of the Collateral Easing Measures to the former eligibility framework could have an adverse effect on the secondary market value of the Notes and the liquidity in the secondary market for the Notes. The Noteholders should be aware that they may suffer loss if they intend to sell any of the Notes on the secondary market for such Notes as a result of the impact the restart of the APP and/or a potential termination of the APP, the launch of the PEPP and the termination of the PEPP and the Collateral Easing Measures and the readjustment of the Collateral Easing Measures to the former eligibility framework may have on the secondary market value of the Notes and the liquidity in the secondary market for the Notes.

#### ***Risks related to the impact of COVID-19 on the creditworthiness of the Borrowers***

In December 2019, a novel strain of the coronavirus COVID-19 (**COVID-19**) was reported in Wuhan, China. The World Health Organization has classified COVID-19 as a global pandemic (the **COVID-19 Pandemic**). For more information on this subject reference is made to Section 4.4 (*Regulatory and industry compliance*).

The Servicer may be faced with requests for payment postponements from Borrowers who are in distress due to the COVID-19 Pandemic. On the Cut-Off Date, no COVID-19 related forbearances have been granted in respect of the Mortgage Receivables. The Seller will assess any request for payment postponements from Borrowers who are in distress due to the COVID-19 Pandemic on a case-by-case basis. If granted, the relevant Borrower is entitled to postpone payment of interest and/or principal under the Mortgage Loan. Depending on how many Borrowers will request and be eligible for a payment postponement, arrears and (potentially) subsequent losses under the Mortgage Loans may increase. This could affect the Issuer's ability to timely and fully meet its payment obligations under the Notes and could therefore lead to losses under the Notes. It is noted that there can be no assurance whether, upon expiry of the envisaged payment postponement, the relevant Borrower will be able to meet its payment obligations and whether the payment postponements might be extended. This may result in payment disruptions and

possibly higher losses under the Mortgage Receivables. The Noteholders should be aware that this may lead to the Issuer not being able to meet (all) its payment obligations under the Notes and that the Noteholders may suffer loss under the Notes as a result of payment defaults under the Mortgage Receivables if no economic recovery will take place.

***Risk related to the Notes no longer being listed***

Application has been made to Euronext Amsterdam for the Notes (other than the Class Z1 Notes and the Class Z2 Notes) to be admitted to the official list and trading on its regulated market. Once admitted to the official list and trading on Euronext, there is a risk that any of such Notes will no longer be listed on Euronext Amsterdam. Consequently, investors may not be able to sell their Notes readily. The market values of the Notes may therefore decrease. This could adversely affect a Noteholder's ability to sell the Notes and/or the price an investor receives for the Notes in the secondary market. As a result, the Noteholders should be aware that they may not be able to sell or suffer loss, if they intend to sell any of the Notes on the secondary market for such Notes and such Notes are no longer listed.

***Risk that the performance of the Notes may be adversely affected by the conditions in the global financial markets and these conditions may not improve in the near future***

Global markets and economic conditions have been negatively impacted in the past by the banking and sovereign debt crisis in the EU and globally. In particular, concerns have been raised with respect to continuing economic, monetary and political conditions in the region comprised of the Member States of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended (the **Eurozone**).

The market's anticipation of these (potential) impacts could have a material adverse effect on the business, financial condition and liquidity of the Issuer, the Seller, the Servicer, the Sub-Servicer, the Delegate Sub-Servicers, the Swap Counterparty and the Issuer Account Bank. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations. Further, there is considerable uncertainty surrounding the United Kingdom's exit from the European Union. This exit could also negatively impact the European markets.

In the event of continued or increasing market disruptions and volatility (including as may be demonstrated by any default or restructuring of indebtedness by one or more Member States or institutions within those Member States and/or any changes to the Eurozone or exit from the European Union), the Issuer, the Seller, the Servicer, the Sub-Servicer, the Delegate Sub-Servicers, the Swap Counterparty and the Issuer Account Bank may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues, which may affect their ability to perform their respective obligations under the relevant Transaction Documents. 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 to losses under the Notes. Noteholders should also be aware that these factors could have an adverse effect on the value of the Notes if they intend to sell such Notes.

**1.1.3 Reliance on counterparties and third parties and related risks**

***The Issuer has counterparty risk exposure***

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations under the Notes. It should be noted that, *inter alia*, there is a risk that (a) Tulpenhuis 1 B.V. in its capacity of Seller will not perform its obligations vis-à-vis the Issuer under the Mortgage Receivables Purchase Agreement, (b) Tulpenhuis 1 B.V. in its capacity of Servicer will not perform its obligations vis-à-vis the Issuer under the Servicing Agreement, (c) Vistra FS (Netherlands) B.V. in its capacity of Issuer Administrator will not perform its obligations under the Administration Agreement, (d) BNP Paribas in its capacity of Swap Counterparty will not perform its obligations under a Hedging Agreement, (e) ABN AMRO Bank N.V., in its capacity of Issuer Account Bank will not perform its obligations under the Issuer Account Agreement, (f) ABN AMRO Bank N.V., in its capacity of Paying Agent and Reference Agent will not perform its obligations under the Paying Agency Agreement, (g) Vistra Capital Markets (Netherlands) N.V. in its capacity of Issuer Director will not perform its obligations under the Issuer Management Agreement, (h) Stichting Tulpenhuis Ontvangsten in its capacity of Collection Foundation will not perform its obligations under the Receivables Proceeds Distribution Agreement, (i) Erevia B.V. in its capacity of Security Trustee Director will not perform its obligations under the Security Trustee Management Agreement and (j) Tulpenhuis 1 B.V. in its capacity as Reporting Entity will not perform its obligations under the Transparency Reporting Agreement. This may lead to losses under the Notes, as the Issuer may have incorrect information, insufficient funds available to fulfil its obligations under the Notes or available funds may not be applied in accordance with the Transaction Documents. The outbreak of COVID-19 may deteriorate the credit position of the counterparties to the Issuer and may have an impact on their ability to perform their respective obligations to the Issuer under the Transaction Documents. For more information on this subject reference is made to Section 4.4 (*Regulatory and industry compliance*).

***Risks related to the mandatory replacement of a counterparty***

Certain Transaction Documents to which the Issuer is a party, such as the Issuer Account Agreement, the Hedging Agreements and the Receivables Proceeds Distribution Agreement, provide for minimum required credit ratings of the counterparties to such Transaction Documents. If the credit ratings of a counterparty fall below these minimum required credit ratings, this is an indication that such counterparty's ability to fulfil its obligations under the Transaction Documents may be negatively impacted, the rights and obligations under such Transaction Document may have to be transferred to another counterparty having the minimum required credit ratings. In such event, there may not be a counterparty available that is willing to accept the rights and obligations under such Transaction Documents or such counterparty may only be willing to accept the rights and obligations under such Transaction Document if the terms and conditions thereof are modified. In addition, such replacement or action when taken, may lead to higher costs and expenses, as a result of which the Issuer may have insufficient funds to pay its liabilities in full. This may lead to losses under the Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, a deterioration of the credit quality of any of the Issuer's counterparties, a downgrade of any of their credit ratings and/or the failure to take remedial actions could have an adverse effect on the credit rating assigned to, and/or the value of, such Notes.

***Risks related to early redemption of the Notes in case of the exercise by (i) the Seller of the Clean-Up Call Option, the Seller Call Option or the Risk Retention Regulatory Change Call Option, or (ii) the Class R Noteholders of the Class R Call Option or the Remarketing Call Option or (iii) the Issuer of the Tax Call Option***

The Issuer has the option to redeem the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) at their Principal Amount Outstanding prematurely, on any Notes Payment Date, subject to and in accordance with Condition 6(g) (*Redemption for tax reasons*), for certain tax reasons by exercise of the Tax Call Option. In addition, the Issuer has the obligation to redeem the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) at their Principal Amount Outstanding prematurely subject to and in accordance with Condition 6(b) (*Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Note*), if the Seller exercises the Clean-Up Call Option, the Seller Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders exercise the Class R Call Option or the Remarketing Call Option. Upon such redemption in full of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), the Class Z2 Notes, the Class X Notes and the Class R Notes will be subject to redemption as well.

Should the Tax Call Option, the Clean-Up Call Option, the Seller Call Option, the Class R Call Option, the Remarketing Call Option or the Risk Retention Regulatory Change Call Option be exercised, the Notes will be redeemed prior to the Final Maturity Date. Noteholders may not be able to invest the amounts received as a result of the premature redemption of the Notes on conditions similar to or better than those of the Notes.

***Risk that (i) the Class R Noteholders will not exercise the Remarketing Call Option or the Class R Call Option or (ii) the Seller will not exercise the Risk Retention Regulatory Change Call Option or the Clean-Up Call Option or the Seller Call Option or that necessary parties do not co-operate with the exercise of the Remarketing Call Option, the Class R Call Option, the Risk Retention Regulatory Change Call Option, the Clean-Up Call Option or the Seller Call Option which may result in the Notes not being redeemed prior to their legal maturity***

Notwithstanding the Subordinated Step-up Consideration applicable to the Rated Notes from the First Optional Redemption Date, no guarantee can be given that the Class R Noteholders will on the First Optional Redemption Date or on any Optional Redemption Date thereafter exercise the Remarketing Call Option or the Class R Call Option. The exercise of such right will, among other things, depend on the ability and wish of the Class R Noteholders to request the Issuer to sell all Mortgage Receivables at no less than the relevant Required Call Amount or to provide the Issuer with sufficient funds to repay the Noteholders or to restructure the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, as further described in Condition 6(d) (*Remarketing Call Option*). Similarly, no guarantee can be given that the Seller will on any Notes Payment Date exercise the Risk Retention Regulatory Change Call Option, the Clean-Up Call Option or the Seller Call Option.

Finally, any exercise by the Class R Noteholders of the Remarketing Call Option is subject to the necessary parties co-operating with the Class R Noteholders to achieve the successful structuring and marketing of new notes and/or restructured Notes, as the case may be.

Noteholders anticipating on the exercise of the Remarketing Call Option, the Class R Call Option, the Risk Retention Regulatory Change Call Option, the Clean-Up Call Option or the Seller Call Option, and as a result thereof on redemption prior to the Final Maturity Date, should be aware that if the Class R Noteholders will not exercise the Remarketing Call Option or the Class R Call Option, or the Seller will not exercise the Risk Retention Regulatory Change Call Option, the Clean-Up Call Option or the Seller Call Option, or that necessary parties do not co-operate with the exercise of the Remarketing Call Option, the Class R Call



Option, the Risk Retention Regulatory Change Call Option, the Clean-Up Call Option or the Seller Call Option, there is a risk that the Notes may not be redeemed prior to the Final Maturity Date.

***Risk that the Seller fails to repurchase Mortgage Receivables***

In the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase Mortgage Receivables from the Issuer under certain limited circumstances (as described in Section 7.1 (*Purchase, repurchase and sale*)). If the Seller defaults in the performance of this or any of its other obligations or covenants contained in the Mortgage Receivables Purchase Agreement, the Seller has undertaken with the Issuer to indemnify the Issuer for any damages sustained by the Issuer as a consequence thereof (being in principle the difference between the amount received by the Issuer and the amount which the Issuer would have received if not for this breach), provided that the aggregate amount of such compensation shall never exceed the amount of the Purchase Price of the relevant Mortgage Receivable. The Seller has only limited assets available and there can be no assurance that the Seller will honour or have the financial resources to indemnify the Issuer for claims of any substantive nature or to repurchase the Mortgage Receivables. However, depending on the factual circumstances at such time, the Seller might have a claim on the Sub-Servicer, for a default of the activities of the origination process outsourced to the Sub-Servicer. If the Seller is unable to repurchase any Mortgage Receivable it is required to indemnify the Issuer. There is a risk that the Seller is not able to indemnify the Issuer, which would affect the ability of the Issuer to perform its payment obligations under the Notes and this may lead to losses under the Notes.

***Risk related to the fact that the Security Trustee may agree to modifications without the Noteholders' prior consent***

Pursuant to the terms of the Trust Deed, the Security Trustee may agree without the consent of the Noteholders to (i) any modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Notes or any other Transaction Document, (ii) (a) the entering into of a new Transaction Document by the Issuer with a successor of the relevant counterparty or (b) the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor and (iii) any modification of any Transaction Document (including the Swap Agreement) in order to enable the Issuer and/or the Swap Counterparty to comply with any requirements which apply to it under certain regulations, provided in all instances that certain conditions are met (as fully described in Condition 14(f) (*Modifications agreed with the Security Trustee without consent of Noteholders*)). Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents without their knowledge or consent which may be against the interest of such Noteholder and this may have an adverse effect on the (value of the) Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, the fact that changes may be made to the Transaction Documents without their knowledge or consent, could have an adverse effect on the value of such Notes.

***Risk related to conflict of interest between the interests of holders of different Classes of Notes and Secured Creditors***

Circumstances may arise when the interests of the holders of different Classes of Notes could conflict. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If, in the sole opinion of the Security Trustee in respect of certain matters there is a conflict between the interests of the holders of different Classes of Notes, the Security Trustee shall have regard only to the interests of the Higher Ranking Class of Notes. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors and, in case of a conflict of interest

between the Secured Creditors, the Post-Enforcement and Call Option Exercise Priority of Payments set forth in the Trust Deed determines which interest of which Secured Creditor prevails. Noteholders should be aware that the interest of Secured Creditors ranking higher in the Post-Enforcement and Call Option Exercise Priority of Payments than the relevant Class of Notes shall prevail and therefore there is a risk that actions of the Security Trustee (in conflicting circumstances having regard only to the interests of the Higher Ranking Class of Notes) may not be in the interest of a Noteholder (other than the holders of the Higher Ranking Class of Notes) and this may lead to losses under its Notes and/or (if it intends to sell such Notes) could have an adverse effect on (the value of) such Notes.

***Risk related to resolution adopted at a meeting of the holders of the Most Senior Class is binding on all Noteholders and a resolution adopted by a Noteholders' meeting of a relevant Class is binding on all Noteholders of that relevant Class***

The Trust Deed contains provisions for convening meetings of the Noteholders of any Class to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of the Conditions or any provisions of the Transaction Documents. An Extraordinary Resolution passed at any meeting of the Most Senior Class shall be binding upon all Noteholders of a Class irrespective of the effect upon them, provided that in case of an Extraordinary Resolution approving a Basic Terms Change, such Extraordinary Resolution shall not be effective, unless it shall have been approved by Extraordinary Resolutions of Noteholders of each Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such Class. All resolutions, including Extraordinary Resolutions, duly adopted at a meeting are binding upon all Noteholders of the relevant Class, whether or not they are present at the meeting. Changes to the Transaction Documents and the Conditions may therefore be made without the approval of the Noteholders of a relevant Class of Notes (other than the Most Senior Class) in case of a resolution of the Noteholders of the Most Senior Class or individual Noteholder in case of a resolution of the relevant Class and/or in each case without the Noteholder being present at or aware of the relevant meeting (see for more details and information on the required majorities and quorum, Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Director*) below). The interests of the Noteholders of the Most Senior Class may not be aligned with the other Noteholders and there is therefore a risk that an Extraordinary Resolution of Noteholders of the Most Senior Class will conflict with the interests of such other Noteholders. Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents and the Conditions, upon approval of an Extraordinary Resolution of Noteholders of the Most Senior Class without their knowledge or consent, which may be against the interest of such Noteholder and this may have an adverse effect on the (value of the) Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, the fact that changes may be made to the Transaction Documents and the Conditions, upon approval of an Extraordinary Resolution of Noteholders of the Most Senior Class without their knowledge or consent, could have an adverse effect on the value of such Notes.

***Risks related to other conflicts of interest***

Certain transaction parties, such as the Seller and the Servicer are the same entity or form part of the same group or one or more have ultimately a common shareholder and act in different capacities in relation to the Transaction Documents and may also be engaged in other commercial relationships, in particular, provide banking, investment and other financial services to the transaction parties and other relevant parties. In such relationships, *inter alios*, the Seller and the Servicer are not obliged to take into consideration the interests of the Noteholders. Consequently, a conflict of interest may arise.

Furthermore, each of the Issuer Director and the Shareholder Director is Vistra Capital Markets (Netherlands) N.V., which belongs to the same group of companies as Erevia B.V. and Vistra FS (Netherlands) B.V. Vistra FS (Netherlands) B.V. acts as Issuer Administrator to the Issuer and Erevia B.V. acts as Security Trustee Director. Therefore, as each of the Directors and the Issuer Administrator have obligations towards the Issuer and towards each other and such parties are also creditors (each as a Secured Creditor) of the Issuer, and the Security Trustee acts as a trustee to the Noteholders and the other Secured Creditors and is as such obliged to take into consideration the interests of the Noteholders and the other Secured Creditors, a conflict of interest may arise. Also, the (indirect) directors of each of Erevia B.V., Vistra Capital Markets (Netherlands) N.V. and Vistra FS (Netherlands) B.V. are the same natural persons, as a result of which a conflict of interest may arise.

In this respect it is noted that in the Management Agreements between each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) as director of such entity, refrain from any action detrimental to any of such entity's obligations under the Transaction Documents, (ii) ensure that the relevant entity shall undertake no other business except as provided for in the Transaction Documents until it no longer has any actual or contingent liabilities under any of the Transaction Documents, (iii) in respect of the Issuer Director, the Security Trustee Director and the Shareholder Director, manage the affairs of the Issuer, the Security Trustee, the Shareholder, respectively, in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice with the same care it exercises or would exercise the administration of similar matters whether held for its own account or for the account of third parties and it shall use its best reasonable effort as to not adversely affect the then current credit ratings assigned to the Rated Notes and (iv) in respect of the Shareholder Director, as director of the Shareholder exercise its voting and other shareholder rights and powers (if any) in accordance with the Issuer's obligations under the Transaction Documents and/or as otherwise instructed by the Security Trustee. Furthermore, in the Administration Agreement, the Issuer Administrator has undertaken to do all such acts and things (other than being liable for the payment of principal or interest on any Note) that are required to be done by the Issuer pursuant to the Conditions and the Transaction Documents and comply with any proper directions, orders and instructions which the Issuer or the Security Trustee may from time to time give to it in accordance with the provisions of this Agreement (and in the event of any conflict those of the Security Trustee shall prevail).

As a result, in the event a conflict of interest arises in respect of any of the relevant parties as described above, such parties are obliged to act in accordance with these and other obligations under the Transaction Documents. If for whatever reason any such parties would not comply with any of its obligations under the Transaction Documents and act contrary to the interest of the party it represents (e.g. non-payment or fraudulent payments), this may lead to the Issuer having insufficient funds available to it to fulfil its payment obligations under the Notes and as a result, this may lead to losses under the Notes.

***Risks related to certain conflicts of interest involving or related to the Arranger, the Joint Lead Managers and their affiliates***

HSBC Bank plc (in its capacity as Joint Lead Manager and Arranger) and its affiliates and BNP Paribas (in its capacity as Joint Lead Manager) and its affiliates (the **Joint Lead Manager Parties**) will play various roles in relation to the offering of the Notes, as described below.

The Joint Lead Manager Parties may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions) and such Joint Lead Manager Parties would expect to earn fees and other revenues from these transactions.

The Joint Lead Manager Parties are part of global investment banking and securities and investment management firms that provide a wide range of financial services to a substantial and diversified client base that includes, without limitation, corporations, financial institutions, governments and high net worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The Joint Lead Manager Parties and/or their clients may have positions in or may have arranged financing in respect of the Notes or the Mortgage Loans and may have provided or may be providing investment banking services and other services to the Seller or the other transaction parties.

Each of the Joint Lead Manager Parties may act as lead manager, arranger, placement agent and/or initial purchaser or investment manager in other transactions involving issues of residential mortgage backed securities or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the price or the value of the Notes. The Joint Lead Manager Parties may not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Prospectus except where required by applicable law.

In the ordinary course of business, the Joint Lead Manager Parties and employees or customers of the Joint Lead Manager Parties may actively trade in and/or otherwise hold long or short positions in the Notes or enter into transactions similar to or referencing the Notes for their own accounts and for the accounts of their customers. If any of the Joint Lead Manager Parties become a holder of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consent or otherwise will not necessarily be aligned with the interests of the holders of the Notes. To the extent any of the Joint Lead Manager Parties make a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which any of the Joint Lead Manager Parties may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

Prospective investors should note that certain Joint Lead Manager Parties have provided financing indirectly to the Seller through a warehousing issuer. As such, the proceeds of the issuance of the Notes will be used on or about the Closing Date to refinance such financing by the Seller using a portion of the Purchase Price to re-purchase the relevant Mortgage Receivables by the Seller from the warehousing issuer before on-selling those Mortgage Receivables to the Issuer. The warehousing issuer will ultimately use such funds to repay certain Joint Lead Manager Parties. Other than where required in accordance with applicable law, the Joint Lead Manager Parties have no obligation to act in any particular manner as a result of their prior, indirect involvement with the Mortgage Receivables and any information in relation thereto. With respect to the refinancing, each of the Joint Lead Manager Parties will act in its own commercial interest.

For the reasons set out above, there is a risk that the interests of the Joint Lead Manager Parties and their actions are not aligned with or conflict with those of any of the other transaction parties and/or the Noteholders and this may impact the Issuer's ability to meet its obligations under the Notes and/or may have an adverse effect on (the value of) the Notes.

***Risk that prior consent rights of other parties cannot be obtained***

The Swap Counterparty's written consent is required for any amendment, such consent not to be unreasonably withheld or delayed, (i) to clause 6.1(r) of the Mortgage Receivables Purchase Agreement, which includes an undertaking of the Seller not to amend its Standard Loan Documents and its underwriting guide in any material respect without the prior written consent of the Security Trustee and the Swap Counterparty, (ii) which constitutes a Basic Terms Change, (iii) to the Issuer's right to sell or assign the Mortgage Receivables under the Transaction Documents or to redeem the Notes under the Conditions, (iv) to the Transaction Documents, the Conditions or the Interest Rate Reset Letter, which in the Swap Counterparty's reasonable opinion will have a material adverse impact on the currency, amount, timing or priority of payments due to be made by or to the Swap Counterparty under either the Swap Agreement or the NAMS Rebalancing Agreement, or (v) to Condition 14(g) (*Swap Counterparty prior consent rights*) and clause 27.1.4 of the Trust Deed (in which provisions provide for the requirement of such Swap Counterparty's written consent). Furthermore, the Swap Counterparty's written consent is required for any restructuring of the Notes or structuring of new notes pursuant to Condition 6(d) (*Remarketing Call Option*), such consent not to be unreasonably withheld or delayed. In case of an amendment which constitutes a Basic Terms Change, no such consent will be required if the Swap Counterparty fails to respond within ten (10) Business Days of a written request for consent from the Security Trustee. Therefore, the Swap Counterparty effectively can veto certain proposed modifications, amendments or waivers.

Furthermore, the Issuer has undertaken in the Junior Subscription Agreement to notify the Seller of the following amendments or modifications: (i) an amendment or modification to the definition of Mortgage Loans, (ii) amendments or modification to the circumstances in which the Seller may sell the Mortgage Loans or agree to change the terms of any of the Mortgage Loans and (iii) amendments or modifications to the servicing of the Mortgage Receivables. In addition, the Issuer has agreed with the Seller that it will not agree to such amendment or modification if the Seller has, within five (5) Business Days, used its veto right on such proposed amendment or modification.

As a consequence of the veto rights of the Swap Counterparty and the Seller, the Issuer and the Noteholders may experience difficulties to implement certain changes to the transaction described in this Prospectus and the Transaction Documents, which would be in the interest of the Issuer and/or the Noteholders but contrary to the interest of the Swap Counterparty or the Seller, may lead to losses under the Notes and/or have an adverse effect on the (value of the) Notes.

***Risk related to absence of Portfolio and Performance Reports***

Pursuant to the Trust Deed, in case the Issuer Administrator does not receive a Portfolio and Performance Report from the Servicer with respect to a Mortgage Calculation Period, the Issuer (or the Issuer Administrator on its behalf) shall have the right to calculate and determine the Available Revenue Funds and the Available Principal Funds and all amounts payable under the Transaction Documents using the three most recent Portfolio and Performance Reports available in accordance with the Administration Agreement.

When the Issuer or the Issuer Administrator on its behalf receives the Portfolio and Performance Reports relating to the Mortgage Calculation Period for which such calculations have been made, it will make reconciliation calculations and reconciliation payments and credit or debit, as applicable, such amounts from the Revenue Reconciliation Ledger and the Principal Reconciliation Ledger as set out in the Administration Agreement. Any (i) calculations properly done in accordance with the Trust Deed and in accordance with the Administration Agreement, (ii) payments made and payments not made under any of the Notes and Transaction Documents in accordance with such calculations and (iii) reconciliation calculations and reconciliation payments made or payments not made as a result of such reconciliation calculations, each in accordance with the Administration Agreement, shall be deemed to be done, made or not made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an event of default or any other default or termination event under any of the Transaction Documents or breach of any triggers included therein (including but not limited to Assignment Notification Events and Pledge Notification Events). Therefore, there is a risk that the Issuer pays out less or more interest and/or Subordinated Step-up Consideration, to the extent applicable, and, respectively, less or more principal on the Notes than would have been payable if Portfolio and Performance Reports relating to the relevant Mortgage Calculation Period were available.

***Risks related to insolvency proceedings and subordination provisions***

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Swap Counterparty Subordinated Payments.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, a subsequent 2016 U.S. Bankruptcy Court decision held that in certain circumstances flip clauses are protected under the U.S. Bankruptcy Code and therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the U.S. District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the U.S. Court of Appeals for the Second Circuit. The implications of this conflict remain unresolved.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or the Netherlands (including, but not limited to, the United States), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English and Dutch law governed Transaction Documents (such as a provision of the relevant Priority of Payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Swap Counterparty Subordinated Payments). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in

certain circumstances with respect to the Swap Counterparty given that the Swap Counterparty has assets and/or operations in the U.S. and notwithstanding that the Swap Counterparty is a non- U.S. established entity (and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or the Netherlands and any relevant foreign judgment or order was recognised by the English or Dutch courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Swap Counterparty Subordinated Payments, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English or Dutch courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the relevant Classes of Notes is lowered, the market value of such Notes may reduce (which Noteholders should be aware of in relation to any intended sale of the Notes).

#### ***Risk related to the Notes held in global form***

The Notes will initially be held by the relevant Common Safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg in the form of a Global Note which will be exchangeable for Definitive Notes in limited circumstances as more fully described in Section 4.2 (*Form*). For as long as any Notes are represented by a Global Note held by the relevant Common Safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest, if any, and any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant Global Note, being the common safekeeper for Euroclear and/or Clearstream, Luxembourg, shall be treated by the Issuer and the Paying Agent as the sole holder of the relevant Notes represented by such Global Note with respect to the payment of principal, interest, if any, and any other amounts payable in respect of the Notes.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Thus, the Noteholders will have to rely on the procedures of Euroclear and/or Clearstream, Luxembourg for transfers, payments and communications from the Issuer, which may cause the Issuer being unable to meet its obligations under the Notes.

#### **1.1.4 Risks related to the Hedging Agreements**

On or before the Closing Date, the Issuer and the Swap Counterparty will enter into the Swap Agreement and the NAMS Rebalancing Agreement to hedge the risk of a mismatch between the rates of interest to be received by the Issuer on the Swap Mortgage Receivables and Euribor for 3-month deposits due by the Issuer on the Rated Notes. Accordingly, the Issuer will depend upon payments made by the Swap Counterparty to assist it in making interest payments on the Rated Notes on each Notes Payment Date on which a net payment is due from the Swap Counterparty to the Issuer under the Swap Agreement.

#### ***Risks related to termination of the Swap Transactions***

The Hedging Agreements will be terminable by one party if, *inter alia*, (i) an applicable event of default or termination event (as set out in each Hedging Agreement and including, in relation to the NAMS Rebalancing Agreement, the termination of the Swap Agreement) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Hedging Agreement or (iii) an Enforcement Notice is served. Swap Events of Default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, (ii) the occurrence of certain merger-related events in respect of the Issuer if the resulting, surviving or transferee entity fails to assume all the obligations of the Issuer under the Swap Agreement and (iii) certain insolvency events.

The Swap Agreement will provide that upon the occurrence of a change in tax law which becomes effective on or after the Closing Date, as a result of which the Swap Counterparty is required to, or there is a substantial likelihood that it will be required to (i) gross up a payment to the Issuer on account of withholding tax or (ii) receive a payment from the Issuer net of withholding tax, the Swap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates to avoid such a tax event. In circumstances where the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate, it will have the right to terminate the Swap Transactions.

In the event that the Swap Counterparty is downgraded below the required ratings (as set out in the Swap Agreement), the Issuer may terminate the Swap Transactions if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade.

If the Swap Agreement is terminated, this will trigger a termination of the NAMS Rebalancing Agreement.

If a Hedging Transaction is terminated, the Issuer may be obliged to pay a termination payment to the Swap Counterparty. The amount of the termination payment will be determined in accordance with the relevant Hedging Agreement and, in summary, by reference to the cost of entering into a replacement transaction or otherwise by reference to the losses (or gains) incurred in replacing, or in providing for the relevant party the economic equivalent of the material terms of that Hedging Agreement. Any such termination payment could be substantial. There can be no assurance that the Issuer will have sufficient funds available to make any termination payment due under a Hedging Agreement. Noteholders should be aware that if such a payment is due to the Swap Counterparty (other than where it constitutes a Swap Counterparty Subordinated Payment) under the Swap Agreement it will rank in priority to payments due from the Issuer under the Notes under the applicable Priority of Payments, and could therefore affect the availability of sufficient funds of the Issuer to make payments of amounts due from it under the Notes in full. This may result in losses under the Notes. Noteholders of Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes should be aware that if such a termination payment is due to the Swap Counterparty under the NAMS Rebalancing Agreement or a Swap Counterparty Subordinated Payment is due to the Swap Counterparty under the Swap Agreement, it will rank in priority to payments due from the Issuer under the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes under the applicable Priority of Payments, and could affect the availability of sufficient funds of the Issuer to make payments of amounts due from it under the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes in full.

If a Hedging Transaction is terminated and the Issuer, rather than the Swap Counterparty, is owed a termination payment, it will seek to apply any such termination payment to buy a replacement swap. There can be no assurance that such termination payment will be sufficient or that the Issuer will otherwise have



sufficient funds available to cover the cost of a replacement swap. If a replacement swap agreement is entered into, this may be on terms less favourable to the Issuer and therefore Noteholders should be aware that this may mean that reduced amounts are available for distribution by the Issuer to the Secured Creditors (including, amongst others, the Noteholders), which could result in losses under the Notes.

If the Issuer has insufficient funds to enter into a replacement swap for any period of time or a replacement swap counterparty cannot be found, the risk of a difference between the rate of interest to be received by the Issuer on the Swap Mortgage Receivables and the rate of interest payable by the Issuer on the Notes will not be hedged, and as a result, the funds available to the Issuer may be insufficient to make the required payments of interest on the Notes (and indeed generally such other amounts payable to the Secured Creditors) if the rate of interest received by the Issuer on the Mortgage Receivables is lower than the rate of interest payable by it on the Notes.

***Risks related to payment of a NAMS Rebalancing Payment***

If the Swap Mortgage Receivables amortise more quickly or more slowly than expected, the Swap Counterparty may be entitled to receive a NAMS Rebalancing Payment, which will be payable *pari passu* with payment of the Swap Counterparty Subordinated Payment.

In addition, Noteholders of Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes should be aware that if a NAMS Rebalancing Payment is due to the Swap Counterparty it will rank in priority to payments due from the Issuer under the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes under the applicable Priority of Payments, and could affect the availability of sufficient funds of the Issuer to make payments of amounts due from it under the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes in full. In addition, if the Issuer has insufficient funds available to pay in full a NAMS Rebalancing Payment on any Notes Payment Date, this will not constitute an event of default under the NAMS Rebalancing Agreement and any unpaid amounts will be accrued and payable on the next subsequent Notes Payment Date on which funds are available. Noteholders should be aware that NAMS Rebalancing Payments may be significant and may increase over time if unpaid amounts are deferred and accrued, which could affect the availability of sufficient funds of the Issuer to make payments of amounts due from it under the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes in full.

***Risks related to the Swap Counterparty Floating Amount being based on Euribor***

For each Swap Transaction, if the floating amount due from the Swap Counterparty in respect of any payment date (the **Swap Counterparty Floating Amount**) is a negative amount (i.e. because Euribor for 3-month deposits is negative), the Issuer will be required to pay to the Swap Counterparty an amount equal to the absolute value of such Swap Counterparty Floating Amount. If Euribor is more negative than the positive margin on the relevant Class of Notes, the Issuer will not be compensated by a corresponding reduction in payments of interest to Noteholders. If the Issuer is required to pay an amount equal to the absolute value of such Swap Counterparty Floating Amount, the Issuer may have insufficient funds to make the required payments under the relevant Swap Transaction and, as a result, a Swap Event of Default may occur in relation to the Issuer.

Furthermore, the floating amount due from the Swap Counterparty to the Issuer under the Swap Agreement is based on Euribor. The Swap Agreement does not provide that such reference to Euribor be replaced by the Replacement Reference Rate as set out in Condition 4(j) (*Replacement Reference Rate*) following the benchmark reforms discussed in the paragraph *Risks related to benchmarks and future discontinuance of*

*Euribor and any other benchmark* below and there can be no assurance that any applicable fallback provisions under the Swap Agreement would operate so as to ensure that the base floating interest rate used to determine payments under the Swap Agreement is the same as that used to determine interest payments under the Rated Notes. The fallback provisions under the Swap Agreement may also not apply at the same time as those set out in Condition 4(j) (*Replacement Reference Rate*). If the Reference Rate applicable to the Rated Notes is replaced by the Replacement Reference Rate and if the Replacement Reference Rate is higher than Euribor or any other benchmark used under the Swap Agreement at such time, this may result in a mismatch between the floating amount received by the Issuer under the Swap Agreement and the interest payable by the Issuer under the Rated Notes which may affect the ability of the Issuer to perform its obligations under the Notes. Prospective investors should also note that if the floating rate used under the Swap Agreement is modified pursuant to the fallback provisions referred to above, either the Issuer or the Swap Counterparty may be required to make a payment to the other party under the Swap Agreement to account for any economic impact that would otherwise arise from such change to the floating rate. Any such payment could be substantial and, if payable by the Issuer to the Swap Counterparty, could mean that the Issuer has insufficient funds available to meet its other obligations, including its obligations under the Notes.

***Risk of mismatch between the Swap Notional Amount and the Outstanding Principal Amount of the Swap Mortgage Receivables***

For each Swap Transaction, the Swap Notional Amount in respect of a Swap Calculation Period is determined as of the relevant Observation Date. As the Outstanding Principal Amount of the Swap Mortgage Receivables is expected to partially amortise during each Swap Calculation Period, but principal payments received after the relevant Observation Date will not be deducted from the Swap Notional Amount in respect of that Swap Calculation Period, the net amount payable by the Issuer under such Swap Transaction on any Notes Payment Date may be higher and as a result the amount available to Noteholders may be lower than if the Swap Notional Amount had exactly mirrored the amortisation of the Mortgage Receivables during the relevant Swap Calculation Period.

In addition, if a Fixed Rate Loan is excluded from the Swap Mortgage Receivables pursuant to the terms of the Swap Agreement, such Fixed Rate Loan will not be taken into account for the purpose of determining the Swap Notional Amount and so the net amount received by the Issuer under the relevant Swap Transaction on any Notes Payment Date may be lower and as a result the amount available to Noteholders may be lower than if such excluded Fixed Rate Loan was taken into account for the purpose of determining the Swap Notional Amount.

***Risk of mismatch between Mortgage Interest Rates and Pool Swap Fixed Rate***

The Pool Swap Fixed Rate for the first Swap Calculation Period is set out in the Swap Agreement. The Pool Swap Fixed Rate for each future Swap Calculation Period, payable by the Issuer under the relevant Swap Transaction pursuant to the Swap Agreement, is reset each time a Swap Mortgage Receivable is added to the relevant Reference Pool, and is determined by reference to the weighted average (based on certain assumptions in respect of the rate of amortisation of the Swap Mortgage Receivables) of (i) in respect of the existing Swap Mortgage Receivables in the relevant Reference Pool, the Pool Swap Fixed Rate in respect of the preceding Swap Calculation Period, and (ii) in respect of each Swap Mortgage Receivable that is added to the relevant Reference Pool, the Mortgage Swap Fixed Rate in respect of that Swap Mortgage Receivable. Although the Seller will have regard to the Mortgage Swap Fixed Rates in respect of

any proposed reset of any interest rate applicable to any Mortgage Receivable (or part thereof), any proposed interest rate shall always be set subject to, and in accordance with, the applicable Interest Rate Policy and applicable laws, including, without limitation, principles of reasonableness and fairness, competition laws and the Mortgage Conditions. If the weighted average of the Mortgage Interest Rates at any time is lower than the Pool Swap Fixed Rate (see Section 5.4 (*Hedging*) below) at such time, the Issuer may have insufficient funds to make the required payments under the Swap Agreement and, as a result, a Swap Event of Default may occur in relation to the Issuer. For similar reasons, this could affect the availability of sufficient funds of the Issuer to make payments of amounts due by it, including under the Notes.

### **1.1.5 Tax risks related to the Notes**

#### ***Risks related to financial transaction tax***

On 14 February 2013, the European Commission has published a proposal (the **Commission's Proposal**) for a Directive for a common financial transaction tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has stated it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the 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. However, the Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Given the lack of certainty surrounding the Commission's Proposal, it is not possible to assess the potential negative impact of any of the risks described herein on the Notes.

#### ***Changes to tax treatment of interest may impose various risks***

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The period allowed for deductibility is restricted to a term of 30 years. Since 2004, the tax deductibility of mortgage interest payments has been restricted under the so-called additional borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home (within three (3) years after the sale of his old home) and realises a surplus value on the sale of his old home in respect of which interest payments were deducted from taxable Income, the interest deductibility is limited to the interest that relates to an amount equal to the purchase price of the new home less the net surplus value realised on the sale of the old home. Special rules apply to moving homeowners that do not (immediately) sell their previous home.

As of 1 January 2013, interest deductibility in respect of newly originated mortgage loans is only available in respect of mortgage loans which amortise over 30 years or less and are repaid on at least an annuity basis.

In addition to these changes further restrictions on the interest deductibility have entered into force as of 1 January 2014. The tax rate against which the mortgage interest may be deducted will be gradually reduced as of 1 January 2014. For taxpayers currently deducting mortgage interest at the highest income tax rate the interest deductibility has been reduced with 3 per cent. per year to 46 per cent. (in 2020). From 2020 onwards, the maximum deduction will be lowered with 3 per cent. per annum down to 37.05 per cent. in 2023.

These changes and any other or further changes in the tax treatment could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans. In addition, changes in tax treatment may lead to different prepayment behaviour by Borrowers on their Mortgage Loans resulting in higher or lower prepayment rates of such Mortgage Loans. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets, see *Risks of Losses associated with declining values of Mortgaged Assets*. As a result this may lead to the Issuer having insufficient funds available to fulfill its obligations under the Notes.

***Risks related to the Netherlands having adopted an interest withholding tax on certain intra-group payments of interest to inter alia residents in a jurisdiction with a low statutory rate or a jurisdiction that is included in the EU list of non-cooperative jurisdictions***

Under current law, payments under the Notes are in principle not subject to withholding tax in the Netherlands. However, as from 1 January 2021, Dutch withholding tax at a rate of the highest applicable corporate income tax rate, in principle, applies on interest payments made or deemed to be made by a Dutch taxpayer (e.g. the Issuer), within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), to a related party which, (i) is resident in a low-tax or non-cooperative jurisdiction as specifically listed in an annually updated Dutch regulation, (ii) has a permanent establishment in any such jurisdiction to which the relevant payment is attributable, (iii) is neither resident in the Netherlands nor in a low-tax or non-cooperative jurisdiction, and is entitled to the interest with the main purpose or one of the main purposes to avoid taxation of another person, (iv) is a hybrid entity in certain cases of abuse for purposes of the the Dutch Withholding Tax Act 2021, or (v) is not resident in any jurisdiction. Payments on listed and other securities (e.g., Notes) issued in the market are in most cases expected not to be caught by this withholding tax given that the holder of such instruments (e.g. a third party Noteholder) is generally not a related party for purposes of these rules. If, however, these withholding tax rules do apply though, Noteholders should note that 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 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 (which leads to losses under the Notes).

***Risks related to the increase of the applicable Dutch real estate transfer tax rate***

On 15 September 2020, the Dutch government released the 2021 Tax Bill (*Belastingplan 2021*). The 2021 Tax Bill includes a large number of legislative proposals, including, amongst others, a legislative proposal to increase the applicable Dutch real estate transfer tax (*overdrachtsbelasting*) rate from 2% to 8% for non-owner occupied residential real estate as of 1 January 2021.

If this legislative proposal is implemented, this change may have an adverse impact on the market value of the Mortgaged Assets. A decline in value may ultimately result in lower proceeds for the Noteholders if the relevant security rights on the Mortgaged Assets are required to be enforced.

#### **1.1.6 Regulatory risks related to the Notes**

##### ***Risks related to the Securitisation Regulation***

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which lays down common rules on securitisation and which applies from 1 January 2019. This Securitisation Regulation creates a single set of common rules for European “institutional investors” (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, Solvency II Regulation and the AIFMR and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (**STS securitisations**).

The Securitisation Regulation applies to the fullest extent to the Notes. The securitisation transaction described in this Prospectus is intended to qualify as an STS securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the securitisation transaction described in this Prospectus meets, on the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and will be notified by the Seller on or prior to the Closing Date to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Seller and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. There is a risk that the securitisation transaction described in this Prospectus does not or does not continue to qualify as an STS securitisation under the Securitisation Regulation at any point in time in the future or that the securitisation transaction is no longer comprised in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation.

The requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, if a Noteholder intends to sell its Notes, this may have a negative impact on the price and liquidity of the Notes in the secondary market.

##### ***Risks related to regulatory initiatives which may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes***

In Europe, the United States, and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a substantial number of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or the incentives for certain investors when holding asset-backed securities by means of capital relief for the securitisation positions held or by the qualification of the securitisation positions as HQLA, and may in the absence of the capital relief or qualification as HQLA affect the liquidity and/or pricing of such securities. Investors should, *inter alia*, be aware of the EU risk retention, transparency and due diligence requirements which currently apply in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS-managers and certain pension schemes. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of an increased capital charge on the notes acquired by the relevant investor or an obligation to deduct the value of the positions from the regulatory capital components of the investor.

CRR and Solvency II Regulation affect the risk-weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by these rules. At this time, it is not possible to assess the potential negative impact of any of the risks described herein on the Notes.

***Risks related to benchmarks and future discontinuance of Euribor and any other benchmark***

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

These reforms and other pressures (including from regulatory authorities) may cause one or more benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Moreover, any significant change to the setting or existence of Euribor or any other relevant benchmark could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and amounts payable under, the Notes.

Investors should be aware that, if Euribor was discontinued or otherwise unavailable, the rate of interest on the Rated Notes, which reference Euribor will be determined for the relevant period by the fallback provisions set out in Condition 4(j) (*Replacement Reference Rate*) applicable to such Notes. If the Reference Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, that the relevant reference rate has been discontinued or another Benchmark Event (as defined below in Condition 4(j) (*Replacement Reference Rate*)) has occurred, the Issuer may appoint a Rate Determination Agent (as defined in Condition 4(j)) to determine in its sole discretion, acting in good faith and in a commercially reasonable manner, a substitute, alternative or successor rate, as well as any

necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate (as defined in Condition 4(j)), including any Adjustment Spread (as defined in Condition 4(j)) or other adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate, subject to Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*). However, there is no guarantee that such an Adjustment Spread or other adjustment factor will be determined or applied, or that the application of any such factor will either reduce or eliminate economic prejudice to Noteholders. Furthermore, the process of determination of a replacement for the Reference Rate may result in the effective application of a fixed interest rate to what was previously a Note to which a floating rate of interest was applicable. The use of the Replacement Reference Rate may therefore result in the Notes that referenced the Reference Rate performing differently (including potentially paying a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form. Furthermore, the Conditions of the Notes may be amended by the Issuer, as necessary to ensure the proper operation of the Replacement Reference Rate, without any requirement for consent or approval of the Noteholders.

In the event the Issuer is unable to appoint a major bank or broker-dealer in the role of Rate Determination Agent, the Issuer shall be able to exercise broad discretion in the determination of the Replacement Reference Rate and/or an Adjustment Spread and the Issuer may be required to determine the Replacement Reference Rate and/or an Adjustment Spread and in such event a potential conflict of interest exists as in that case the Issuer is both the party determining the relevant Replacement Reference Rate and/or Adjustment Spread and also the party paying interest on the basis of such determination, whereby the holders of the Rated Notes have an interest in a higher interest being payable on the Rated Notes and the Issuer may have an interest in a lower interest being payable on the Notes. Furthermore, the Rate Determination Agent may be considered an “administrator of benchmarks” within the meaning of the Benchmark Regulation. Such administrator may be required to be authorised under the Benchmark Regulation to operate in such capacity. Failing the due authorisation of the Rate Determination Agent as administrator pursuant to the Benchmark Regulation, there is a risk that the Rate Determination Agent may not act in such capacity and that a replacement of the Rate Determination Agent is required to be organised. Delays in the calculation of the Replacement Reference Rate and/or the Adjustment Spread may occur in such instance, as a result of which the Issuer may not be in a position to timely pay the interest due under the Notes and therefore, the Noteholders may not receive such amounts in a timely manner.

### ***Risks related to Bank Recovery and Resolution Directive and SRM Regulation***

The BRRD and the SRM Regulation have introduced a harmonised European framework for the recovery and resolution of banks and large investment firms (and certain affiliated entities) which are failing or likely to fail. To enable the competent authorities to intervene in a timely manner or to resolve an institution, the BRRD and the SRM Regulation give them certain tools and powers. In a resolution scenario, this includes the tools and powers to transfer assets or liabilities to third parties, to write-down or convert ('bail-in') capital instruments or eligible liabilities or to terminate or amend agreements. To ensure that these tools and powers are effective, the BRRD and SRM Regulation require EU Member States to impose various requirements on institutions or their counterparties and they provide for exclusion and suspension of contractual rights. The BRRD and SRM Regulation do however also provide for certain safeguards for contractual counterparties. If at any time any such powers are used by the relevant national resolution authority in such capacity or, the Single Resolution Board or any other relevant authority in relation to a counterparty of the Issuer or another party to the Transaction Documents, this could result in losses to, or

otherwise affect the rights of, Noteholders and/or could affect the credit ratings assigned to the Rated Notes. At this time, it is not possible to assess the potential negative impact of any of the risks described herein on the Notes.

#### ***Risks related to license requirement under the Wft***

The Issuer wishes to make use of an exemption from the license requirement as set forth in Section 4.4 (*Regulatory and industry compliance*) and has therefore outsourced the servicing and administration of the Mortgage Receivables to the Servicer. The Servicer has, as an admitted institution (*aangesloten instelling*), the benefit of the license of an intermediary (*bemiddelaar*) licensed under the Wft. The Issuer thus benefits from the exemption. If the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Receivables to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Wft. If the Servicing Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Receivables to a licensed entity and, in such case, it will not hold a license itself, the Issuer will have to terminate its activities and may have to sell the Mortgage Receivables. There is a risk that proceeds of such sale would not be sufficient for the Issuer to fulfil its payment obligations under the Notes and could therefore lead to losses under the Notes.

#### ***Risks related to the European Market Infrastructure Regulation (EMIR)***

EMIR and the Amending EMIR Regulation may have a potential impact on the Issuer as party to the Swap Agreement, as the Issuer may become subject to a requirement to post collateral in respect of its obligations under the Swap Agreement. If the Issuer fails to comply with the rules under EMIR it may be liable for an incremental penalty payment or fine. The impact could adversely affect the Issuer's ability to meet its payment obligations in respect of the Notes. For further information, reference is made to Section 4.4 (*Regulatory and industry compliance*).

#### ***Risks related to the Volcker Rule***

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, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new Section 13 to the Bank Holding Company Act of 1956, commonly referred to as the **Volcker Rule**.

The Volcker Rule generally prohibits "banking entities" (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in, or sponsoring, a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exceptions and exclusions. The Issuer has been structured so as not to constitute a "covered fund" for purposes of the Volcker rule. See also Section 4.4 (*Regulatory and industry compliance – Volcker Rule*) for information on the Issuer's status under the Volcker Rule. If the Issuer is considered a "covered fund", the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. If a Noteholder intends to sell its Notes, this may have a negative impact on the price and liquidity of the Notes in the secondary market.

#### ***Risks related to the CRA Regulation***



Should any of the Credit Rating Agencies not be registered or endorsed under the CRA Regulation or should such registration or endorsement be withdrawn or suspended, this may result in the Notes no longer being rated. If a Noteholder intends to sell its Notes, this may have a negative impact on the price and liquidity of the Notes in the secondary market. For further information, reference is made to Section 4.4 (*Regulatory and industry compliance*).

## **1.2 Risk related to the Mortgage Receivables and related security**

### **1.2.1 Risk related to origination, assignment and the quality of the pool**

#### ***Risks of losses associated with declining values of Mortgaged Assets***

The value of the Mortgaged Assets is exposed to the possibility of decreases in real estate prices. In addition, a forced sale of those properties may, compared to a private sale, result in a lower value of such properties. To the extent that specific geographic regions within the Netherlands have experienced or may experience in the future weaker economic conditions and housing markets than other regions, a concentration of the loans in such a region could exacerbate certain risks related to the Mortgage Loans. Quantitative information as of the Cut-Off Date regarding the geographical region distribution (by province and by economic region) is included in stratification tables 5 (*Geographical distribution (by province)*) and 6 (*Geographical distribution (by economic region)*) included in Section 6.1 (*Stratification tables*). The highest concentration of Mortgaged Assets as of the Cut-Off Date is in South Holland (i.e. 22.32 per cent. of aggregate Outstanding Principal Amount of the Mortgage Loans, as set forth in stratification table 5 (*Geographical distribution (by province)*) included in Section 6.1 (*Stratification tables*)). Thus there is a risk that a decline in the value of the Mortgaged Assets within specific geographic regions with higher Mortgaged Assets concentration will, to the extent that the mortgage in relation thereto will have to be enforced, affect the receipts on a foreclosure sale and subsequently under the Mortgage Loans. The Issuer may therefore have insufficient funds available to it to fulfil its payment obligations under the Notes and ultimately this may result in losses under the Notes. See further Sections 6.2 (*Description of Mortgage Loans*) and 6.4 (*Dutch residential mortgage market*).

#### ***Risk regarding the reset of interest rates***

The interest rate of the fixed rate Mortgage Loans resets from time to time. The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans after the termination of the fixed interest period, should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the Issuer and the notification of the pledge to the Security Trustee, but that in the absence of conclusive case law or legal literature this is not certain. If the interest reset right remains with the Seller, the co-operation of the bankruptcy trustee (in bankruptcy of the Seller) or administrator (in suspension of payments of the Seller) would be required to reset the interest rates. It is uncertain whether or when such co-operation will be forthcoming.

If the bankruptcy trustee (in bankruptcy of the Seller) or administrator (in suspension of payments of the Seller) does not co-operate with the resetting of the interest rates, or sets the Mortgage Interests Rates at a relatively high or low level this may result in a higher or lower rate of prepayments, higher or lower defaults by the Borrowers and otherwise influence the performance of the Mortgage Receivables, which could in turn lead to less income available to the Issuer and ultimately to losses under the Notes. Quantitative information regarding the interest reset years and the time remaining after the interest reset of the Mortgage Loans to their respective final maturity is included in stratification table 15 (Year of final maturity date) and

table 16 (Interest reset year) included in Section 6.1 (*Stratification tables*). As of the Cut-Off Date, the highest concentration of the interest reset years is in 2039 with 32.71 per cent of Outstanding Principal Amount of the Mortgage Loans, as set forth in stratification table 16 (*Interest reset year*) included in Section 6.1 (*Stratification tables*)).

***Risks related to (automatic) adjustment in case of lowering Loan-to-Value (LTV) ratios***

Risk premiums based on LTV ratios are taken into account when the Seller determines interest rates on mortgage loans, including the Mortgage Loans from which the Mortgage Receivables result. The Mortgage Interest Rates may therefore reduce due to a lowering of the LTV ratio in respect of a Mortgage Loan (i) during the fixed interest period of such Mortgage Loan or (ii) when the Mortgage Interest Rate of a Mortgage Loan is to be reset after a fixed interest period. The LTV ratio may reduce if a Mortgage Loan has been partly repaid or if the value of the Mortgaged Asset has increased. This applies to all mortgage loans (i.e. including the Mortgage Loans) granted by the Seller other than mortgage loans with the lowest LTV risk premium. Consequently, the Mortgage Interest Rates are subject to automatic adjustment of interest rates which may have a downward effect on the interest received by the Issuer on the relevant Mortgage Loans and therefore on the ability of the Issuer to comply with its payment obligations under the items as set forth in the Revenue Priority of Payments, including, without limitation, interest under the Notes.

***Risk related to prepayment penalties charged by the Seller***

On 14 July 2016 the act implementing the Mortgage Credit Directive entered into force in the Netherlands. Pursuant to the Mortgage Credit Directive (and the implementing legislation), the compensation a borrower has to pay in case of early termination of a residential mortgage loan may not be higher than the amount of the financial disadvantage of the mortgage credit provider. Following the implementation of the Mortgage Credit Directive, the Authority for Financial Markets (*Stichting Autoriteit Financiële Markten, AFM*) published on 20 March 2017 a guidance note (*leidraad*) "Compensation for prepayment of the residential mortgage loan – starting points for the calculation of financial disadvantage" (*Vergoeding voor vervroegde aflossing van de hypotheek – Uitgangspunten berekening van het financiële nadeel*). This AFM guidance note gives an interpretation by the AFM of the methods to calculate the compensation that the AFM deems acceptable. (Groups of) customers or consumer organisations may (decide to) claim damages or initiate legal claims against financial institutions for repayment of compensation in case of early termination of residential mortgage loans both in the period before and after the Mortgage Credit Directive came into force, e.g. claiming the clause in the general terms and conditions on the basis of which compensation is requested from the Borrower in case of early repayment is unfair or unreasonably onerous or that the compensation calculated is too high. This could lead to less income available to the Issuer and ultimately to losses under the Notes, as the Borrower may invoke a right of set-off in respect of the Mortgage Receivables.

***Risk related to interest rate averaging***

In case of interest rate averaging (*rentemiddeling*) a borrower of a mortgage loan is offered a new fixed interest rate whereby the (agreed-upon) fixed interest will be reduced taking into account the current interest rate offered by such offeror for the relevant period, the risk profile and the break costs for the fixed interest. Interest rate averaging is generally favourable for a borrower in case the agreed-upon fixed interest rate in force at that time is higher than the current market interest rate and the (agreed-upon) fixed interest rate period will not expire in the near future. At this time, Tulpenhuis does not offer interest rate averaging (*rentemiddeling*), unless required by applicable law or regulations. Partly due to social and political pressure, Tulpenhuis may in the future offer interest rate averaging (*rentemiddeling*). Interest rate averaging (*rentemiddeling*) will have a downward effect on the interest received by the Issuer on the relevant Mortgage

Loans and therefore on the ability of the Issuer to comply with its payments obligations under the items as set forth in the Revenue Priority of Payments, including, without limitation, interest under the Notes.

***Risk related to Construction Deposits***

Pursuant to the Mortgage Conditions, part of the Mortgage Loan may be applied towards construction of or improvements to the Mortgaged Asset. In that case part of the monies drawn down under the Mortgage Loan is not disbursed to the Borrower but withheld by the Seller. The Seller has undertaken to pay out deposits in connection with a Construction Deposit to or on behalf of the Borrower to pay for such construction or improvement if certain conditions are met. If the Seller is unable to pay the relevant Construction Deposit to or on behalf of the Borrower, such Borrower may invoke defences or set-off such amount, any interest due in respect thereof and any claims for damages with its payment obligation under the Mortgage Loan, and in that regard the legal requirements for set-off are met.

The above risk is mitigated as follows. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the relevant Purchase Price for such Mortgage Receivables an amount equal to the Aggregate Construction Deposit Amount. Such amount will be deposited by the Issuer in the Construction Deposit Account. On each Business Day, if applicable the Issuer will release from the Construction Deposit Account such part of the relevant Purchase Price for the Mortgage Receivables which equals the difference between the balance standing to the credit of the Construction Deposit Account and the Aggregate Construction Deposit Amount and pay such amount to the Seller, except if and to the extent the Borrower has invoked set-off or defences. The amount for which a Borrower can invoke set-off or defences may however, depending on the circumstances and in view of possible claims for damages and interest due on the relevant Construction Deposit, exceed such Construction Deposit. Therefore, the remaining risk is that, if and to the extent that the amount for which a Borrower successfully invokes a set-off or defences exceeds the relevant Construction Deposit, such set-off or defence may lead to losses under the corresponding Mortgage Receivables, which would reduce the amounts available for payment to Noteholders and consequently could thus lead to losses under the Notes. At the Cut-Off Date, the total Outstanding Principal Amount of the Construction Deposits is EUR 1,749,062. Reference is made to stratification table 1 (*Key Characteristics*) and table 30 (*Construction Deposits (as % of Outstanding Principal Amount)*) included in Section 6.1 (*Stratification tables*). For additional information, reference is made to Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*).

***Risk related to prepayments 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. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, the rates set on the Mortgage Loans pursuant to the Interest Rate Reset Letter, prevailing mortgage underwriting standards, changes in tax laws (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions, declines in real estate prices 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 Class of Notes differently. The estimated average lives must therefore be viewed with considerable caution and the Noteholders should make their own assessment thereof. Therefore, there is a risk that principal repayments under the Notes may be received later or earlier than anticipated. Noteholders may not be able to invest the amounts received as a result of the premature redemption of the Notes on conditions similar to or better than those of the Notes.

***Risk related to payments received by the Seller prior to notification of the assignment to the Issuer***

The legal title to the Mortgage Receivables has been or will be (as the case may be) assigned on the Closing Date (through the execution of a Deed of Assignment and Pledge, which shall be incorporated in a notarial deed) and, in respect of the Further Advance Receivables, on any Purchase Date (through deeds of assignment and registration thereof with the appropriate Dutch tax authorities), by the Seller to the Issuer. The Mortgage Receivables Purchase Agreement will provide that such assignment will not be notified by the Seller or, as the case may be, the Issuer to the Borrowers except that notification of the assignment of the Mortgage Receivables may be made upon the occurrence of any of the Assignment Notification Events. For a description of these notification events reference is made to Section 7.1 (*Purchase, repurchase and sale*). Under Dutch law, until notification of the before mentioned assignment to the Borrowers, the Borrowers can only validly pay to the Seller in order to fully discharge their payment obligations (*bevrijdend betalen*).

Each Borrower has given a power of attorney to the Seller or any sub agent of the Seller respectively to collect amounts from his account due under the Mortgage Loan by direct debit. Under the Receivables Proceeds Distribution Agreement the Seller has undertaken to direct all amounts of principal and interest to the Collection Foundation Account maintained by the Collection Foundation which is a bankruptcy remote foundation (*stichting*) and in addition the Servicer has undertaken the same. The Collection Foundation Account is held with ABN AMRO Bank N.V.

There is a risk that the Seller (prior to notification of the assignment) or its bankruptcy trustee or administrator (following bankruptcy or suspension of payments but prior to notification) instructs the Borrowers to pay to another bank account. Any such payments by a Borrower would be valid (*bevrijdend*). The Seller is obliged to pay to the Issuer any amounts which were not paid to the Collection Foundation Account but to the Seller directly. However, receipt of such amounts by the Issuer is subject to such payments actually being made. In respect of payments made by Borrowers to the Seller prior to notification of the assignment and prior to bankruptcy or suspension of payments of the Seller, the Issuer will be an ordinary, non-preferred creditor, having a claim against the Seller. In respect of payments made by Borrowers to the Seller prior to notification of the assignment and after bankruptcy or suspension of payments of the Seller, the Issuer will be a creditor of the estate (*boedelschuldeiser*) and will receive payment prior to creditors with insolvency claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs (*algemene faillissementskosten*), which may be material. There is thus a risk that in respect of such payments the Issuer will not receive the proceeds under the Mortgage Receivables on time and in full or it will not receive the proceeds at all. As a result thereof, the Issuer may have insufficient funds available to it to fulfil its payment obligations under the Notes and this may result in losses under the Notes.

***Underwriting guidelines may not identify or appropriately assess repayment risks***

The Seller has represented to the Issuer that, when originating Mortgage Loans it did so in accordance with underwriting guidelines it has established and, in certain cases, based on exceptions to those guidelines by way of manual overrules, as may be expected from a prudent lender of Dutch residential mortgage loans. The guidelines may not have identified or appropriately assessed the risk that the interest and principal payments due on a Mortgage Loan will be repaid when due, or at all, or whether the value of the Mortgaged Asset will be sufficient to otherwise provide for recovery of such amounts. To the extent exceptions were made to the Seller's underwriting guidelines in originating a Mortgage Loan, those exceptions may increase

the risk that principal and interest amounts may not be received or recovered and compensating factors, if any, which may have been the premise for making an exception to the underwriting guidelines may not in fact compensate for any additional risk. These factors may lead to the Issuer having insufficient funds available to it to fulfil its payment obligations under the Notes and this may result in losses under the Notes.

***Risks related to set-off by Borrowers which may affect the proceeds under the Mortgage Receivables***

Subject to certain legal requirements being met (for additional details see Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*)), each Borrower will be entitled to set off amounts due by the Seller to it (if any) with amounts it owes in respect of the Mortgage Receivable originated by the Seller. As a result of the set-off of amounts due and payable by the Seller to the Borrower with amounts the Borrower owes in respect of the Mortgage Receivable, the Mortgage Receivable originated by the Seller will, partially or fully, be extinguished (*gaat teniet*). The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivables if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable. There is a risk that the Seller is not able to make such payments which would affect the ability of the Issuer to perform its payment obligations under the Notes. Set-off by the Borrowers could lead to losses under the Notes. Assuming the Seller has complied with its contractual and statutory obligations in respect of the Mortgage Loans and assuming it has no other legal relationships with the Borrower the set-off risk would seem of a theoretical nature only (other than in relation to Construction Deposits, reference is made to the risk factor *Risk related to Construction Deposits*). In this respect, the Seller has represented in the Mortgage Receivables Purchase Agreement that it shall not acquire any Other Claims as against the Borrower. However, there is a remaining risk that the Borrowers invoke a right of set-off and the Seller is not able to comply with the above mentioned obligations to compensate the Issuer, which would affect the ability of the Issuer to perform its payment obligations. Set-off by the Borrowers could therefore lead to losses under the Notes.

**1.2.2 Risks related to security**

***Risk that the Borrower Insurance Pledge will not be effective***

Some of the Mortgage Loans have the benefit of a Risk Insurance Policy. All rights of the Borrowers under the Risk Insurance Policies have been pledged to the Seller. However, the Issuer has been advised that it is probable that the right to receive payment under the Risk Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt or granted a suspension of payments or subjected to a debt restructuring scheme (*schuldsanering natuurlijke personen*) prior to or on the date such right comes into existence. This means that it is uncertain whether such right of pledge will be effective. If such right of pledge will be ineffective in relation to a payment under a Risk Insurance Policy, the Issuer will not be entitled to receive such payments. As a result thereof the Issuer may have insufficient funds available to it to fulfil its payment obligations and this may lead to losses under the Notes.

***Risk that the Issuer may not have the benefit of the Beneficiary Rights***

The Seller has been appointed as beneficiary under the Risk Insurance Policies up to the amount owed by the Borrowers to the Seller, except for cases where another beneficiary has been appointed who will rank

ahead of the Seller. In such cases such beneficiary has provided a Borrower Insurance Proceeds Instruction. There is a risk that the Issuer or the Security Trustee, as the case may be, will not have the benefit of the Beneficiary Rights and that any proceeds under the Risk Insurance Policies will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy or suspension of payments of the Seller or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Risk Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller. As a result thereof, such amounts are not available to make payments under the Notes, which may result in losses under the Notes. For additional details, reference is made to Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*).

#### ***Risk related to long lease***

The mortgage rights securing the Mortgage Loans may be vested on a long lease (*erfpacht*), as further described in the Section 6.2 (*Description of Mortgage Loans*). If the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, the Seller will take into consideration certain conditions, in particular the term of the long lease.

Pursuant to the Mortgage Conditions, Mortgage Loans to be secured by a mortgage right on a long lease will become due and payable prematurely as a result of early termination of a long lease. In such event there is a risk that the Issuer will upon enforcement of such mortgage right receive less than the market value of the long lease, which subsequently could result in the Issuer receiving less than the Outstanding Principal Amount of the relevant Mortgage Receivable, which in turn could lead to losses under the Notes.

#### ***Risk related to jointly-held All Moneys Security Rights by the Seller, the Issuer and the Security Trustee***

The mortgage deeds relating to the Mortgage Receivables to be sold to the Issuer provide for All Moneys Mortgages, meaning that the mortgage rights created pursuant to such mortgage deeds, not only secure the loan granted by the Seller to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller. If the All Moneys Security Rights have (partially) followed the Mortgage Receivables upon their assignment by the Seller to the Issuer, this would imply that the All Moneys Security Rights will be jointly-held by the Issuer and the Seller and will secure both the Mortgage Receivables held by the Issuer and any Other Claims of the Seller. In the Mortgage Receivables Purchase Agreement, the Seller represents that it has no Other Claim *vis-à-vis* any Borrower. The Seller, the Issuer and the Security Trustee have entered into contractual arrangements as to, *inter alia*, the management and administration of the jointly held All Moneys Security

Rights and the respective shares (*aandelen*) of the Seller and the Issuer and/or the Security Trustee in each All Moneys Security Right in case of foreclosure. These arrangements may not be enforceable in all respects. In the Mortgage Receivables Purchase Agreement it will be agreed that in case of a breach by the Seller of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of the Seller, it shall compensate the Issuer and/or the Security Trustee, as the case may be, forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee, as the case may be, incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments. There is a risk that the Seller is not able to make such payment and any claim for compensation would be unsecured and non-preferred. This could lead to less income available to the Issuer and ultimately to losses under the Notes. Reference is made to paragraph *The Issuer has counterparty risk exposure* above. For additional details, reference is made to Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*).

***Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer***

The mortgage deeds relating to the Mortgage Receivables to be sold to the Issuer provide for All Moneys Mortgages, meaning that the mortgage rights created pursuant to such mortgage deeds, not only secure the loan granted by the Seller to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller. The Mortgage Conditions also provide for All Moneys Pledges granted in favour of the Seller. Pursuant to Dutch law there is uncertainty as to the question whether upon assignment by the Seller to the Issuer of the Mortgage Receivables, the Issuer as assignee will be entitled to (a *pro rata* share in) the All Moneys Security Rights. However, the Issuer has been advised that in view of the Mortgage Conditions the All Moneys Security Rights will follow the Mortgage Receivables on a *pro rata* basis upon assignment, albeit that there is no conclusive case law which supports this view. If the All Moneys Security Rights would not (*pro rata*) have followed the Mortgage Receivables upon assignment by the Seller, this means that the Issuer (as assignee) and, consequently, the Security Trustee (as pledgee) will not have the benefit of the All Moneys Security Rights and are not entitled to foreclose the All Moneys Security Rights. Furthermore, it is noted that if the Issuer does not have the benefit of the Mortgage, it will not be entitled to claim under the associated NHG Guarantee (if any). This could lead to less income available to the Issuer and ultimately to losses under the Notes. For additional details, reference is made to Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*).

## 2 TRANSACTION OVERVIEW

*This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including any amendment and/or supplement thereto.*

*Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in paragraph 9.1 (Definitions) of the Glossary of Defined Terms set out in this Prospectus.*

*The principles of interpretation set out in paragraph 9.2 (Interpretation) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.*

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer, being the entity that has prepared the information in this section, but only if such information is misleading, inaccurate or inconsistent when read with other parts of this Prospectus.



## 2.1 Structure diagram

The following structure diagram provides an indicative summary of the principal features of the transaction in particular relating to the cash flows. The diagram must be read in conjunction with and is qualified in its entirety by the detailed information presented elsewhere in this Prospectus.



## 2.2 Risk factors

There are certain risk factors which prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes, such as (but not limited to), the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of other funds. Despite certain mitigants in respect of these risks, there remains, amongst other things, credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk related to the Notes. Moreover, there are certain structural, legal and tax risks related to the Mortgage Receivables and the Mortgaged Assets (see Section 1 (*Risk factors*)).

## 2.3 Principal parties

**Issuer:** Tulip Mortgage Funding 2020-1 B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 80370845.

The entire issued share capital of the Issuer is held by the Shareholder.

The Issuer has no separate commercial name.

**Shareholder:** Stichting Holding Tulip Mortgage Funding 2020-1, established under Dutch law as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 80367623.

**Security Trustee:** Stichting Security Trustee Tulip Mortgage Funding 2020-1, established under Dutch law as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 80367836.

**Seller:** Tulpenhuis 1 B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 63677563.

The entire issued share capital of the Seller is held by Tulpenhuis Holding B.V.

**Servicer:** The Seller acting in its capacity of servicer of the Mortgage Loans and Mortgage Receivables.

**Sub-Servicer:** Tulp Hypotheken B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam,

the Netherlands and registered with the Trade Register under number 63446782.

**Delegate Sub-Servicers**

any of Stater Nederland B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and registered with the Trade Register under number 08716725 and HypoCasso B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and registered with the Trade Register under number 32156362.

**Issuer Administrator:**

Vistra FS (Netherlands) B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands and registered with the Trade Register under number 33202549.

**Collection Foundation:**

Stichting Tulpenhuis Ontvangsten, established under Dutch law as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 64383628.

**Swap Counterparty:**

BNP Paribas, a public limited liability company (*société anonyme*), existing and organised under French laws, with registered office at 16 Boulevard des Italiens, 75009 Paris, France, and registered with the Commercial Registry of Paris under number 662042449.

**Issuer Account Bank:**

ABN AMRO Bank N.V., incorporated under Dutch law as a public company (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered address at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands and registered with the Trade Register under number 34334259.

**Collection Foundation Account Provider:**

ABN AMRO Bank N.V.

**Directors:**

With respect to the Issuer, Vistra Capital Markets (Netherlands) N.V.; with respect to the Shareholder, Vistra Capital Markets (Netherlands) N.V.; and with respect to the Security Trustee, Erevia B.V.

**Paying Agent:**

ABN AMRO Bank N.V.

**Reference Agent:**

ABN AMRO Bank N.V.

**Listing Agent:**

ABN AMRO Bank N.V.

**Arranger:** HSBC Bank plc, a public limited liability company, incorporated under English law and having its address at 8 Canada Square, London E14 5HQ, United Kingdom and registered under number 14259.

**Joint Lead Managers:** BNP Paribas; and  
HSBC Bank plc

**Common Safekeeper:** The clearing system or such other entity which the Issuer may elect from time to time to perform the safekeeping role.

## 2.4 Notes

**Notes:** The Notes shall be the following classes of notes of the Issuer, which are expected to be issued on or about the Closing Date:

- (i) the Class A Notes;
- (ii) the Class B Notes;
- (iii) the Class C Notes;
- (iv) the Class Z1 Notes;
- (v) the Class Z2 Notes;
- (vi) the Class X Notes; and
- (vii) the Class R Notes.

**Issue price:** The issue price of the Notes shall be as follows:

- (i) the Class A Notes 100 per cent.;
- (ii) the Class B Notes 97.665 per cent.;
- (iii) the Class C Notes 95.403 per cent.;
- (iv) the Class Z1 Notes 100 per cent.;
- (v) the Class Z2 Notes 100 per cent.;
- (vi) the Class X Notes 100 per cent.; and
- (vii) the Class R Notes 100 per cent.

**Form:** The Notes will be represented by the Global Notes which are in bearer form, without coupons attached. Interests in the Global Notes will only in exceptional circumstances be exchangeable for Notes in definitive form and, in the case of Notes in definitive form, serially numbered and with coupons attached.

**Denomination:** The Notes will be issued with minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof with a maximum denomination of EUR 199,000.

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

In accordance with the Conditions and the Trust Deed on each Notes Payment Date or relevant date (as applicable), (i) payments of principal and, in certain circumstances, interest on the Class B Notes are subordinated to, *inter alia*,

payments of principal and interest on the Class A Notes, (ii) payments of principal and, in certain circumstances, interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal, and in certain circumstances, interest, on the Class Z1 Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, and the Class C Notes, and in certain circumstances, payment of principal on the Class X Notes, (iv) in certain circumstances, payments of principal and interest, on the Class Z2 Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes, and in certain circumstances, payment of principal on the Class X Notes and the Class R Notes, (v) in certain circumstances payments of principal and the Class X Residual Amount, on the Class X Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, and in certain circumstances, payments of principal and interest on the Class Z1 Notes, the Class Z2 Notes and the Class R Notes, (vi) in certain circumstances payments of principal and the Class R Residual Amount, on the Class R Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes and the Class X Notes and in certain circumstances, the Class Z2 Notes.

The obligation to pay the Subordinated Step-up Consideration (if any) in respect of any Class of Notes is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Rated Notes in accordance with the Conditions and the Trust Deed. See further Section 4.1 (*Terms and conditions*).

The Class Z2 Notes, the Class X Notes and the Class R Notes will on each Notes Payment Date or relevant date (as applicable) be redeemed in accordance with Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) with the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds and the Available Class R Redemption Funds respectively, if any, in accordance with the relevant Priority of Payments and subject to Condition 9(b) (*Principal*). If the Class X Notes have been redeemed (in part or in full) and there is a shortfall in the amount available to the Issuer to pay interest and/or principal on the other Classes of Notes, this will result in the other Classes of Notes (other than the Class Z2 Notes and the Class R Notes) bearing a greater loss than that borne by the Class X Notes.

The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments. See further Section 5.2 (*Priorities of Payments*).

**Interest/revenue:**

Interest on the Floating Rate Notes is payable by reference to the successive Interest Periods. The interest on the Floating Rate Notes will be calculated on

*on the Floating Rate Notes:*

the basis of the actual days elapsed in the Interest Period divided by 360 days and will be payable quarterly in arrear on each Notes Payment Date calculated in respect of the Principal Amount Outstanding on the first day of the relevant Interest Period.

Interest on the Floating Rate Notes for each Interest Period will accrue from the Closing Date at an annual rate equal to the sum of Euribor for 3-month deposits in EUR (determined in accordance with Condition 4(e)) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for 1-month and 3-months deposits in EUR, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus a margin which will be equal to:

- (i) for the Class A Notes 0.65 per cent. per annum;
- (ii) for the Class B Notes 0.9 per cent. per annum;
- (iii) for the Class C Notes 1.05 per cent. per annum;
- (iv) for the Class Z1 Notes zero per cent. per annum; and
- (v) for the Class Z2 Notes zero per cent. per annum,

in each case with a floor of 0 per cent. per annum.

Interest payable on the Floating Rate Notes is calculated on the basis of Euribor plus the applicable margin. Euribor is an interest rate benchmark within the meaning of the Benchmark Regulation. Euribor is currently administered by the EMMI. As at the date of this Prospectus EMMI, in respect of Euribor, appears in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation. As a subsequent step, EMMI started transitioning panel banks from the current Euribor methodology to the new hybrid methodology developed in connection with the reform. On 28 November 2019, EMMI confirmed it has completed the transitioning of the panel banks from the quote-based Euribor methodology to the hybrid methodology. If Euribor were to be discontinued or no longer remains to be available the Issuer is likely to be compelled to apply fall-back provisions as described in the Conditions.

Following the First Optional Redemption Date, no interest will be payable on the Class Z1 Notes and the Class Z2 Notes.

*on the Class X Notes:*

The Class X Residual Amount is payable to the Class X Noteholders by reference to the successive Interest Periods as from the Closing Date. The amount due on all Class X Notes then outstanding will be (i) on any Notes Payment Date up to (and including) the First Optional Redemption Date, (a) prior to the delivery of an Enforcement Notice, an amount equal to the Available Revenue Funds remaining after all items ranking above item (x) of the Revenue Priority of Payments have been paid in full, and (b) after the delivery of an Enforcement Notice, the amount remaining after all items ranking above item (q) of the Post-Enforcement and Call Option Exercise

Priority of Payments have been paid in full, and (ii) on any Notes Payment Date following the First Optional Redemption Date, zero.

*on the Class R Notes:*

The Class R Residual Amount is payable to the Class R Noteholders by reference to the successive Interest Periods as from the Closing Date. The amount due on all Class R Notes then outstanding will be (i) on any Notes Payment Date up to (and including) the First Optional Redemption Date, zero, and (ii) on any Notes Payment Date following the First Optional Redemption Date, (a) prior to the delivery of an Enforcement Notice, an amount equal to the Available Revenue Funds remaining after all items ranking above item (y) of the Revenue Priority of Payments have been paid in full, and (b) after the delivery of an Enforcement Notice, the amount remaining after all items ranking above item (r) of the Post-Enforcement and Call Option Exercise Priority of Payments have been paid in full.

**Subordinated Step-up Consideration from (and including) the First Optional Redemption Date:**

If on the First Optional Redemption Date the Rated Notes have not been redeemed in full, the relevant Subordinated Step-up Consideration will be due to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders on each Notes Payment Date following the First Optional Redemption Date.

The Subordinated Step-up Consideration is, in respect of each of the Rated Notes, an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year.

Following the First Optional Redemption Date and provided that no Enforcement Notice has been delivered, the obligation to pay the Subordinated Step-up Consideration in respect of the Rated Notes is subordinated to payments of a higher order of priority including, but not limited to, any amount necessary to (i) pay interest (and other than, for the avoidance of doubt, the Subordinated Step-up Consideration) on such Class, (ii) make good any shortfall reflected in the relevant sub-ledger of the Principal Deficiency Ledger in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes until the debit balance, if any, on each such sub-ledger of the Principal Deficiency Ledger is reduced to zero and (iii) replenish the Reserve Account up to the amount of the Reserve Account First Target Level and the Reserve Account Second Target Level respectively, in accordance with and subject to the Revenue Priority of Payments. See further Sections 4.1 (*Terms and conditions*) and 5 (*Credit structure*).

**Subordinated Step-up Margin:** The Subordinated Step-up Margin applicable to the Rated Notes will following the First Optional Redemption Date be equal to for:

- (i) the Class A Notes 0.4875 per cent. per annum;
- (ii) the Class B Notes 0.9 per cent. per annum; and
- (iii) the Class C Notes 1.05 per cent. per annum.

**Final Maturity Date:** If and to the extent not redeemed in full, the Issuer will, in accordance with Condition 6(a) (*Final redemption*), redeem the Notes at their respective Principal Amount Outstanding on the Final Maturity Date, subject to Condition 9(b) (*Principal*).

**Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes:** Unless previously redeemed in full and provided that no Enforcement Notice has been served in accordance with Condition 13 (*Notices*), on each Notes Payment Date the Issuer will, in accordance with Condition 6(b) (*Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes*), be obliged to apply the Available Principal Funds to (partially) redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, at their respective Principal Amount Outstanding, on a *pro rata* and *pari passu* basis within each Class, subject to Condition 9(b) (*Principal*), in the following order:

- (a) *firstly*, the Class A Notes, until fully redeemed;
- (b) *secondly*, the Class B Notes, until fully redeemed;
- (c) *thirdly*, the Class C Notes, until fully redeemed; and
- (d) *fourthly*, the Class Z1 Notes, until fully redeemed.

If the Seller exercises the Clean-Up Call Option, the Seller Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders exercise the Class R Call Option or the Remarketing Call Option, the Issuer will be required to apply the proceeds of the sale or the refinancing transaction, as applicable, to redeem the Notes in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments.

**Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes:** On each Notes Payment Date the Issuer will, in accordance with Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*), be obliged to apply the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds and the Available Class R Redemption Funds, respectively to (partially) redeem the Class Z2 Notes, the Class X Notes and the Class R Notes, until fully redeemed, subject to Condition 9(b) (*Principal*) and the relevant Priority of Payments.



**Redemption following the exercise of a Clean-Up Call Option:**

If on any Notes Payment Date, the aggregate Outstanding Principal Amount of the Mortgage Receivables is equal to or less than the ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only) from the Issuer against payment of a purchase price at least equal to the relevant Required Call Amount, by delivery of a notice to the Issuer at least 30 calendar days before the relevant Notes Payment Date, subject to and in accordance with Condition 6(h) (*Clean-up Call Option*). The Issuer shall on the relevant Notes Payment Date redeem all (but not only part of) the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), at their respective Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption, after payment of the amounts to be paid in priority to redemption of the Notes.

**Redemption following the occurrence of a Risk Retention Regulatory Change Event:**

On any Notes Payment Date following the occurrence of a Risk Retention Regulatory Change Event, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only) from the Issuer against payment of a purchase price at least equal to the relevant Required Call Amount, by delivery of a notice to the Issuer at least 60 calendar days before the relevant Notes Payment Date informing the Issuer that it will exercise the Risk Retention Regulatory Change Call Option, subject to and in accordance with Condition 6(i) (*Risk Retention Regulatory Change Call Option*). The Issuer shall on the relevant Notes Payment Date redeem all (but not only part of) the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), at their respective Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption, after payment of the amounts to be paid in priority to redemption of the Notes.

For the avoidance of doubt, if the Risk Retention Regulatory Change Call Option is not exercised for whatever reason by the Seller, this does not affect the obligation of the Seller in any way to retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 6 of the Securitisation Regulation for which the Seller shall remain responsible.

**Redemption following the exercise of a Remarketing Call Option:**

Unless previously redeemed in full, the Class R Noteholders (acting jointly) may at their option exercise the Remarketing Call Option on any Optional Redemption Date, subject to and in accordance with Condition 6(d) (*Remarketing Call Option*), and instruct the Issuer to redeem or repurchase, in whole but not in part, the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, at their respective Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration

accrued up to and including such Optional Redemption Date.

**Redemption following the exercise of the Class R Call Option:**

Unless previously redeemed in full, the Class R Noteholders (acting jointly) may at their option exercise the Class R Call Option on the First Optional Redemption Date and any Optional Redemption Date thereafter, subject to and in accordance with Condition 6(e) (*Class R Call Option*), and instruct the Issuer to redeem, in whole but not in part, the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, at their respective Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including such Optional Redemption Date.

**Redemption following the exercise of the Seller Call Option:**

Subject to and in accordance with Condition 6(f) (*Seller Call Option*), the Seller has the right (but not the obligation) to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding against payment of a purchase price at least equal to the relevant Required Call Amount, which right may be exercised on the First Optional Redemption Date or on each Optional Redemption Date, provided that (i) the Seller requested the Issuer to notify the Class R Noteholders in accordance with Condition 13 (*Notices*) no later than 75 calendar days prior to the relevant Optional Redemption Date that the Seller wishes to exercise the Seller Call Option, and (ii) the Class R Noteholders (acting jointly) have not raised any written objections against the Seller exercising the Seller Call Option within ten (10) calendar days from the date of the notification.

**Redemption for tax reasons:**

If the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (in each case including any guidelines issued by the tax authorities) or any other jurisdiction or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has, in accordance with Condition 6(g) (*Redemption for tax reasons*), the option to redeem all (but not some only) of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes on any Notes Payment Date at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

**Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes following the exercise of the Remarketing Call Option, the Class R Call Option, the Seller**

If on any Notes Calculation Date all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Notes Payment Date immediately succeeding such Notes Calculation Date form part of the Available Revenue Funds and

**Call Option, the redemption for tax reasons, the Clear-up Call Option and the Risk Retention Regulatory Change Call Option:**

be applied in accordance with the Conditions subject to the Post-Enforcement and Call Option Exercise Priority of Payments. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Notes Payment Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).

**Retention and disclosure requirements under the Securitisation Regulation:**

Tulpenhuis 1 B.V., in its capacity as originator, has undertaken to the Issuer, the Security Trustee and the Joint Lead Managers that, for as long as the Notes are outstanding, it shall retain, on an ongoing basis, a material net economic interest in the securitisation transaction described in this Prospectus which shall in no event be less than five (5) per cent. in accordance with article 6 of the Securitisation Regulation. On the Closing Date, such material net economic interest is retained in accordance with item 3(d) of article 6 of the Securitisation Regulation, by the Seller holding all of the Class Z1 Notes and all of the Class Z2 Notes, that have a nominal amount equal to or not less than five (5) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables assigned to the Issuer on the Closing Date.

The Notes Purchase Agreements and the Mortgage Receivables Purchase Agreement include a representation and warranty of Tulpenhuis 1 B.V. as to its compliance with the requirements set forth in articles 6 and 7 of the Securitisation Regulation. In addition, Tulpenhuis 1 B.V. has also undertaken to make available materially relevant information to investors in accordance with article 7 of the Securitisation Regulation so that investors are able to verify compliance with article 6 of the Securitisation Regulation.

Each prospective Noteholder should ensure that it complies with the Securitisation Regulation to the extent applicable to it. The Issuer, or the Issuer Administrator on its behalf, will also on behalf of Tulpenhuis 1 B.V., prepare Notes and Cash Reports on a quarterly basis wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with information on the retention of the 5% material net economic interest in the securitisation transaction described in this Prospectus by the Seller.

Each prospective institutional investor (as such term is defined in the Securitisation Regulation) is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation (see Section 8 (*General*), Section 4.4 (*Regulatory and industry compliance*) and Section 1 (*Risk factors*) subparagraph Securitisation Regulation) for more details).

**STS**

The securitisation transaction described in this Prospectus is intended to qualify as an STS securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the securitisation transaction described in this Prospectus meets, on the date of this Prospectus, the

requirements of articles 19 to 22 of the Securitisation Regulation and will be notified by the Seller on or prior to or on the Closing Date to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (at the date of this Prospectus: <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>).

The Seller and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. No assurance can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as an STS securitisation under the Securitisation Regulation at any point in time in the future. Investors should verify the current status of the securitisation transaction described in this Prospectus on ESMA's website. See further Section 1 (*Risk factors - Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*) and Section 4.4 (*Regulatory and industry compliance*) for more details.

**Eurosystem eligibility  
and loan-by-loan  
information:**

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper. This does not necessarily mean that the Class A 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 at the Eurosystem's discretion of the Eurosystem eligibility criteria as amended from time to time, which criteria will include the requirement that loan-by-loan information be made available to investors in accordance with the template which is available on the website of the European Central Bank.

It has been agreed in the Administration Agreement that the Issuer Administrator shall use its best efforts to make such loan-by-loan information available on a quarterly basis which information can be obtained at the website of the European DataWarehouse <https://editor.eurowdw.eu/> within one (1) month after each Notes Payment Date, for as long as such requirement is effective and to the extent it has such information available.

The loan-level data reporting requirements of the Eurosystem collateral framework will converge towards the disclosure requirements and registration process for securitisation repositories specified in the Securitisation Regulation. The disclosure requirements of the Securitisation Regulation will be reflected in the eligibility requirements for the acceptance of ABSs as collateral in the Eurosystem's liquidity-providing operations. The change in the Eurosystem's loan-level data reporting requirements to reflect the

Securitisation Regulation's disclosure requirements and registration process for securitisation repositories is dependent on two conditions being met.

Should such loan-by-loan information not comply with the European Central Bank's requirements or not be available at such time, the Class A Notes may not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The Subordinated Notes are not intended to be held in a manner which will allow Eurosystem eligibility.

**Use of proceeds:**

The aggregate proceeds of the Notes to be issued on the Closing Date amount to EUR 229,686,171.

The aggregate proceeds of the issue of the Notes, other than the Class Z2 Notes, part of the Class X Notes in an amount equal to EUR 1,239,171 and the Class R Notes, amount to EUR 224,647,000. This amount will be applied by the Issuer on the Closing Date to pay to the Seller the Purchase Price for the Mortgage Receivables purchased on the Signing Date under the Mortgage Receivables Purchase Agreement. An amount of EUR 1,241,779.87, being equal to the Aggregate Construction Deposit Amount will be withheld by the Issuer from the Purchase Price payable on the Closing Date and deposited in the Construction Deposit Account.

The aggregate proceeds of the Class Z2 amount to EUR 3,600,000. This amount will be credited to the Reserve Account and is equal to the Reserve Account Second Target Level as at the Closing Date.

The aggregate proceeds of part of the Class X Notes in an amount equal to EUR 1,239,171 and the Class R Notes amount to EUR 1,439,171. This amount will be applied by the Issuer to pay the costs of setting-up the transaction described in this Prospectus.

**Withholding tax:**

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, 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 be obliged to pay any additional amounts to such Noteholders.

**FATCA withholding:**

Payments in respect of the Notes may be reduced by any amounts of tax required to be withheld or deducted pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and any other jurisdiction facilitating the implementation thereof (or any law implementing

such an intergovernmental agreement). Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

**Method of payment:** For so long as the Notes are represented by a Global Note, payments of principal and interest, if any, on the Notes will be made in euros to the Common Safekeeper for Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders.

**Security for the Notes:** The Notes have the benefit of:

- (i) a first ranking undisclosed right of pledge by the Issuer to the Security Trustee over the Mortgage Receivables (which includes any Further Advance Receivables), the NHG Advance Rights and the Beneficiary Rights, including all rights ancillary thereto, governed by Dutch law;
- (ii) a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer Rights including all rights ancillary thereto, governed by Dutch law;
- (iii) a first ranking right of pledge by the Issuer to the Security Trustee in respect of its rights under the Issuer Transaction Accounts and the Swap Cash Collateral Account *vis-à-vis* the Issuer Account Bank, governed by Dutch law; and
- (iv) a first ranking right of pledge by the Collection Foundation to Stichting Security Trustee Ontvangsten Tulp in respect of its rights under the Collection Foundation Account *vis-à-vis* the Collection Foundation Account Provider, governed by Dutch law.

Under the Trust Deed, the Issuer will, *inter alia*, undertake to pay to the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Secured Creditors pursuant to the relevant Transaction Documents, provided that every payment in respect of such Transaction Documents for the account of or made to the Secured Creditors directly shall operate in satisfaction *pro tanto* of the corresponding covenant in favour of the Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the Parallel Debt). See for a more detailed description Section 4.7 (*Security*).

After the delivery of an Enforcement Notice, the amounts payable to the Noteholders and the other Secured Creditors will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee in respect of such rights of pledge and amounts received by the Security Trustee as creditor under the Parallel Debt. Payments to the Secured Creditors will be made subject to the

Trust Deed and in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments subject to certain amounts which will be paid outside the Post-Enforcement and Call Option Exercise Priority of Payments. See further Section 4.7 (*Security*) and Section 5 (*Credit structure*) below.

**Security over  
Collection Foundation  
Account balances:**

The Collection Foundation has granted a first ranking right of pledge on the balances standing to the credit of the Collection Foundation Account, in favour of Stichting Security Trustee Ontvangsten Tulp, who acts for the benefit of all issuers (and any security trustees) in (future) securitisation transactions, covered bonds transactions, warehouse transactions, whole loan funding transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) by the Seller or group companies thereof. Such right of pledge is governed by Dutch law and will be notified to the Collection Foundation Account Provider.

**Paying Agency  
Agreement:**

On the Signing Date the Issuer and the Security Trustee will enter into the Paying Agency Agreement with the Paying Agent and the Reference Agent pursuant to which the Paying Agent undertakes, *inter alia*, to perform certain payment services on behalf of the Issuer towards the Noteholders.

**Listing and admission  
to trading:**

Application has been made to list the Notes (other than the Class Z1 Notes and the Class Z2 Notes) on Euronext Amsterdam. It is anticipated that listing will take place on or about the Closing Date. There can be no assurance that any such listing will be maintained.

**Credit ratings:**

It is a condition precedent to issuance that the Class A Notes, on issue, be assigned an AAA(sf) credit rating by DBRS and an AAAsf credit rating by Fitch, that the Class B Notes, on issue, be assigned an AA (low)(sf) credit rating by DBRS and an AAsf credit rating by Fitch, and that the Class C Notes, on issue, be assigned an A (low)(sf) credit rating by DBRS and an A-sf credit rating by Fitch. Each of the Credit Rating Agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

Each of the Credit Rating Agencies engaged by the Issuer to rate the Rated Notes has agreed to perform rating surveillance with respect to its ratings for as long as the Notes remain outstanding. Fees for such rating surveillance by the Credit Rating Agencies will be paid by the Issuer. Although the Issuer will pay fees for ongoing rating surveillance by the Credit Rating Agencies, the Issuer has no obligation or ability to ensure that any Credit Rating Agency performs rating surveillance. In addition, a Credit Rating Agency may cease rating surveillance if the information furnished to that Credit Rating Agency is insufficient to allow it to perform surveillance.

The Credit Rating Agencies have informed the Issuer that the "sf" designation in their ratings represents an identifier for structured finance product ratings. For additional information about this identifier, prospective investors can go to

the related rating agency's website. The Issuer, the Arranger and the Joint Lead Managers have not verified, do not adopt and do not accept responsibility for any statements made by the Credit Rating Agencies on their internet websites. Credit ratings referenced throughout this Prospectus are forward-looking opinions about credit risk and express an agency's opinion about the ability of and willingness of an issuer of securities to meet its financial obligations in full and on time. Ratings are not indications of investment merit and are not buy, sell or hold recommendations, a measure of asset value, or an indication of the suitability of an investment.

The credit ratings assigned by DBRS on the Closing Date address (a) the timely payment of interest and ultimate payment of principal to the Class A Noteholders, (b) the ultimate payment of principal and ultimate payment of interest to the Class B Noteholders prior to them being the most senior class of note outstanding and timely payment of interest once they are the most senior outstanding class of notes, and (c) the ultimate payment of interest and principal to the Class C Noteholders by a date that is not later than the Final Maturity Date, each in accordance with and subject to the Conditions but, for the avoidance of doubt, do not address the likelihood of payment of the Subordinated Step-up Consideration (being an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year) in respect of any of the Classes of Notes.

The credit ratings assigned by Fitch on the Closing Date address the likelihood of (a) timely payment of interest to the Class A Noteholders and the Class B Noteholders on each Notes Payment Date and payment in full of principal to the Class A Noteholders and the Class B Noteholders by a date that is not later than the Final Maturity Date and (b) full payment of interest and principal due to the Class C Noteholders by a date that is not later than the Final Maturity Date prior to them being the Most Senior Class of Notes outstanding and timely payment of interest once they are the Most Senior Class of Notes outstanding, but, for the avoidance of doubt, do not address the likelihood of payment of the Subordinated Step-up Consideration (being an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is



calculated on the basis of the actual days elapsed in such period and a 360 day year) in respect of any of the Classes of Notes.

Any decline in or withdrawal of the credit ratings of the Rated Notes or changes in credit rating methodologies may affect the market value of the Notes. Furthermore, the credit ratings may not reflect the potential impact of all rights related to the structure, market, additional factors discussed above or below and other factors that may affect the value of the Notes.

There is no assurance that any credit ratings assigned by the Credit Rating Agencies on the Closing Date will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Credit Rating Agencies if, in any of the Credit Rating Agencies' judgment, circumstances so warrant. The Issuer does not have an obligation to maintain the credit ratings assigned to the Rated Notes.

The Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes will not be assigned a credit rating.

Other credit rating agencies that have not been engaged to rate the Notes by the Issuer may issue unsolicited credit ratings on the Notes at any time. Any unsolicited ratings in respect of the Notes may differ from the ratings expected to be assigned by Fitch and DBRS and may not be reflected in any final terms.

Notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Credit Rating Agencies in respect of any confirmation given by them and relied upon by the Security Trustee, the Security Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders if the Credit Rating Agencies have confirmed that the then current rating of the applicable Class or Classes of Notes would not be adversely affected by such exercise.

A credit rating is an assessment of credit risk and does not address other matters that may be of relevance to the Noteholder. A confirmation from a Credit Rating Agency regarding any action proposed to be taken by the Security Trustee and the Issuer does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While Noteholders are entitled to have regard to the fact that the Credit Rating Agencies have confirmed that the then current credit ratings of Rated Notes would not be adversely affected, a confirmation from the relevant Credit Rating Agency does not impose or extend any actual or contingent liability on the Credit Rating Agencies to such Noteholders, the Issuer, the Security Trustee or any other person or create any legal relationship between the Credit Rating

Agencies and the Noteholders, the Issuer, the Security Trustee or any other person whether by way of contract or otherwise.

Any confirmation from the relevant Credit Rating Agency may or may not be given at the sole discretion of such Credit Rating Agency. It should be noted that, depending for example 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 Credit Rating Agency cannot provide a confirmation in the time available or at all, and the relevant Credit Rating Agency shall not be responsible for the consequences thereof. Confirmation, if given by the relevant Credit Rating Agency, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction described in this Prospectus of which the securities form part since the Closing Date.

A confirmation from the relevant Credit Rating Agency represents only a restatement or confirmation of the opinions given as at, in relation to DBRS, such time, and in relation to Fitch, the Closing Date, and cannot be construed as advice for the benefit of any parties to the transaction described in this Prospectus.

The Credit Rating Agencies may change their criteria and methodologies and it may therefore be required that the Transaction Documents be restructured in connection therewith to prevent a downgrade of the credit ratings assigned to the Notes. There is, however, no obligation for any party to the Transaction Documents, including the Issuer, to cooperate with or to initiate or propose such a restructuring. A failure to restructure the transaction described in this Prospectus may lead to a downgrade of the credit ratings assigned to the Rated Notes.

**Settlement:** Euroclear and Clearstream, Luxembourg.

**Governing law:** The Notes and the Transaction Documents, other than the Hedging Agreements, will be governed by and construed in accordance with Dutch law.

The Hedging Agreements will be governed by and construed in accordance with English law.

**Selling restrictions:** There are selling restrictions in relation to the European Economic Area, the Netherlands, Luxembourg, France, Italy, the United Kingdom and the United States and such other restrictions as may be required in connection with the offering and sale of the Notes. See Section 4.3 (*Subscription and Sale*).

## 2.5 Credit structure

**Available funds:** The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Hedging Agreements, drawings from the Reserve Account, revenues on the Issuer Collection Account and, in certain limited circumstances, amounts standing to the credit of the Construction Deposit Account, to make payments of, *inter alia*, principal and interest due in respect of the Notes.

**Priority of Payments:** The obligations of the Issuer in respect of the Notes will rank subordinated to the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments and the right to payment of principal on the Subordinated Notes will be subordinated to payment of principal under the Class A Notes. The obligation to pay the Subordinated Step-up Consideration in respect of the Rated Notes is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Rated Notes in accordance with the Conditions and the Trust Deed. See further Section 4.1 (*Terms and conditions*) and Section 5 (*Credit structure*).

The Class Z2 Notes, the Class X Notes and the Class R Notes will on each Notes Payment Date or relevant date (as applicable) be redeemed in accordance with Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) with an amount equal to the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds and the Available Class R Redemption Funds, respectively, subject to Condition 9(b) (*Principal*) and the Revenue Priority of Payments.

**Hedging Agreements:** On or before the Closing Date, the Issuer will enter into the Swap Agreement and the NAMS Rebalancing Agreement to address the risk that the amortisation of the Swap Mortgage Receivables diverges from the expected amortisation scenarios of the Mortgage Loans. See further Section 5 (*Credit structure*) below.

**Issuer Accounts:** The Issuer shall maintain with the Issuer Account Bank the following accounts:

- (i) the Issuer Collection Account to which (a) on each Mortgage Collection Payment Date - *inter alia* - all amounts received in respect of the Mortgage Receivables will be transferred by the Servicer and/or the Collection Foundation in accordance with the Servicing Agreement and the Receivables Proceeds Distribution Agreement and (b) on the Closing Date the proceeds of the Class X Notes and the Class R Notes shall be deposited;
- (ii) the Construction Deposit Account, to which on the Closing Date and on any Purchase Date the amounts equal to the Aggregate Construction Deposit Amount which are withheld by the Issuer from the relevant Purchase Price, if any, shall be deposited;

- (iii) the Reserve Account to which on the Closing Date the proceeds of the Class Z2 Notes (being an amount equal to the Reserve Account Second Target Level as at the Closing Date) and on each Notes Payment Date certain amounts to the extent available in accordance with the Revenue Priority of Payments shall be deposited; and
- (iv) the Swap Cash Collateral Account to which any collateral in the form of cash delivered to the Issuer pursuant to the Swap Agreement shall be deposited.

If any collateral in the form of securities is to be provided to the Issuer by the Swap Counterparty, the Issuer will be required to open a Swap Securities Collateral Account in accordance with the Swap Agreement in which such securities will be held.

**Collection  
Foundation  
Account:**

All payments made by the Borrowers in respect of the Mortgage Loans must be made by direct debit and will be paid into the Collection Foundation Account.

**Issuer Account  
Agreement:**

On the Signing Date the Issuer will enter into the Issuer Account Agreement with the Issuer Account Bank, under which the Issuer Account Bank agrees to pay an interest rate on the balance standing to the credit of each of the Issuer Accounts from time to time as agreed by the Issuer and the Issuer Account Bank. In the event that the interest rate accruing on the balances standing to the credit of any of the Issuer Accounts is less than zero, such amount will be payable by the Issuer to the Issuer Account Bank. See Section 5 (*Credit structure*).

**Administration  
Agreement:**

Under the Administration Agreement between the Issuer, the Issuer Administrator and the Security Trustee, the Issuer Administrator will agree (a) to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions and (b) to submit certain statistical information regarding the Issuer to certain governmental authorities if and when requested.

## 2.6 Portfolio information

### KEY CHARACTERISTICS

The numerical information set out below relates to the portfolio of Mortgage Receivables which the Seller will offer for sale to the Issuer on the Signing Date. The information set out below in relation to the Mortgage Loans may not necessarily correspond to that of the Mortgage Receivables actually sold on the Closing Date.

## Key Characteristics

Total original principal balance (€)	224.642.360
Total outstanding principal balance (€)	220.384.692
Number of borrowers	596
Number of loan parts	1.251
Average outstanding principal balance excl. construction deposits (borrower level) (€)	366.838
Construction deposits (€)	1.749.062
Outstanding principal balance excl. construction deposits (€)	218.635.630
Weighted average interest rate (%)	2,01%
Fixed interest rate with future periodic resets	100,00%
Interest-only loans (%)	15,28%
Weighted average maturity (years)	28,95
Weighted average Seasoning (years)	0,58
Weighted average remaining term to interest reset (years)	22,08
Weighted average OLTOMV (%)	95,02%
Weighted average CLTOMV (%)	93,27%
Weighted average CLTIMV (%)	89,42%
Weighted average loan to income ratio	4,35x
NHG-guaranteed loans (€)	859.096
NHG-guaranteed loans (%)	0,39%

### Mortgage Loans:

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase the Mortgage Receivables on the Signing Date and will on the Closing Date accept assignment of the Mortgage Receivables by the execution of a Deed of Assignment and Pledge, which shall be incorporated in a notarial deed on the Closing Date, as a result of which the legal title to the Mortgage Receivables is transferred from the Seller to the Issuer. In addition, subject to the Additional Purchase Conditions being met, to the extent offered by the Seller on any Purchase Date until (but excluding) the First Optional Redemption Date, the Issuer will purchase from the Seller, Further Advance Receivables by applying an amount up to the Further Advance Available Funds on such Purchase Date. The assignment will not be notified to the Borrowers, except upon the occurrence of any Assignment Notification Event. Until notification of the assignment the Borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the Seller.

The Mortgage Receivables will be sold to the Issuer from and including the relevant Cut-Off Date.

The pool of Mortgage Loans (or any Loan Parts (*leningdelen*) comprising a Mortgage Loan) will consist of Linear Mortgage Loans (*lineaire hypotheeken*), Annuity Mortgage Loans (*annuïteiten hypotheeken*) and Interest-only Mortgage Loans (*aflossingsvrije hypotheeken*) or combinations of these types of loans.

The Mortgage Receivables to be sold by the Seller pursuant to the terms and

conditions of the Mortgage Receivables Purchase Agreement will result from Mortgage Loans which (a) in respect of NHG Mortgage Loan Parts, have the benefit of an NHG Guarantee and (b) are secured by a first priority Mortgage or, in case of Mortgage Loans (for the avoidance of doubt including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower priority Mortgages over (i) real estate (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*), or (iii) a long lease (*recht van erfpacht*) situated in the Netherlands and entered into by the Seller and the relevant Borrowers which meet the criteria for such Mortgage Loans set forth in the Mortgage Receivables Purchase Agreement.

Mortgage Loans may consist of one or more Loan Parts. If a Mortgage Loan consists of more Loan Parts, (i) the Seller has sold and assigned and the Issuer has purchased and accepted assignment of all, but not some, Loan Parts of such Mortgage Loan at the Closing Date, provided, however, that on the Closing Date, 5 Mortgage Loans contain a Bridge Loan Part amounting in total to EUR 2,780,907.23, which Bridge Loan Parts amounting in total to EUR 558,220 will not be sold and assigned to the Issuer and will remain with the Seller (the Seller shall release its first ranking right of mortgage over the (new) Mortgaged Asset in relation to such Bridge Loan Parts, see further Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*)), and (ii) in respect of any Further Advances, the Seller has undertaken to sell and assign to the Issuer all, but not some, Loan Parts from time to time, unless the Additional Purchase Conditions are not met or the Further Advance Available Funds are not sufficient for such purchase. If the Issuer does not purchase the relevant Further Advance Receivable, the Seller has undertaken to repurchase the Mortgage Receivable which results from the Mortgage Loan to which such Further Advance relates. See further Section 6.2 (*Description of Mortgage Loans*).

The Mortgage Loans have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.

**Linear Mortgage Loans:**

A portion of the Mortgage Loans will be in the form of Linear Mortgage Loans. Under a Linear Mortgage Loan the Borrower redeems a fixed amount on each instalment, such that at maturity the entire loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under such Mortgage Loan declines over time.

**Annuity Mortgage Loans:**

A portion of the Mortgage Loans will be in the form of Annuity Mortgage Loans. Under an Annuity Mortgage Loan the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that such Mortgage Loan will be fully redeemed at the end of its term.

**Interest-only  
Mortgage Loans:**

A portion of the Mortgage Loans will be in the form of Interest-only Mortgage Loans. Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof). Interest-only Mortgage Loans may have been granted up to an amount equal to 50 per cent. of the Market Value of the Mortgaged Asset at origination.

**NHG Mortgage  
Loan Parts**

A portion of the Mortgage Loans consists of one or more Loan Parts which have the benefit of an NHG Guarantee.

In respect of each Mortgage Loan (or one or more Loan Parts thereof) which has the benefit of an NHG Guarantee, the Seller holds the NHG Advance Rights pursuant to the NHG Conditions, which provide the opportunity to the Seller to receive an advance payment of expected loss, subject to certain conditions being met. Under the Mortgage Receivables Purchase Agreement, the Seller will assign, to the extent legally possible and required, such NHG Advance Rights to the Issuer and the Issuer will accept such assignment. The Issuer and the Seller have agreed that the Issuer shall not make use of the NHG Advance Rights unless the Issuer is directed to do so by the Security Trustee.

See further Table 18 under Section 6.1 (*Stratification tables*) and under Section 6.5 (*NHG Guarantee programme*).

**Construction  
Deposits:**

The Construction Deposits are withheld by the Seller and will be paid out in case certain conditions are met. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Purchase Price (i) on the Closing Date an amount equal to the Aggregate Construction Deposit Amount on or around the Closing Date and (ii) in relation to a Further Advance, on the relevant Purchase Date an amount equal to the Construction Deposit attached to such Further Advance. Such amounts will be deposited on the Construction Deposit Account. On each Business Day, the Issuer will release from the Construction Deposit Account such part of the Purchase Price which equals the positive difference between the balance standing to the credit of the Construction Deposit Account and the Aggregate Construction Deposit Amount and pay such amount to the Seller.

Pursuant to the Mortgage Conditions in respect of the Mortgage Loans, Construction Deposits have to be paid out within 6 (six) months, provided that the Seller may agree to an extension of this period up to 6 (six) months. After such relevant period, the remaining Construction Deposit will be set-off against the relevant Mortgage Receivable up to the amount of the remaining Construction Deposit, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining corresponding part of the Purchase Price and an amount equal to such part of the Purchase Price will

be debited from the Construction Deposit Account and will form part of the Available Principal Funds on the immediately succeeding Notes Payment Date.

**Receivables  
Proceeds  
Distribution  
Agreement:**

On or before the Closing Date, the Issuer will become a party to the Receivables Proceeds Distribution Agreement under which, *inter alia*, the Collection Foundation undertakes to transfer all amounts received on the Collection Foundation Account in respect of the Mortgage Receivables, to the Issuer Collection Account.

## **2.7 Portfolio documentation**

**Purchase of  
Mortgage  
Receivables on the  
Signing Date:**

Under the Mortgage Receivables Purchase Agreement, the Issuer will, subject to the fulfilment of certain conditions (including compliance with the Mortgage Loan Criteria and the Additional Purchase Conditions), purchase and accept the assignment of any and all Mortgage Receivables and Beneficiary Rights including, for the avoidance of doubt, any parts thereof corresponding with amounts constituting Construction Deposits, from the Seller against certain Borrowers under or in connection with certain selected Mortgage Loans (which may consist of one or more Loan Parts) originated by the Seller and that are secured by a Mortgage.

The Mortgage Receivables are sold and assigned to the Issuer with all rights and claims relating thereto, including without limitation, all accessory rights (*afhankelijke rechten*) and all ancillary rights (*nevenrechten*), such as mortgages (*rechten van hypotheek*), rights of pledge (*pandrechten*), the rights under or in connection with suretyships (*borgtochten*), the rights under any insurance policies and any other rights and actions of any kind whatsoever.

The Seller has the benefit of Beneficiary Rights which entitles the Seller to receive final payment under the relevant Risk Insurance Policies, which payment is to be applied towards redemption of the Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, the Seller will assign such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

The Mortgage Receivables sold on the Signing Date are sold to the Issuer from and including the Cut-Off Date immediately preceding the Closing Date.

**Further Advances**

A portion of the Mortgage Receivables is secured by Mortgages that will also secure any Further Advances to be granted by the Seller to the relevant Borrower whereby Further Advances include: (a) further advances made under a Mortgage Loan which will be secured by the same Mortgage as the loan previously made under such Mortgage Loan (*verhoogde inschrijving*), and (b) further advances made under a Mortgage Loan which will be secured by a second or sequentially lower priority Mortgage as the loan previously



made under such Mortgage Loan (*verhoging*). The Mortgage Receivables Purchase Agreement provides, that as from the Closing Date up to (but excluding) the First Optional Redemption Date, if, subject to the Mortgage Conditions, the Seller has agreed with a Borrower to grant a Further Advance, the Issuer will, subject to the fulfilment of certain conditions (including compliance with the Mortgage Loan Criteria and the Additional Purchase Conditions), purchase and accept assignment in advance (*bij voorbaat*) of the Further Advance Receivable, any NHG Advance Right and the Beneficiary Rights relating thereto, provided that the Further Advance Available Funds are sufficient for payment of the Purchase Price for such Further Advance Receivable.

The Issuer will on any Purchase Date, subject to and in accordance with certain conditions, apply the Available Principal Funds or part thereof towards payment of the Purchase Price for the Further Advance Receivables.

When a Further Advance is granted to the relevant Borrower and the Issuer purchases and accepts assignment of the relevant Further Advance Receivable, any NHG Advance Right and the Beneficiary Rights relating thereto, the Issuer will at the same time create a first right of pledge on such Further Advance Receivable, any NHG Advance Right and the Beneficiary Rights relating thereto in favour of the Security Trustee.

If, *inter alia*, (a) any Further Advance Receivable does not meet the Mortgage Loan Criteria and the Additional Purchase Conditions on the relevant Purchase Date or (b) the Issuer does not have sufficient funds available for payment of the Purchase Price for such Further Advance Receivable or (c) the Further Advance is granted after the First Optional Redemption Date, the Seller shall repurchase and accept the re-assignment of any Mortgage Receivable resulting from the Mortgage Loan in respect of which a Further Advance is granted, any NHG Advance Right and the Beneficiary Rights relating thereto.

**Repurchase of Mortgage Receivables:**

In the Mortgage Receivables Purchase Agreement, the Seller has undertaken to repurchase and accept reassignment of a Mortgage Receivable (together with any NHG Advance Right and the Beneficiary Right relating thereto):

- (a) either (i) on the Mortgage Collection Payment Date immediately following the expiration of the 14 calendar days remedy period (as provided for in the Mortgage Receivables Purchase Agreement) if any of the Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date, proves to be untrue or incorrect in any material respect and the Seller has not remedied the breach or

procured the remedy of the matter giving rise to such breach, or (ii), if such matter is not capable of being remedied within the said period of 14 calendar days, on the immediately following Mortgage Collection Payment Date; or

- (b) either (i) on the Mortgage Collection Payment Date immediately following the expiration of the 14 calendar days remedy period (as provided for in the Mortgage Receivables Purchase Agreement) if any of the Non-Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date, proves to have been untrue or incorrect in any material respect and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach, or (ii), if such matter is not capable of being remedied within the said period of 14 calendar days, on the immediately following Mortgage Collection Payment Date, provided that the Seller has not sent a Compensation Notice in relation to such matter to the Issuer and the Security Trustee; or
- (c) on the Mortgage Collection Payment Date immediately following the date on which (i) the Seller agrees with a Borrower to grant a Further Advance and the relevant Further Advance Receivable is not purchased by the Issuer on any Purchase Date falling ultimately on the immediately succeeding Mortgage Collection Payment Date or (ii) the Seller obtains an Other Claim; or
- (d) on the Mortgage Collection Payment Date immediately following the date on which the Seller agrees with a Borrower to any amendment or alteration that (i) is not consistent with the practice of a reasonably prudent servicer of residential mortgage loans in the Netherlands, (ii) entails an extension of the term of the relevant Mortgage Loan beyond October 2055 or (iii) entails a Non-Permitted Mortgage Loan Amendment, provided that any amendment or alteration that entails a Non-Permitted Mortgage Loan Amendment is initiated by the relevant Borrower; or
- (e) on the Mortgage Collection Payment Date immediately following the date on which the Seller becomes aware that an NHG Mortgage Loan Part forming part of the relevant Mortgage Loan no longer has the benefit of an NHG Guarantee for the full amount of such NHG Mortgage Loan Part as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by the Seller or the Servicer; or
- (f) on the Mortgage Collection Payment Date immediately following the date on which the Seller has notified the Issuer that, while it is entitled

to make a claim under the NHG Guarantee, it will not make such claim.

The purchase price for the Mortgage Receivable in such event will be equal to the Outstanding Principal Amount of the relevant Mortgage Receivable together with any unpaid interest accrued up to but excluding the relevant cut-off date of sale and assignment of the Mortgage Receivable and reasonable costs (including any costs incurred by the Issuer in effecting and completing such purchase and assignment).

**Clean-Up Call  
Option, the Seller  
Call Option, the  
Risk Retention  
Regulatory  
Change Call  
Option and the  
Class R Call  
Option:**

If on any Notes Payment Date, the aggregate Outstanding Principal Amount of the Mortgage Receivables is equal to or less than 10 (ten) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only), by delivery of a notice to the Issuer at least 30 calendar days before the relevant Notes Payment Date, subject to Condition 6(h) (*Clean-up Call Option*).

Subject to and in accordance with Condition 6(f) (*Seller Call Option*), the Seller has the right (but not the obligation) to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding against payment of a purchase price at least equal to the relevant Required Call Amount, which right may be exercised on the First Optional Redemption Date or on each Optional Redemption Date thereafter, provided that (i) the Seller requested the Issuer to notify the Class R Noteholders in accordance with Condition 13 (*Notices*) no later than 75 calendar days prior to the relevant Optional Redemption Date that the Seller wishes to exercise the Seller Call Option, and (ii) the Class R Noteholders have not raised any written objections against the Seller exercising the Seller Call Option within ten (10) calendar days from the date of the notification.

On any Notes Payment Date following the occurrence of a Risk Retention Regulatory Change Event, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only) from the Issuer, by delivery of a notice to the Issuer at least 60 calendar days before the relevant Notes Payment Date informing the Issuer that it will exercise the Risk Retention Regulatory Change Call Option, subject to Condition 6(i) (*Risk Retention Regulatory Change Call Option*). For the avoidance of doubt, if the Risk Retention Regulatory Change Call Option is not exercised for whatever reason by the Seller, this does not affect the obligation of the Seller in any way to retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 6 of the Securitisation Regulation for which the Seller shall remain responsible.

Under the terms of the Trust Deed, the Class R Noteholders (acting jointly) have the right to instruct the Issuer to sell and assign all but not some of the Mortgage Receivables on the First Optional Redemption Date and each Optional Redemption Date thereafter, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes, other than the Class Z2 Notes, Class X Notes and the Class R Notes, in accordance with Condition 6(e) (*Class R Call Option*) at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

If the Seller exercises the Clean-Up Call Option, the Seller Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders (acting jointly) exercise the Class R Call Option, the Issuer has undertaken in the Mortgage Receivables Purchase Agreement, to sell and assign all but not some of the Mortgage Receivables on the relevant Notes Payment Date to the Seller, or any (third) party appointed by the Seller (at its sole discretion) or as the case may be, by the Class R Noteholders (at their sole discretion).

The purchase price of each Mortgage Receivable in the event of a sale by the Issuer as a result of the Seller exercising the Clean-Up Call Option, the Seller Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders exercising the Class R Call Option shall be equal to at least the relevant Required Call Amount.

The Issuer shall be required to apply the proceeds of such sale of the relevant Mortgage Receivables to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, in accordance with Condition 6(b) (*Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes*), at their respective Principal Amount Outstanding together with unpaid interest and Subordinated Step-up Consideration accrued up to and including the date of redemption and to pay other amounts due ranking higher or equal to the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed.

If on any Notes Calculation Date all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Notes Payment Date immediately succeeding such Notes Calculation Date form part of the Available Revenue Funds and be applied in accordance with the Conditions subject to the relevant Priority of Payments. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Notes Payment Date

in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).

**Tax Call Option  
and related sale of  
Mortgage  
Receivables:**

Pursuant to the Trust Deed, the Issuer has the right to sell and assign all but not some of the Mortgage Receivables if the Tax Call Option (in accordance with Condition 6(g) (*Redemption for tax reasons*)) is exercised, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption and to pay other amounts due ranking higher or equal to the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes and in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed. If on any Notes Calculation Date all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Notes Payment Date immediately succeeding such Notes Calculation Date form part of the Available Revenue Funds and be applied in accordance with the Conditions subject to the relevant Priority of Payments. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Notes Payment Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).

If the Issuer exercises the Tax Call Option, the Issuer will notify the Seller of such decision by written notice at least 67 calendar days prior to the scheduled date of redemption and will first offer such Mortgage Receivables to the Seller. The Seller shall within a period of 14 calendar days after receipt of such notice inform the Issuer whether it wishes to repurchase the Mortgage Receivables. After such period of 14 calendar days, if the Seller has not indicated that it wishes to repurchase the Mortgage Receivables and if the Issuer finds a third party that is willing to purchase the Mortgage Receivables, the Issuer will notify the Seller of the terms of such third party's offer by written notice at least 39 calendar days prior to the scheduled date of such sale. After having received the written notice as set forth in the foregoing sentence, the Seller will have the right, but not the obligation, to repurchase all the Mortgage Receivables (but not some only) on terms of such third party's offer to purchase the Mortgage Receivables on the scheduled date of such sale, provided that the Seller shall within a period of seven (7) calendar days after receipt of such notice inform the Issuer that it wishes to repurchase all the Mortgage Receivables (but not some only) on the scheduled date of such sale. The absence of such timely notice by the

Seller will entitle the Issuer to sell the Mortgage Receivables to such third party.

The purchase price of each Mortgage Receivable in the event of a sale by the Issuer as a result of the Seller exercising the Tax Call Option, shall be equal to at least the relevant Required Call Amount.

**Servicing Agreement:**

Under the Servicing Agreement, the Servicer will agree to provide (i) collection services and the other services as agreed in the Servicing Agreement in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Receivables and (ii) the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further Section 7.5 (*Servicing Agreement*)).

In accordance with the Servicing Agreement, the Servicer has appointed the Sub-Servicer, and the Sub-Servicer has in its turn appointed Stater Nederland B.V. as its Delegate Sub-Servicer and, subject to termination of the Servicing Agreement with the Servicer, to provide certain of the Mortgage Loan Services in respect of the relevant Mortgage Loans in accordance with the Mortgage Loan Negotiation and Servicing Agreement on behalf of the Servicer. The Sub-Servicer has also outsourced its arrears and default management and client file management to Hypocasso as Delegate Sub-Servicer.

Subject to termination of the Servicing Agreement entered into with the Servicer, the Delegate Sub-Servicers shall provide to the Issuer certain of the Mortgage Loan Services in respect of the relevant Mortgage Receivables in accordance with the Delegate Sub-Servicing Letters.

**Interest Rate Reset Letter:**

Under the Interest Rate Reset Letter, the Seller and the Issuer will agree on certain arrangements in connection with the determination and the setting of the interest rates applicable to the Mortgage Loans, subject to and in accordance with applicable laws and regulations including, without limitation, the obligation to offer equal interest conditions to new and existing borrowers (*eenvormig rentebeleid*) and the Code of Conduct on mortgage credit, the principles of reasonableness and fairness and competition laws and the Mortgage Conditions.

## **2.8 General**

**Management Agreements:**

The Issuer, the Shareholder and the Security Trustee will each enter into a Management Agreement with the relevant Director in which the relevant Director will undertake to act as a director of the Issuer, the Shareholder and the Security Trustee, respectively, and to perform certain services in connection therewith.

**Administration Agreement:**

Under the Administration Agreement, the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions (see further section 5.7 (*Administration Agreement*)).

**Transparency Reporting Agreement:**

Under the Transparency Reporting Agreement, the Issuer (as SSPE) and the Seller (as originator) shall, in accordance with article 7(2) of the Securitisation Regulation, designate amongst themselves the Seller as the Reporting Entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (see further section 5.8 (*Transparency Reporting Agreement*)).

**Secured Creditors Agreement:**

Under the Secured Creditors Agreement, each Secured Creditor agrees and confirms that the security provided pursuant to the provisions of the Pledge Agreements shall, indirectly, through the Security Trustee, be for the exclusive benefit of the Secured Creditors (including for the avoidance of doubt, the Noteholders). Under the Secured Creditors Agreement, each Secured Creditor, *inter alia*, agrees to be bound by the relevant terms and provisions of the Trust Deed including, but not limited to, the limited recourse and non-petition provisions contained therein.

**Governing law:**

The Transaction Documents (which also include the Notes), other than the Hedging Agreements, and any non-contractual obligations arising out of or in relation to the Transaction Documents, other than the Hedging Agreements, will be governed by and construed in accordance with Dutch law. The Hedging Agreements and any non-contractual obligations arising out of or in relation to the Hedging Agreements, will be governed by and construed in accordance with the laws of England and Wales.

### **3 PRINCIPAL PARTIES**

#### **3.1 Issuer**

Tulip Mortgage Funding 2020-1 B.V. was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law on 21 September 2020. The official seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands. The telephone number of the Issuer is +31 88 560 9950. The Issuer is registered with the Trade Register under number 80370845 and has the following LEI: 724500OFDWCLKRGJHN17. The Issuer has no separate commercial name.

The corporate objects of the Issuer are (a) to acquire, purchase, manage, alienate and encumber receivables and to exercise any rights connected to such receivables, (b) to take up loans by way of the issue of securities, granting participations or by entering into loan agreements, to acquire the receivables mentioned under (a) and to enter into agreements ancillary thereto, (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate and other financial risks amongst others by entering into derivative agreements, including swap agreements and option agreements, (e) if incidental to the foregoing, (i) to take up loans, amongst others to repay the obligations under any securities, participations and loan agreements mentioned under (b) and (ii) to grant and release security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer has been established as a special purpose entity for the purpose of issuing asset backed securities, the acquisition of the Mortgage Receivables and certain related transactions described elsewhere in this Prospectus. The Issuer operates under Dutch law, provided that it may enter into contracts which are governed by the laws of another jurisdiction than the Netherlands.

The Issuer has an authorised share capital of EUR 1.00 of which EUR 1.00 has been issued and is fully paid (one share and one class of shares). The entire issued share capital of the Issuer is held by the Shareholder.

#### **Statement by the board of directors of the Issuer**

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction described in this Prospectus nor (ii) prepared any financial statements. There have not been any governmental, legal or arbitration proceedings during the previous 12 months and there are no legal, arbitration or governmental proceedings, which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform its obligations under the Transaction Documents.

#### **The Issuer Director**

The sole managing director of the Issuer is Vistra Capital Markets (Netherlands) N.V. Vistra Capital Markets (Netherlands) N.V. has elected domicile at the registered office of the Issuer at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands, telephone number +31 88 560 9950. The managing directors of Vistra



Capital Markets (Netherlands) N.V. are R. Posthumus, C. Helsloot- van Riemsdijk, H.J.D. Wolterman and K. P. van Dorst.

The corporate objects of Vistra Capital Markets (Netherlands) N.V. are, *inter alia*, (a) to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises and (b) to provide advice and other services.

The remuneration payable by the Issuer to the Directors and the Issuer Administrator payable for the services rendered under the Management Agreements and the Administration Agreement are agreed upon in the Vistra Letter.

Vistra Capital Markets (Netherlands) N.V., being the sole managing director of the Issuer, belongs to the same group of companies as Erevia B.V., being the sole managing director of the Security Trustee, and the same group of companies as Vistra FS (Netherlands) B.V., being the Issuer Administrator. As the interests of the Issuer, the Security Trustee and the Issuer Administrator could deviate from each other, a conflict of interest may arise due the fact that the sole managing director of the Issuer, the sole managing director of the Security Trustee and the Issuer Administrator belong to the same group of companies. In this respect it is of note that in the Management Agreements between each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*statutair directeur*) should do or should refrain from doing and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents. In addition, each of the Directors agrees in the relevant Management Agreement that it will procure that the relevant entity will not enter into any agreement in relation to the Issuer, and/or the Shareholder other than the Transaction Documents to which it is a party, unless permitted under the Transaction Documents, without the prior written consent of the Security Trustee and that the Security Trustee will not enter into any agreement other than the Transaction Documents to which it is a party, unless permitted under the Transaction Documents, without the prior written consent of the Issuer.

The Issuer Management Agreement may be terminated by the Issuer (with the consent of the Security Trustee) or the Security Trustee upon the occurrence of certain termination events, including, but not limited to, a default by the Issuer Director (unless remedied within the applicable grace period), dissolution and liquidation of the Issuer Director or the Issuer Director being declared bankrupt or granted a suspension of payments. Furthermore, the Issuer Management Agreement can be terminated by an Issuer Director or the Security Trustee per the end of each calendar year upon 90 days prior written notice, provided that a Credit Rating Agency Confirmation is available in respect of such termination. The Issuer Director shall resign upon termination of the Issuer Management Agreement, provided that such resignation shall only be effective as from the moment (a) a new director reasonably acceptable to the Security Trustee has been appointed and (b) a Credit Rating Agency Confirmation is available in respect of such appointment.

The auditor of the Issuer is Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands. The registered accountants of Ernst & Young Accountants LLP are members of the NBA (*Koninklijke Nederlandse Beroepsorganisatie van Accountants* - the Royal Netherlands Institute of Chartered Accountants).

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2021.

## **Capitalisation**

The following table shows the capitalisation of the Issuer as of the Closing Date as adjusted to give effect to the issue of the Notes:

#### **Share Capital**

Authorised share capital	EUR 1.00
Issued share capital	EUR 1.00

#### **Borrowings**

Class A Notes	EUR 206,000,000
Class B Notes	EUR 6,200,000
Class C Notes	EUR 4,700,000
Class Z1 Notes	EUR 7,747,000
Class Z2 Notes	EUR 3,600,000
Class X Notes	EUR 1,600,000
Class R Notes	EUR 200,000

#### **Wft**

The Issuer is not subject to any licence requirement under Section 2:11 of the Wft as amended, due to the fact that the Notes will be offered solely to Non-Public Lenders.

The Issuer is not subject to any licence requirement under Section 2:60 of the Wft, as the Issuer has outsourced the servicing and administration of the Mortgage Loans to the Servicer. The Servicer holds a license under the Wft and the Issuer will thus benefit from the exemption.

### **3.2 Shareholder**

Stichting Holding Tulip Mortgage Funding 2020-1 is a foundation (*stichting*) incorporated under Dutch law on 21 September 2020. The statutory seat of the Shareholder is in Amsterdam, the Netherlands and its registered office is at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands. The Shareholder is registered with the Trade Register under number 80367623.

The corporate objects of the Shareholder are, *inter alia*, to acquire, to hold, to alienate and encumber shares in the capital of the Issuer and to exercise all rights attached to such shares, including the exercise of voting rights, to take up and to make loans, as well as everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word. Pursuant to the articles of association of the Shareholder an amendment of the articles of association of the Shareholder requires the prior written consent of the Security Trustee. Moreover, the Director of the Shareholder shall only be authorised to dissolve the Shareholder, after (i) receiving the prior written consent of the Security Trustee and (ii) the Issuer has been fully discharged for all its current or future obligations by virtue of the Transaction Documents.

The sole managing director of the Shareholder is Vistra Capital Markets (Netherlands) N.V. Vistra Capital Markets (Netherlands) N.V. has elected domicile at the registered office of the Issuer at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands, telephone number +31 88 560 9950. The managing directors of Vistra Capital Markets (Netherlands) N.V. are R. Posthumus, C. Helsloot- van Riemsdijk, H.J.D. Wolterman and K. P. van Dorst.

The Shareholder Director has entered into the Shareholder Management Agreement pursuant to which the Shareholder Director agrees and undertakes to, *inter alia*, (i) manage the affairs of the Shareholder in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and Dutch accounting practices, and (ii) refrain from any action detrimental to the Issuer's ability to meet its obligations under any of the Transaction Documents.

### **3.3 Security Trustee**

Stichting Security Trustee Tulip Mortgage Funding 2020-1 is a foundation (*stichting*) incorporated under Dutch law on 21 September 2020. The statutory seat of the Security Trustee is in Amsterdam, the Netherlands and its registered office is at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands. The Shareholder is registered with the Trade Register under number 80367836.

The objectives of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and certain other creditors of the Issuer, referred to above, (b) to acquire security rights as agent and/or trustee and/or for itself, (c) to hold, administer, release and enforce the security rights mentioned under (b) for the benefit of the Noteholders and certain other creditors of the Issuer, and to perform acts and legal acts (including the acceptance of the Parallel Debt), which are or may be related, incidental or conducive to the holding of the aforementioned security rights, (d) to enter into a management agreement between the Security Trustee and Erevia B.V. a private limited liability company, having its official seat in Amsterdam and (e) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Trustee is Erevia B.V, having its registered office at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands. The managing directors of Erevia B.V. are R. Posthumus, C. Helsloot- van Riemsdijk, H.J.D. Wolterman and K. P. van Dorst.

The Security Trustee has agreed to act as security trustee for the Noteholders and the other Secured Creditors and to pay any amounts received from the Issuer or amounts collected by the Security Trustee under the Pledge Agreements to the Noteholders and the other Secured Creditors subject to and pursuant to the Trust Deed and subject to and in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments.

The Security Trustee shall not be liable for any action taken or not taken by it or for any breach of its obligations under or in connection with the Trust Deed or any other Transaction Document to which it is a party, except in the event of its wilful misconduct (*opzet*), gross negligence (*grove nalatigheid*), fraud or bad faith, and it shall not be responsible for any act or negligence of persons or institutions selected by it with due care.

The Security Trustee Director has entered into the Security Trustee Management Agreement with the Security Trustee and the Issuer. In this Security Trustee Management Agreement, the Security Trustee Director agrees and undertakes, *inter alia*, that it shall (i) manage the affairs of the Security Trustee in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice with the same care that it exercises or would exercise in connection with the administration of similar matters held for its own account or for the account of third parties and (ii) refrain from taking any action detrimental to the obligations of the Security Trustee under any of the Transaction Documents. In addition, the Security Trustee Director agrees in the Security Trustee Management Agreement that it will not agree to any modification of any agreement including, but not limited to, the

Transaction Documents or enter into any agreement, other than in accordance with the Trust Deed and the other Transaction Documents.

The Trust Deed provides that the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable to the Secured Creditors under the Transaction Documents have been paid in full. However, the Noteholders of the Most Senior Class shall have the power, exercisable only by an Extraordinary Resolution, to remove the Security Trustee Director as director of the Security Trustee. The Security Trustee Management Agreement with the Security Trustee Director may be terminated by the Security Trustee (or the Issuer on its behalf) upon the occurrence of certain termination events, including, but not limited to, a default by the Security Trustee Director (unless remedied within the applicable grace period), dissolution and liquidation of the Security Trustee Director or the Security Trustee Director being declared bankrupt or granted a suspension of payments. Furthermore, the Security Trustee Management Agreement can be terminated by the Security Trustee Director or the Security Trustee (or the Issuer on its behalf) per the end of each calendar year upon 90 days' prior written notice, provided that a Credit Rating Agency Confirmation is available in respect of such termination. The Security Trustee Director shall resign upon termination of the Security Trustee Management Agreement, provided that such resignation shall only be effective as from the moment (a) a new director reasonably acceptable to the Security Trustee has been appointed and (b) a Credit Rating Agency Confirmation is available in respect of such appointment.

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver, authorisation or consent of any breach or proposed breach, of any of the provisions of the Trust Deed, the Notes or any other Transaction Document, and any consent, to the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that a Credit Rating Agency Confirmation is available in connection with such modification, authorisation, waiver or consent (see further Section 4.1 (*Terms and conditions*)).

In addition, the Security Trustee may agree, without the consent of the Noteholders, to (a) the entering into of a new Transaction Document by the Issuer with a successor of the relevant counterparty or (b) the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor provided that certain requirements have been met (see further Section 4.1 (*Terms and conditions*)).

The Security Trustee may further agree with the other parties to any Transaction Document, without the consent of the Noteholders, to any modification of the relevant Transaction Documents (including any Hedging Agreement) in order to enable the Issuer and/or the Swap Counterparty to comply with any requirements which apply to it under EMIR, the CRA Regulation, the Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory or implementing technical standards and advice, guidance or recommendations from relevant supervisory regulators), the Securitisation Regulation, the Benchmark Regulation (subject to Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*)), the CRR Amendment Regulation and/or for the securitisation transaction described in this Prospectus to qualify or continue to qualify as STS securitisation, subject to receipt by the Security Trustee of a certificate of the Issuer or the Swap Counterparty certifying to the Security Trustee that the amendments requested by the Issuer or the Swap Counterparty, as the case may be, are to be made solely for the purpose of enabling the Issuer or the Swap Counterparty, as

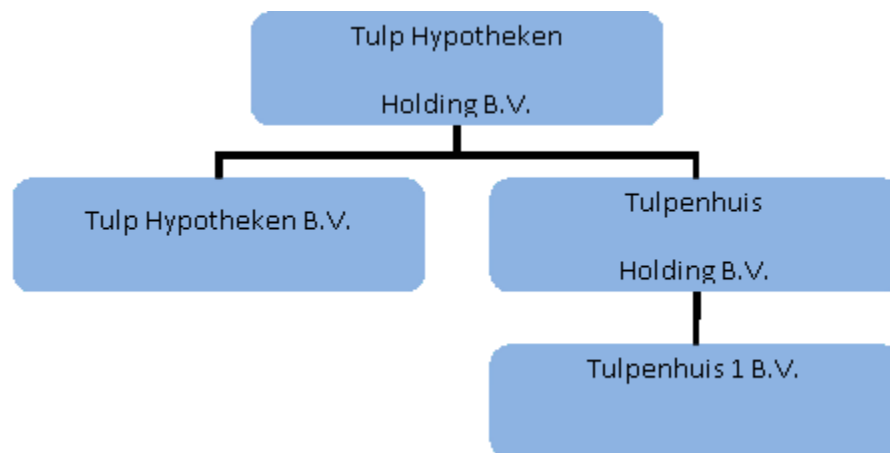
the case may be, to satisfy its requirements under EMIR, the CRA Regulation, the Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory or implementing technical standards and advice, guidance or recommendations from relevant supervisory regulators), the Securitisation Regulation, the Benchmark Regulation (subject to Condition Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*)), the CRR Amendment Regulation and/or for the securitisation transaction described in this Prospectus to qualify or continue to qualify as STS securitisation, provided that the Security Trustee shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Trustee, would have the effect of (A) exposing the Security Trustee or any other Secured Creditor (unless with its consent) to any additional liability or (B) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Trustee or any other Secured Creditor (unless with its consent) in respect of the Notes, the relevant Transaction Documents and/or the Conditions and further provided that the Security Trustee has received written confirmation from the Swap Counterparty that it has consented to such amendment.

### 3.4 Seller

#### Seller

Tulpenhuis 1 B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 63677563. Its significant business activity is the origination of residential mortgage loans.

Tulp Hypotheken Group refers to several entities, among which are the Seller, the Servicer and the Sub-Servicer.



The Mortgage Loans have been granted in the name of Tulpenhuis 1 B.V. (in its capacity as original lender within the meaning of the Securitisation Regulation). The business activities of Tulpenhuis 1 B.V. are performed through its agents, including the origination of mortgage loans. Tulpenhuis 1 B.V. is a wholly owned subsidiary of Tulpenhuis Holding B.V. Tulpenhuis Holding B.V. has acquired a collective licence (with number 12043524) to originate mortgage loans under Dutch Law. This collective licence applies to all associated companies, including the Seller. Both companies are listed as mortgage originators in the formal register of the AFM.

The Seller has delegated all administrative activities regarding the offering, the review and acceptance for mortgages to Tulp Hypotheken B.V., who in its turn, has delegated part of such administrative activities regarding the offering, the review and acceptance for mortgages to Stater. For more details regarding the activities of Tulp Hypotheken B.V. and Stater reference is made to Section 3.5 (*Servicer, Sub-Servicer and Delegate Sub-Servicers*).

The board of directors of Tulpenhuis Holding B.V., Tulpenhuis 1 B.V. and Tulp Hypotheken B.V. consists of Mr Wessels and Mr De Vos. The directors and the executive management are highly experienced professionals. Having completed his studies in Economics 25 years ago, Mr Wessels started working in the financial industry. After building up a mortgage platform for an insurance company, he started his own firm and became a member of the board of directors of GMAC RFC Nederland. As an independent advisor, Mr Wessels gained experience across Europe, especially in product development, mortgage lending, insurance and marketing.

Mr De Vos studied business economics, accountancy and EDP audit. He started working as an auditor at PWC where he remained for four (4) years, following which he worked at DSB Groep/Bank for 15 years as Finance Director. Whilst there, Mr De Vos set up the Finance & Control Department and the Treasury, specialising in securitisation of 1st and 2nd lien mortgages and consumer loans, and responsible for the structuring and placement of seven securitisation programs.

For an explanation of the experience of the senior staff of Tulp Hypotheken B.V., other than the directors, who are responsible for managing the origination of mortgage loans similar to the Mortgage Loans on behalf of the Seller reference is made to Section 6.3.1 (*Origination process*).

### **3.5 Servicer, Sub-Servicer and Delegate Sub-Servicers**

The Issuer has appointed the Seller to act as its Servicer in accordance with the terms of the Servicing Agreement. In accordance with the Servicing Agreement, the Servicer has delegated the origination and servicing of the Mortgage Loans to Tulp Hypotheken B.V. acting as Sub-Servicer. For this, the Sub-Servicer has acquired a licence from the AFM (with number 12043400) to act as mortgage loan negotiator (*bemiddelaar*) and servicer under Dutch Law. The services of the Sub-Servicer are exclusively for those companies referred to as the Tulp Hypotheken Group, with a view to ensure a stable and consistent level of service to the Servicer. All aspects of the services from the Sub-Servicer to the Servicer are dealt with in the Mortgage Loan Negotiation and Servicing Agreement.

The Sub-Servicer, in its turn, has appointed Stater and Hypocasso as Delegate Sub-Servicers to perform the services pursuant to the sub-servicing agreement. The Sub-Servicer has outsourced the regular services to Stater and its arrears and default management and client file management to Hypocasso, which is a 100% subsidiary of Stater N.V. See further under Section 6.3.4 (*Stater Nederland B.V.*). Apart from the use of the Delegate Sub-Servicers, the Sub-Servicer may use other third parties as delegate sub-servicer to service mortgage loans. Subject to termination of the Servicing Agreement with the Servicer, the Delegate Sub-Servicers (as back-up servicers) shall provide to the Issuer the Mortgage Loan Services in respect of the relevant Mortgage Receivables in accordance with the Delegate Sub-Servicing Letters.

### 3.6 Issuer Administrator

The Issuer has appointed Vistra FS (Netherlands) B.V. to act as its Issuer Administrator in accordance with the terms of the Administration Agreement (see further under Section 5.7 (*Administration Agreement*)). The Issuer Administrator is not an affiliate of the Seller.

Vistra FS (Netherlands) B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands and registered with the Trade Register under number 33202549.

The corporate objects of the Issuer Administrator are (a) to represent financial, economic and administrative interests in the Netherlands and other countries, (b) to act as trust company, as well as to participate in, manage and administer other enterprises, companies and legal entities and (c) to perform any and all acts which are related, incidental or which may be conducive to the above.

The managing director of the Issuer Administrator is Vistra Capital Markets (Netherlands) N.V. The sole shareholder of the Issuer Administrator is Vistra Capital Markets (Netherlands) N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands.

### 3.7 Swap Counterparty

BNP Paribas will act as the Swap Counterparty. BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is <http://www.bnpparibas.com/en>.

BNP Paribas, together with its consolidated subsidiaries (the **BNP Paribas Group**) is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world.

The BNP Paribas Group, one of Europe's leading providers of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It operates in 71 countries and has more than 197,000 employees, including nearly 150,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
  - Domestic Markets, comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,
    - Belgian Retail Banking (BRB),
    - Other Domestic Markets activities including Arval, BNP Paribas Leasing Solutions, Personal Investors, Nickel and Luxembourg Retail Banking (LRB);
  - International Financial Services, comprising:

- Europe-Mediterranean,
- BancWest,
- Personal Finance,
- Insurance,
- Wealth and Asset Management;
- Corporate and Institutional Banking (CIB):
  - Corporate Banking,
  - Global Markets,
  - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

At 30 June 2020, the BNP Paribas Group had consolidated assets of €2,623 billion (compared to €2,165 billion at

31 December 2019), consolidated loans and receivables due from customers of €828 billion (compared to €806 billion at 31 December 2019), consolidated items due to customers of €963 billion (compared to €835 billion at 31 December 2019) and shareholders' equity (Group share) of €111.5 billion (compared to €107.5 billion at 31 December 2019).

At 30 June 2020, pre-tax income was €4.9 billion (compared to €6.1 billion as at 30 June 2019). Net income, attributable to equity holders, for the first half 2020 was €3.6 billion (compared to €4.4 billion for the first half 2019).

At the date of this Memorandum, the BNP Paribas Group currently has Long Term Senior Preferred debt ratings of "A+" with negative outlook from S&P, "Aa3" with stable outlook from Moody's Investors Service, Inc. and "AA-" under Rating Watch Negative from Fitch Ratings, Ltd and "AA (low)" with stable outlook from DBRS.

The information contained in this section relates to and has been obtained from BNP Paribas. The information concerning BNP Paribas and the BNP Paribas Group contained herein is furnished solely to provide limited introductory information regarding BNP Paribas and the BNP Paribas Group and does not purport to be comprehensive.

The delivery of the information contained in this section shall not create any implication that there has been no change in the affairs of BNP Paribas or the BNP Paribas Group since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to <http://invest.bnpparibas.com/en>.



### 3.8 Reporting Entity

Under the Transparency Reporting Agreement, the Issuer (as SSPE) and the Seller (as originator) shall, in accordance with article 7(2) of the Securitisation Regulation, designate amongst themselves Tulpenhuis 1 B.V. as the Reporting Entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (see further Section 5.8 (*Transparency Reporting Agreement*)).

For a description of Tulpenhuis see Section 3.4 (*Seller*)

### 3.9 Issuer Account Bank

ABN AMRO Bank N.V. a public limited company (*naamloze vennootschap*) incorporated under the laws of the Netherlands on 9 April 2009, registered with the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under registration number 34334259 and having its registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands will act as Issuer Account Bank, Paying Agent, Listing Agent, Reference Agent and Collection Foundation Account Provider under the transaction described in this Prospectus.

ABN AMRO is a full-service bank with a primary focus on the Netherlands and selective operations internationally, serving retail, private and corporate banking clients.

In February 2019, ABN AMRO announced its intention to simplify its group structure by executing a legal merger between ABN AMRO Bank and ABN AMRO Group (the **Group Legal Merger**). The Group Legal Merger was completed on 28 June 2019 and became effective on 29 June 2019. As a result of the Group Legal Merger, ABN AMRO Group has ceased to exist. The Group Legal Merger aims to improve regulatory capital ratios (including the leverage ratio, see also the paragraph below), optimise administrative processes and lower administrative costs. The activities of ABN AMRO Group have been integrated and will be continued in ABN AMRO Bank.

ABN AMRO is organised into Retail Banking, Commercial Banking, Private Banking, Corporate & Institutional Banking, Finance, Risk Management, Technology & Innovation and Transformation & HR. ABN AMRO's management structure includes an Executive Board and an Executive Committee. ABN AMRO now has five reporting segments: Retail Banking, Commercial Banking, Private Banking, Corporate & Institutional Banking and Group Functions.

ABN AMRO currently has long-term senior debt ratings of "A" with negative outlook from Standard & Poor's, "A1" with stable outlook from Moody's, "A" with negative outlook from Fitch and "A (high)" with stable outlook from DBRS.

This description of the Issuer Account Bank, the Paying Agent, the Listing Agent and the Reference Agent does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Issuer Account Agreement, the Paying Agency Agreement and the other Transaction Documents.

The delivery of this Prospectus does not imply that there has been no change in the affairs of the Issuer Account Bank, the Paying Agent, the Listing Agent and the Reference Agent since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

### 3.10 Other parties

<b>Collection Foundation:</b>	Stichting Tulpenhuis Ontvangsten, established under Dutch law as a foundation ( <i>stichting</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 64383628.
<b>Collection Foundation Account Provider</b>	ABN AMRO Bank N.V.
<b>Swap Counterparty:</b>	BNP Paribas
<b>Issuer Account Bank:</b>	ABN AMRO Bank N.V.
<b>Directors:</b>	With respect to the Issuer, Vistra Capital Markets (Netherlands) N.V., with respect to the Shareholder, Vistra Capital Markets (Netherlands) N.V. and with respect to the Security Trustee, Erevia B.V.
<b>Paying Agent:</b>	ABN AMRO Bank N.V.
<b>Reference Agent:</b>	ABN AMRO Bank N.V.
<b>Listing Agent:</b>	ABN AMRO Bank N.V.
<b>Arranger:</b>	HSBC Bank plc
<b>Joint Lead Managers:</b>	HSBC Bank plc and BNP Paribas.
<b>Common Safekeeper:</b>	The clearing system or such other entity which the Issuer may elect from time to time to perform the safekeeping role.

## 4 THE NOTES

### 4.1 Terms and conditions

*The terms and conditions (the **Conditions**) will be as set out below. The Conditions will be endorsed on each Definitive Note if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See Section 4.2 (Form) below.*

The issue of the EUR 206,000,000 class A mortgage-backed notes 2020 due 2058 (the **Class A Notes**), the EUR 6,200,000 class B mortgage-backed notes 2020 due 2058 (the **Class B Notes**), the EUR 4,700,000 class C mortgage-backed notes 2020 due 2058 (the **Class C Notes**), the EUR 7,747,000 class Z1 mortgage-backed notes 2020 due 2058 (the **Class Z1 Notes**), the EUR 3,600,000 class Z2 notes 2020 due 2058 (the **Class Z2 Notes**), the EUR 1,600,000 class X notes 2020 due 2058 (the **Class X Notes**) and the EUR 200,000 class R notes 2020 due 2058 (the **Class R Notes**, and together with the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, the **Notes**) was authorised by a resolution of the board of directors of the Issuer passed on 12 November 2020. The Notes are issued under the Trust Deed on the Closing Date.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the forms of the Notes and Coupons, and the Temporary Global Notes and the Permanent Global Notes, (ii) the Paying Agency Agreement, (iii) the Mortgage Receivables Purchase Agreement, (iv) the Servicing Agreement, (v) the Administration Agreement, (vi) the Pledge Agreements and (vii) the Master Definitions Agreement (as defined below).

Unless otherwise defined herein, words and expressions used in these Conditions are defined in a master definitions agreement and common terms agreement dated the Signing Date, between the Issuer, the Security Trustee, the Seller and certain other parties as amended, supplemented, restated, novated or otherwise modified from time to time (the **Master Definitions Agreement**). Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. If the terms or definitions in the Master Definitions Agreement would conflict with the terms and definitions used in these Conditions, the terms and definitions of these Conditions shall prevail. As used herein, **Class** means either the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes or the Class R Notes, as the case may be.

Copies of the Trust Deed, Paying Agency Agreement, the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Administration Agreement, the Pledge Agreements, the Master Definitions Agreement and certain other Transaction Documents are available for inspection, free of charge, by Noteholders and prospective Noteholders at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands, and in electronic form upon email request at [capitalmarkets.nl@vistra.com](mailto:capitalmarkets.nl@vistra.com). The Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to above as required under article 7 and article 22 of the Securitisation Regulation by means of, once there is a SR Repository registered under article 10 of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction described in this Prospectus, the SR Repository or while no SR Repository has been registered and appointed by the Reporting Entity, <https://editor.eurodw.eu/>, being an external website that conforms to the requirements set out in the fourth paragraph of article 7(2) of the Securitisation Regulation. The Noteholders are entitled to the benefit of, are bound by, and are deemed to

have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Administration Agreement, the Pledge Agreements, the Master Definitions Agreement and certain other Transaction Documents and reference to any document is considered to be a reference to such document as amended, supplemented, restated, novated or otherwise modified from time to time.

## **1 Form, denomination and title**

The Notes will be in bearer form serially numbered and with Coupons attached on issue in denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof with a maximum denomination of EUR 199,000. Under Dutch law, the valid transfer of Notes together with Coupons requires, *inter alia*, delivery (*levering*) thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof), including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

## **2 Status, priority and security**

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and without any preference or priority among Notes of the same Class.
- (b) In accordance with the Conditions and the Trust Deed on each Notes Payment Date or relevant date (as applicable), (i) payments of principal and, in certain circumstances, interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and, in certain circumstances, interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal, and in certain circumstances, interest, on the Class Z1 Notes are subordinated to, *inter alia*, payments of principal and interest on the Rated Notes, and in certain circumstances, payment of principal on the Class X Notes, (iv) in certain circumstances, payments of principal and interest, on the Class Z2 Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes, and in certain circumstances, payment of principal on the Class X Notes and the Class R Notes, (v) in certain circumstances payments of principal and the Class X Residual Amount, on the Class X Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, and in certain circumstances, payments of principal and interest on the Class Z1 Notes, the Class Z2 Notes and the Class R Notes, (vi) in certain circumstances payments of principal and the Class R Residual Amount, on the Class R Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes and the Class X Notes and in certain circumstances, the Class Z2 Notes. The obligation to pay the Subordinated Step-up Consideration in respect of any Class of Notes is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Rated Notes, in accordance with the Conditions and the Trust Deed. The Class Z2 Notes, the Class X Notes and the Class R Notes will on each Notes Payment Date or relevant date (as applicable) be redeemed in accordance with Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the*

*Class R Notes*) with the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds and the Available Class R Redemption Funds respectively, if any, in accordance with the relevant Priority of Payments and subject to Condition 9(b) (*Principal*).

- (c) The obligations under the Notes will be secured (indirectly) by the Security. The Security for the obligations of the Issuer towards, *inter alios*, the Noteholders will be or has been created pursuant to, and on the terms set out in, the Trust Deed, the Pledge Agreements and the Collection Foundation Account Pledge Agreement, which will create or has created, as applicable, the following security rights:
- (i) a first ranking right of pledge by the Issuer to the Security Trustee over the Mortgage Receivables, the NHG Advance Rights and the Beneficiary Rights and all rights ancillary and accessory thereto, governed by Dutch law;
  - (ii) a first ranking right of pledge by the Issuer to the Security Trustee over the Issuer Rights, including all rights ancillary and accessory thereto, governed by Dutch law;
  - (iii) a first ranking right of pledge by the Issuer to the Security Trustee in respect of its rights under the Issuer Transaction Accounts and the Swap Cash Collateral Account vis-à-vis the Issuer Account Bank, governed by Dutch law; and
  - (iv) a first ranking right of pledge by the Collection Foundation to Stichting Security Trustee Ontvangsten Tulp in respect of its rights under the Collection Foundation Account, governed by Dutch law.
- (d) The obligations under (i) the Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, (ii) the Class B Notes (other than in respect of the relevant Subordinated Step-up Consideration) will rank in priority to the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, (iii) the Class C Notes (other than in respect of the relevant Subordinated Step-up Consideration) will rank in priority to the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, (iv) the Class X Notes will rank in priority to the Class Z1 Notes, the Class Z2 Notes and the Class R Notes, (v) the Class R Notes will rank in priority to the Class Z1 Notes and the Class Z2 Notes, and (vi) the Class Z1 Notes will rank in priority to the Class Z2 Notes, in the event of the Security being enforced.
- (e) The Trust Deed contains provisions requiring the Security Trustee to have regard only to the interests of the Noteholders of a Class and not to consequences of such exercise upon individual Noteholders. If, in the sole opinion of the Security Trustee, there is a conflict of interest between any Classes of Noteholders, the Security Trustee shall have regard only to the interest of the Higher Ranking Class of Notes. In addition, the Security Trustee shall have regard to the interest of the other Secured Creditors. In case of a conflict of interest between the Secured Creditors, the ranking set out in the Post-Enforcement and Call Option Exercise Priority of Payments determines which interest of which Secured Creditor prevails.

### **3 Covenants of the Issuer**

As long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Dutch business practice and in accordance with the requirements of the Netherlands and accounting practice, and shall not, except (i) to the extent permitted by the Transaction Documents or (ii) with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Prospectus and as contemplated in the Transaction Documents;
- (b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or liability or otherwise voluntarily assume any liability except as contemplated in the Transaction Documents;
- (c) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer, lease or otherwise dispose of or grant any options or rights to any part of its assets except as contemplated by the Transaction Documents;
- (d) consolidate or merge with any other person or convey or transfer its properties or assets partially or as an entirety to any person, or resolve to or cooperate with a conversion (*omzetting*), or enter into or agree to a corporate reorganisation;
- (e) permit the validity or effectiveness of the Transaction Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Transaction Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Issuer Accounts, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c) (iii) on substantially the same terms;
- (h) amend, supplement or otherwise modify its articles of association or other constitutive documents;
- (i) pay any dividend or make any other distribution to its shareholder(s) other than out of Profit as carved out of the Available Revenue Funds or issue any further shares or any rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares;
- (j) take any action which will cause its centre of main interest within the meaning of the Insolvency Regulation, as amended, to be located outside the Netherlands;
- (k) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

- (l) enter into derivative contracts, except as contemplated by the Transaction Documents;
- (m) commence a voluntary case or other proceeding seeking liquidation, reorganisation or other relief with respect of its debts under any law or seeking the appointment of a (bankruptcy) receiver, trustee, custodian, conservator or other similar person for it or for all or any substantial part of its assets and shall not consent to any such relief or to the appointment of or taking possession by any (bankruptcy) receiver, trustee custodian, conservator or other similar person in any voluntary case or other proceeding commence against the Issuer; or
- (n) make any investments.

#### **4 Interest and Subordinated Step-up Consideration**

##### **(a) *Period of accrual***

The Floating Rate Notes shall bear interest on their Principal Amount Outstanding from and including the Closing Date, provided that following the First Optional Redemption Date, no interest will be payable on the Class Z1 Notes and the Class Z2 Notes. Each Floating Rate Note (or in the case of the redemption of part only of a Floating Rate Note, that part only of such Floating Rate Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of 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, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13 (*Notices*)) that upon presentation thereof, such payments will be made, provided that upon such presentation payment thereof, is in fact made.

Whenever it is necessary to compute an amount of interest or, if applicable, the Subordinated Step-up Consideration in respect of any Floating Rate Note for any period (including any Interest Period), such interest or Subordinated Step-up Consideration shall be calculated in respect of the Principal Amount Outstanding of the relevant Class of Notes and on the basis of the actual days elapsed in such period and a 360 day year.

The Class X Residual Amount shall be payable to the Class X Noteholders and the Class R Residual Amount shall be payable to the Class R Noteholders.

##### **(b) *Interest Periods and Notes Payment Dates***

Interest on the Floating Rate Notes, the Class X Residual Amount and the Class R Residual Amount is payable by reference to successive Interest Periods. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except that (i) the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling in January 2021, (ii) the final Interest Period in relation to interest payable on the Class Z1 Notes and the Class Z2 Notes and the Class X Residual Amount on the First Optional Redemption Date, will commence on (and include) the Notes Payment Date immediately preceding the First Optional

Redemption Date and end on (and include) the First Optional Redemption Date, and (iii) the first Interest Period in relation to the Class R Residual Amount, will commence on (but exclude) the First Optional Redemption Date and end on (but exclude) the next succeeding Notes Payment Date.

Interest on each of the Notes shall be payable quarterly in arrear in EUR in respect of the Principal Amount Outstanding of each Floating Rate Note on each Notes Payment Date, provided that no interest will be payable on the Class Z1 Notes and the Class Z2 Notes as from the Interest Period following on (but excluding) the First Optional Redemption Date. The Class X Residual Amount shall be payable to the Class X Noteholders and the Class R Residual Amount shall be payable to the Class R Noteholders.

(c) *Interest on the Floating Rate Notes, the Class X Residual Amount and the Class R Residual Amount*

*Floating Rate Notes:*

Interest on the Floating Rate Notes for each Interest Period will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate (**Euribor**) for 3-month deposits in EUR (determined in accordance with paragraph (e) below) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for 1-month and 3-month deposits in EUR, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus a margin which will be equal to:

- (i) for the Class A Notes 0.65 per cent. per annum;
- (ii) for the Class B Notes 0.9 per cent. per annum;
- (iii) for the Class C Notes 1.05 per cent. per annum;
- (iv) for the Class Z1 Notes zero per cent. per annum; and
- (v) for the Class Z2 Notes zero per cent. per annum.

in each case with a floor of 0 per cent. per annum.

Following the First Optional Redemption Date, no interest will be payable on the Class Z1 Notes and the Class Z2 Notes.

*Class X Notes:*

The Class X Residual Amount will be payable to the Class X Noteholders from and including the Closing Date. The Class X Residual Interest Amount payable in respect of each Class X Note (a) on each Notes Payment Date up to and including the First Optional Redemption Date shall be the outcome of (i) the Class X Residual Amount on the Notes Calculation Date relating to such Notes Payment Date divided by (ii) the number of the Class X Notes (rounded down to the nearest euro) and (b) on each Notes Payment Date following the First Optional Redemption Date, zero.

*Class R Notes:*

The Class R Residual Amount is payable to the Class R Noteholders from and including the Closing Date. The Class R Residual Interest Amount payable in respect of each Class R Note on (a) each Notes Payment Date up to (and including) the First Optional Redemption Date, zero, and



(b) on each Notes Payment Date following the First Optional Redemption Date shall be the outcome of (i) the Class R Residual Amount on the Notes Calculation Date relating to such Notes Payment Date divided by (ii) the number of the Class R Notes (rounded down to the nearest euro).

(d) *Subordinated Step-up Consideration following the First Optional Redemption Date*

If on the First Optional Redemption Date the Rated Notes will not have been redeemed in full, on each Notes Payment Date following the First Optional Redemption Date, the relevant Subordinated Step-up Consideration will be due to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders respectively.

The Subordinated Step-up Consideration is, in respect of each of the Rated Notes, an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year.

The Subordinated Step-up Margin applicable to the Rated Notes will be equal to:

- (i) for the Class A Notes 0.4875 per cent. per annum;
- (ii) for the Class B Notes 0.9 per cent. per annum; and
- (iii) for the Class C Notes 1.05 per cent. per annum.

(e) *Euribor*

For the purpose of Condition 4(c) (*Interest on the Floating Rate Notes, the Class X Residual Amount and the Class R Residual Amount*) with respect to the Floating Rate Notes, Euribor will be determined as follows:

- (i) The Reference Agent will, subject to Condition 4(c) (*Interest on the Floating Rate Notes, the Class X Residual Amount and the Class R Residual Amount*), obtain for each Interest Period the rate equal to Euribor for 3-month deposits in euros. The Reference Agent shall use the Euribor rate as determined and published by 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 am (Central European Time) on the day that is two Business Days (or, if Euribor is produced in accordance with the revised hybrid methodology, such other number of Business Days as is then market practice for the fixing of Euribor) preceding the first day of each Interest Period (each an **Interest Determination Date**);
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published by EMMI, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent, in consultation with the Issuer, will, provided that such arrangements are in compliance with the Benchmark Regulation Requirements:

- (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the **Euribor Reference Banks**) to provide a quotation for the rate at which three (3) month euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 am (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; and
- (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as provided; and
- (iii) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the Euro-zone, selected by the Reference Agent, in consultation with the Issuer, at approximately 11.00 am (Central European Time) on the relevant Interest Determination Date for three (3) month deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time, provided that such arrangements are in compliance with the Benchmark Regulation Requirements,

and Euribor for such Interest Period shall be the rate per annum equal to Euribor for three (3) month euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Interest Period, Euribor applicable to the Floating Rate Notes during such Interest Period will be Euribor last determined in relation thereto, until Euribor can be determined again on a subsequent Interest Determination Date. The Reference Agent will cause Euribor as determined in accordance with this Condition 4(e) to be notified to the Paying Agent, the Issuer and the Issuer Administrator as soon as possible after the determination.

- (f) *Determination of the Interest Rates and calculation of Interest Amounts, the Class X Residual Amount, the Class R Residual Amount, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration*

The Reference Agent will, as soon as practicable after 11.00 am (Central European Time) on each Interest Determination Date, determine the rates of interest referred to in paragraph (c) above for the Floating Rate Notes and the Issuer Administrator will calculate the amount of interest payable for the following Interest Period (the **Interest Amount**) for the Floating Rate Notes by applying the relevant Interest Rates to the Principal Amount Outstanding of the relevant Floating Rate Notes at close of business on the first day of the relevant Interest Period.

The Class X Residual Amount and the Class X Residual Interest Amount payable on each Class X Note will be calculated by the Issuer (or the Issuer Administrator on its behalf) on each Notes Calculation Date in accordance with Condition 4(c) (*Interest on the Floating Rate Notes, the Class X Residual Amount and the Class R Residual Amount*) above.

The Class R Residual Amount and the Class R Residual Interest Amount payable on each Class R Note will be calculated by the Issuer (or the Issuer Administrator on its behalf) on each Notes

Calculation Date in accordance with Condition 4(c) (*Interest on the Floating Rate Notes, the Class X Residual Amount and the Class R Residual Amount*) above.

The Subordinated Step-up Consideration payable in respect of the Rated Notes will be calculated by the Issuer (or the Issuer Administrator on its behalf) on each Notes Calculation Date after the First Optional Redemption Date.

The determination of the relevant Interest Rates, each Interest Amount, the Class X Residual Interest Amount, the Class R Residual Interest Amount and each Subordinated Step-up Consideration by the Issuer (or the Issuer Administrator on its behalf) shall (in the absence of manifest error) be final and binding on all parties.

(g) *Notification of Interest Rates, Interest Amounts, the Class X Residual Interest Amount, the Class R Residual Interest Amount, the Subordinated Step-up Consideration and Notes Payment Dates*

The Issuer (or the Issuer Administrator on its behalf) will cause the relevant Interest Rates, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Notes Payment Date applicable to the relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator and the holders of such Class of Notes. As long as the Notes of any Class are admitted to listing, trading and/or quotation on Euronext in Amsterdam, the Netherlands (**Euronext Amsterdam**) or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. The Issuer (or the Issuer Administrator on its behalf) will cause the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration applicable to the relevant Class of Notes to be notified to the Security Trustee, the Paying Agent, the holders of such Class of Notes and Euronext Amsterdam. The Interest Rates, the Interest Amount, the Notes Payment Date, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration 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 Interest Period.

(h) *Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Interest Rates in accordance with Condition 4(f) (*Determination of the Interest Rates and calculation of Interest Amounts, the Class X Residual Amount, the Class R Residual Amount, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration*) above or the Issuer Administrator fails to calculate the relevant Interest Amounts the Class X Residual Interest Amount, the Class R Residual Interest Amount or the Subordinated Step-up Consideration in respect of the relevant Classes of Notes in accordance with Condition 4(f) (*Determination of the Interest Rates and calculation of Interest Amounts, the Class X Residual Amount, the Class R Residual Amount, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration*) above, as applicable, the Security Trustee shall, or a party so appointed by the Security Trustee shall on behalf of the Security Trustee, determine the Interest Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 4(f) (*Determination of the*

*Interest Rates and calculation of Interest Amounts, the Residual Amount, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration*) above), it shall deem fair and reasonable under the circumstances, but acting in accordance with the Benchmark Regulation Requirements, or, as the case may be, the Security Trustee shall calculate the relevant Interest Amounts in accordance with Condition 4(f) (*Determination of the Interest Rates and calculation of Interest Amounts, the Class X Residual Amount, the Class R Residual Amount, the Class X Residual Interest Amount, the Class R Residual Interest Amount and the Subordinated Step-up Consideration*) above or the Class X Residual Interest Amount, the Class R Residual Interest Amount or the Subordinated Step-up Consideration, as applicable, and each such determination or calculation shall be final and binding on all parties.

(i) *Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a person fulfilling the role of Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 13 (*Notices*). 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 Trustee, 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 Trustee has been appointed.

(j) *Replacement Reference Rate*

Notwithstanding the provisions above in this Condition 4 (*Interest and Subordinated Step-up Consideration*), if the Reference Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event (as defined below) has occurred, the Issuer shall use its best efforts to appoint a Rate Determination Agent (which may be the Issuer), which may determine in its sole discretion, acting in good faith and in a commercially reasonable manner, a substitute, alternative or successor rate for purposes of determining the interest rate on each relevant Interest Determination Date (the first of which shall fall at least 45 calendar days after the notification referred under (C) below) thereafter that is substantially comparable to Euribor (the **Reference Rate**) or that has been recommended or selected by the monetary authority or similar competent authority (or working group thereof) in the jurisdiction of the applicable currency or by a widely recognised industry association or body or that is expected to develop in an industry accepted rate for debt market instruments such as or comparable to the Notes, subject, however, always to compliance with the Benchmark Regulation Requirements. If the Rate Determination Agent has determined a substitute, alternative or successor rate in accordance with the foregoing (such rate, the **Replacement Reference Rate**) for purposes of determining the interest rate on the relevant Interest Determination Date falling after such determination, (A) the Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any Adjustment Spread or other adjustment factor needed to make such Replacement Reference

Rate comparable to the Reference Rate, in each case in a manner that is consistent with any industry-accepted practices for such Replacement Reference Rate, although there is no guarantee that such an Adjustment Spread or other adjustment factor will be determined or applied or that the application of any such factor will either reduce or eliminate economic prejudice to Noteholders; (B) references to the Reference Rate in these Conditions applicable to the Notes will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above (including the Adjustment Spread); (C) the Rate Determination Agent will notify the Issuer, the Security Trustee, the Reference Agent and the Swap Counterparty of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 13 (*Notices*)) and the Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above, provided that such Replacement Reference Rate shall only become applicable after (i) the Issuer has provided at least a 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Notices*) and (ii) Noteholders representing at least ten (10) per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer or Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing, settlement or depository system through which such Notes may be held) within such notification period notifying the Issuer or Paying Agent that such Noteholders do not consent to such modification in accordance with Condition 4(g) (*Notification of Interest Rates, Interest Amounts, the Class X Residual Interest Amount, the Class R Residual Interest Amount, the Subordinated Step-up Consideration and Notes Payment Dates*). The party responsible for calculating the Interest Rate pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*) will remain the party responsible for calculating the Interest Rate by making use of the Replacement Reference Rate and the other matters referred to above.

The Issuer and the Security Trustee may, subject to Condition 4(e) (*Euribor*) and Condition 4(g) (*Notification of Interest Rates, Interest Amounts, the Class X Residual Interest Amount, the Class R Residual Interest Amount, the Subordinated Step-up Consideration and Notes Payment Dates*), make any (further) amendments to these Conditions that are necessary to ensure the proper operation of the foregoing.

For the avoidance of doubt, if a Replacement Reference Rate is determined by the Rate Determination Agent in accordance with this Condition 4(j) (*Replacement Reference Rate*), this Replacement Reference Rate will be applied to all relevant future payments on the relevant Notes, subject to this Condition 4(j) (*Replacement Reference Rate*). For the avoidance of doubt, this Condition 4(j) (*Replacement Reference Rate*) may be (re-)applied if a Benchmark Event (as defined below) has occurred in respect of the Replacement Reference Rate.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will be final and binding on the Issuer, the Security Trustee, the Paying Agent, the Reference Agent and the Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate or any of the other matters referred to above, then the Reference Rate will remain unchanged (but subject to the other provisions of Condition 4 (*Interest and Subordinated Step-up Consideration*), but particularly Condition 4(e) (*Euribor*) and Condition 4(g) (*Notification of Interest Rates, Interest Amounts, the Class X Residual Interest Amount, the Class R Residual Interest Amount, the Subordinated Step-*

up *Consideration and Notes Payment Dates*)). The Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4(j) (*Replacement Reference Rate*), *mutatis mutandis*, on one or more occasions until a Replacement Reference Rate has been determined and notified in accordance with this Condition 4(j) (*Replacement Reference Rate*) and, until such determination and notification (if any), the fall-back provisions provided elsewhere in these Conditions will continue to apply.

In this Condition 4(j) (*Replacement Reference Rate*):

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Rate Determination Agent, acting in good faith, determines is required to be applied to the Replacement Reference Rate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

- (a) is formally recommended in relation to the replacement of the Reference Rate with the Replacement Reference Rate by the monetary authority or similar competent authority (or working group thereof) in the jurisdiction of the applicable currency and where the administrator of the Replacement Reference Rate is duly registered as administrator pursuant to the Benchmark Regulation; or (if no such recommendation has been made)
- (b) the Rate Determination Agent determines, acting in good faith, is recognised or acknowledged as being the industry standard for debt market instruments such as or comparable to the Notes or for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Replacement Reference Rate; or (if the Rate Determination Agent determines that no such industry accepted standard is recognised or acknowledged)
- (c) the Rate Determination Agent, in its discretion, acting in good faith, determines to be appropriate.

**Benchmark Event** means:

- (a) the Reference Rate has ceased to be representative of an industry accepted rate for debt market instruments (as determined by the Reference Agent or the Issuer, acting in good faith) such as, or comparable to, the Notes; or
- (b) it has become unlawful or otherwise prohibited (including, without limitation, for the Reference Agent) pursuant to any law, regulation or instruction from a competent authority, to calculate any payments due to be made to any Noteholder using the Reference Rate or otherwise make use of the Reference Rate with respect to the Notes; or
- (c) the Reference Rate has changed materially, ceased to be published for a period of at least five (5) Business Days or ceased to exist; or
- (d) a public statement is made by the administrator of the Reference Rate or its supervisor that, by a specified date within the following six (6) months, the Reference Rate will be materially changed, no longer be representative, cease to be published, be discontinued

or be prohibited from being used or that its use will be subject to adverse restrictions or consequences (for the avoidance of doubt, in case the specified date lies more than six (6) months after the date the public statement is made, this event will be deemed to occur as of such specified date); or

- (e) a public statement is made by the administrator of the Reference Rate or its supervisor that the Reference Rate has changed materially, is no longer representative, has ceased to be published, is discontinued or is prohibited from being used or that its use is subject to restrictions or adverse consequences or that the supervisor no longer requires contributors to contribute input data to the administrator for purposes of the Reference Rate.

**Rate Determination Agent** means (A) a major bank or broker-dealer in the Netherlands, the European Union or the United Kingdom as appointed by the Issuer; or (B), if it is not reasonably practicable to appoint a party as referred to under (A), the Issuer, to determine the Replacement Reference Rate in accordance with this Condition 4(j) (*Replacement Reference Rate*), subject however, always to compliance with the Benchmark Regulation Requirements.

## **5 Payment**

- (a) Payment of principal, interest, Class X Residual Amount, Class R Residual Amount and the Subordinated Step-up Consideration in respect of the Definitive Notes, if any, will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto at any specified office of the Paying Agent by transfer to a euro account maintained by the payee with a bank within the EU. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment and any FATCA Withholding.
- (b) At the Final Maturity Date, or at such earlier date on which the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmaturing Coupons appertaining thereto, failing which the full amount of any such missing unmaturing Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmaturing Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five (5) years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8 (*Prescription*)).
- (c) If the relevant Notes Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Definitive Note and Coupon (a **Local Business Day**) the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to a euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business within the EU. The name of the Paying Agent and details of its offices are set out on the last page of the Prospectus.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying

agent having a specified office in an EU Member State. Notice of any termination or appointment of the Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition 13 (*Notices*).

## **6 Redemption**

### **(a) Final redemption**

If and to the extent not otherwise redeemed, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Notes Payment Date falling in January 2058 (the **Final Maturity Date**), subject to Condition 9(b) (*Principal*).

### **(b) Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes**

Unless previously redeemed in full and provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*), on each Notes Payment Date, the Issuer will be obliged to apply the Available Principal Funds to (partially) redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, at their respective Principal Amount Outstanding, on a *pro rata* and *pari passu* basis within each Class, subject to Condition 9(b) (*Principal*), in the following order:

- (a) *firstly*, the Class A Notes, until fully redeemed;
- (b) *secondly*, the Class B Notes, until fully redeemed;
- (c) *thirdly*, the Class C Notes, until fully redeemed; and
- (d) *fourthly*, the Class Z1 Notes, until fully redeemed.

### **(c) Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes**

Unless previously redeemed in full and provided that no Enforcement Notice has been served, on each Notes Payment Date the Issuer will be obliged to apply the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds and the Available Class R Notes Redemption Funds, respectively, to (partially) redeem on a *pro rata* basis, the Class Z2 Notes, the Class X Notes and Class R Notes, until fully redeemed, subject to the Conditions (including Condition 9(b) (*Principal*)).

### **(d) Remarketing Call Option**

#### ***I Remarketing Call Notice***

Unless previously redeemed in full, the Class R Noteholders (acting jointly) have the right to instruct the Issuer to redeem or, at the Issuer's option, to purchase all (but not some only) of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) and to structure new notes and/or restructure any Notes and remarket such new notes and/or restructured Notes to be (re-)issued by the Issuer against payment of the proceeds thereof equal to at least the relevant Required Call Amount to the Issuer on or prior to an Optional Redemption Date subject to and in accordance with this Condition 6(d) (*Remarketing Call Option*).



The Class R Noteholders (acting jointly) may by way of written notification to the Issuer with a copy to the Security Trustee and by no later than 60 calendar days prior to an Optional Redemption Date (the **Remarketing Call Notice**), inform the Issuer that it intends to exercise the Remarketing Call Option on the first succeeding Optional Redemption Date. The Remarketing Call Notice will include (i) the proposed Optional Redemption Date and (ii) the key terms of the new notes and/or restructured Notes to be (re-)issued by the Issuer.

The Issuer shall notify the exercise of the Remarketing Call Option and receipt of the Remarketing Call Notice by giving not less than 54 calendar days' notice to the Noteholders prior to the relevant Optional Redemption Date. The Issuer shall inform the Class R Noteholders of the Required Call Amount and provide the Class R Noteholders with payment instructions for such amount.

Upon receipt of the relevant Required Call Amount on or prior to the relevant Optional Redemption Date and subject to the Remarketing Call Option Conditions in the Issuer's sole discretion having been satisfied, the Issuer shall redeem, in whole but not in part, the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) at their respective Principal Amount Outstanding, and to pay all accrued (but unpaid) interest on the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) and the Subordinated Step-up Consideration in respect of any of the Rated Notes.

By submitting a Remarketing Call Notice, the Class R Noteholders (acting jointly) shall have the right to start marketing the new notes.

## ***II Redemption in relation to Remarketing Call Option***

By purchasing a Class R Note, each Class R Noteholder is deemed to acknowledge and agree that, upon exercise of the Remarketing Call Option, the required amount payable by the Class R Noteholders (acting jointly) (or a third party on their behalf) on or before the relevant Optional Redemption Date will be at least equal to the relevant Required Call Amount.

Each holder of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) by purchasing such Note, irrevocably authorises the Paying Agent to perform such acts on its behalf which the Paying Agent deems appropriate in order to redeem any and all Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) held by it at such Optional Redemption Date upon the exercise of the Remarketing Call Option.

Furthermore, the exercise of the Remarketing Call Option by the Class R Noteholders is subject to the following conditions (the **Remarketing Call Option Conditions**):

- (a) each agreement entered into by the Issuer in respect of the Remarketing Call Option and (re-) issue and sale of new notes and/or restructured Notes contains limited recourse and non-petition provisions substantially the same as those contained in the Transaction Documents; and
- (b) all costs incurred by the Issuer and the Security Trustee in connection with the exercise of the Remarketing Call Option by the Class R Noteholders will be borne by the Class R Noteholders.

The Class R Noteholders will be required to inform the Issuer and the Security Trustee of the amount of the relevant Required Call Amount and the transfer thereof (properly evidenced) no later than five (5) Business Days prior to the relevant Optional Redemption Date and the Issuer and Security Trustee will have to acknowledge and agree such amount.

The Class R Noteholders (acting jointly) shall procure that the full amount of the relevant Required Call Amount shall be deposited into the Issuer Collection Account by no later than the relevant Optional Redemption Date or take such other action agreed with the Issuer and the Security Trustee and the Issuer will subsequently (i) apply the Available Revenue Funds and Available Principal Funds in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and (ii) apply the relevant Required Call Amount (in the form of the proceeds of the issuance of the new notes or any intraday liquidity (if any) provided by a (joint) lead manager) to redeem the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes). Any amount in excess of the amount necessary to redeem the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) and make payments in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments will be applied by the Paying Agent to redeem the new notes outside the applicable priority of payments for the new notes.

If on the Notes Calculation Date immediately preceding the relevant Optional Redemption Date it will be determined that all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on such Optional Redemption Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the relevant Optional Redemption Date form part of the Available Revenue Funds and be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payment. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Optional Redemption Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).

### ***III Consequential amendments***

The Class R Noteholders have the right to restructure the Notes without any need for the prior consent of the other Noteholders, subject to the consent of the Issuer and the Security Trustee and the requirement for the Swap Counterparty's prior written consent in accordance with Condition 14(g) (*Swap Counterparty prior consent rights*), and provided that such restructuring will only become effective at the time of redemption or, at the Issuer's option, purchase by the Issuer of all Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes). Upon completion of the restructuring, the Issuer will (re-)issue and sell the new notes and/or restructured Notes to such person(s) as instructed by the Class R Noteholders or any placement agent or other party appointed by the Class R Noteholders.

For the avoidance of doubt, none of the Transaction Documents and/or appointments of parties to the Transaction Documents shall automatically terminate as a result of a restructuring of the Notes and (re-) issue of new notes and/or restructured Notes. The restructuring of the Notes pursuant to the Remarketing Call Option will not constitute a default or termination event under any Transaction Document (other than (a) the Swap Agreement if: (i) the Swap Counterparty has not provided its prior written consent or the specified conditions in the Swap Agreement are not

satisfied; or (ii) the Class R Noteholders (acting jointly) exercise the Remarketing Call Option on an Optional Redemption Date that falls on or following the earlier of the date that is (x) 15 years after the trade date of the Swap Transactions and (y) the date of the fourth exercise by the Class R Noteholders (acting jointly) of the Remarketing Call Option; and (b) the NAMS Rebalancing Agreement).

Upon the exercise of the Remarketing Call Option, the Class R Noteholders (or another party, if applicable) shall be required to ascertain the fulfilment of the retention requirement in accordance with article 6 of the Securitisation Regulation in respect of the relevant new notes and/or restructured Notes. There is no guarantee that such new notes and/or restructured Notes and the transaction in connection therewith meet the STS requirements.

Each of the Swap Counterparty, the Seller, the Issuer and the Security Trustee has in the Hedging Agreements and the Mortgage Receivables Purchase Agreement, respectively, undertaken to cooperate in good faith with the restructuring and marketing efforts of the Class R Noteholders with respect to the new notes and/or restructured Notes and to provide such information as reasonably requested including in respect of the Mortgage Receivables, subject to signing of nondisclosure agreements and further subject to any regulatory and/or data protection restrictions. The Class R Noteholders shall liaise with the relevant Credit Rating Agencies in relation to their exercise of the Remarketing Call Option where appropriate.

(e) *Class R Call Option*

- (a) Unless previously redeemed in full, the Class R Noteholders (acting jointly) have on the Notes Payment Date falling in October 2024 (the **First Optional Redemption Date**) or on each Notes Payment Date thereafter (such Notes Payment Date and the First Optional Redemption Date, each an **Optional Redemption Date**) the right (but not the obligation) to purchase and accept assignment of all (but not only part of) the Mortgage Receivables which are outstanding and all NHG Advance Rights and Beneficiary Rights relating thereto (or cause a nominee to do so) against payment of a purchase price at least equal to the relevant Required Call Amount, subject to and in accordance with this Condition 6(e) (*Class R Call Option*), provided that the Class R Call Option may only be exercised on the condition that after the sale and assignment of the Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto to the Class R Noteholder (or to its nominee), either:
  - (i) all Mortgage Receivables will continue to be serviced by the Servicer; or
  - (ii) all Mortgage Receivables will be serviced by another provider of mortgage loan services related to Dutch residential mortgages in the Netherlands acceptable to the Seller (the Seller acting reasonably and in good faith); or
  - (iii) the Seller shall simultaneously transfer, by way of contract transfer (*contractsoverneming*), all rights and obligations relating to all Mortgage Loans to a third party nominated by the Class R Noteholders, which party is sufficiently licensed and acceptable to the Seller (the Seller acting reasonably and in good faith).

- (b) The Class R Noteholders (acting jointly) may, after taking into account and subject to compliance with Conditions 6(e)(d) and 6(e)(e) below, by way of written notification to the Issuer with a copy to the Security Trustee and at least 60 calendar days prior to any Optional Redemption Date, inform the Issuer that it will exercise the Class R Call Option (the **Class R Call Option Exercise Notice**). The Class R Call Option Exercise Notice will include (i) the proposed Optional Redemption Date and the relevant indicative Required Call Amount (properly evidenced and subject to final confirmation immediately prior to the exercise of the Class R Call Option), (ii) the entity that will purchase and accept assignment from the Issuer of all Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto (including, without limitation, a nominee notified by the Class R Noteholders in which one or more Class R Noteholders may have a beneficial interest in accordance with Condition 6(e)(e) (ii)) and (iii) whether by way of contract transfer (*contractsoverneming*) all rights and obligations relating to all Mortgage Loans should be transferred by the Seller to a third party. The Class R Noteholders (acting jointly) may withdraw the Class R Call Option Exercise Notice no later than ten (10) Business Days prior to the relevant Optional Redemption Date. The Issuer shall notify the exercise of the Class R Call Option and receipt of the Class R Call Option Exercise Notice to the Noteholders by giving not less than 54 calendar days' notice prior to the relevant Optional Redemption Date.
- (c) The Issuer shall only assign legal title to all Mortgage Receivables upon receipt of the relevant Required Call Amount and further provided that the Issuer has obtained tax advice satisfactory to it that the sale of all Mortgage Receivables shall not cause any adverse tax issues for it, and redeem, in whole but not in part, the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) at their respective Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.
- (d) The Class R Noteholders (or its nominee) will be required to issue an irrevocable payment instruction in respect of the full amount of the relevant Required Call Amount for value on the relevant Optional Redemption Date to be paid into the Issuer Collection Account no later than two (2) Business Days before the relevant Optional Redemption Date or take such other action agreed with the Issuer and the Security Trustee. The full amount of the relevant Required Call Amount will be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments on the relevant Optional Redemption Date. After the full amount of the relevant Required Call Amount has been applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the (audited) financial statements of the Issuer over the relevant year in which the Class R Call Option is being exercised (if appropriate) having been filed with the trade register of the Chamber of Commerce, the Issuer will be liquidated and any residual amounts remaining after the Issuer has been liquidated and taking the costs involved with such liquidation into account will be distributed, *pari passu* and *pro rata* to the Class R Noteholders. The payment of the relevant Required Call Amount by the Class R Noteholders (or its nominee) to the Issuer and the payment of distribution amounts to the Class R Noteholders in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments may be subject to netting arrangements mutually agreed between them and the Security Trustee at the time.

- (e) If on the Notes Calculation Date immediately preceding the relevant Optional Redemption Date it will be determined that all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on such Optional Redemption Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the relevant Optional Redemption Date form part of the Available Revenue Funds and be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payment. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Optional Redemption Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).
  - (f) Any remaining outstanding amounts on the Notes after application of the Available Principal Funds and Available Revenue Funds on the relevant Optional Redemption Date shall subsequently be cancelled.
  - (g) Immediately upon completion of any sale and assignment of all Mortgage Receivables and assignment of all NHG Advance Rights and Beneficiary Rights relating thereto or contract transfer in accordance with this Condition 6(e) (*Class R Call Option*), the Security Trustee shall release all Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto from the Security.
  - (h) In connection with the exercise of the Class R Call Option by the Class R Noteholders (acting jointly), the Issuer shall not provide any representations and warranties in relation to the sale and assignment of all Mortgage Receivables, NHG Advance Rights and Beneficiary Rights and any agreements the Issuer shall enter into shall contain limited recourse and non-petition language in respect of the Issuer.
  - (i) The Issuer and the Security Trustee (and the Seller shall undertake in the Mortgage Receivables Purchase Agreement that it) will cooperate in good faith with the Class R Noteholders in connection with the exercise of the Class R Call Option by the R Noteholders (acting jointly) and to provide such information as reasonably requested including in respect of all Mortgage Loans subject to signing of non-disclosure agreements and further subject to any regulatory and/or data protection restrictions.
  - (j) All costs properly incurred and evidenced by the Issuer and the Security Trustee in connection with the exercise of the Class R Call Option by the Class R Noteholders (acting jointly) will be borne by the Class R Noteholders.
- (f) *Seller Call Option*
- (a) Subject to this Condition 6(f) (*Seller Call Option*), the Seller has the right (but not the obligation) to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding against payment of a purchase price at least equal to the relevant Required Call Amount, which right may be exercised on the First Optional Redemption Date or on each Optional Redemption Date thereafter (the **Seller Call Option**), provided that (i) the Seller requested the Issuer to notify the Class R Noteholders in accordance with Condition 13 (*Notices*) no later than 75 calendar days prior to the

relevant Optional Redemption Date that the Seller wishes to exercise the Seller Call Option in the manner set forth in the request, and (ii) the Class R Noteholders (acting jointly) have not raised any written objections against the Seller exercising the Seller Call Option within ten (10) calendar days from the date of the notification. The request of the Seller will include the proposed Optional Redemption Date and the relevant indicative Required Call Amount (properly evidenced and subject to final confirmation immediately prior to the exercise of the Seller Call Option).

- (b) The Issuer shall notify the exercise of the Seller Call Option to the Noteholders by giving not less than 54 calendar days' notice prior to the relevant Optional Redemption Date.
- (c) The Issuer shall only assign legal title to all Mortgage Receivables upon receipt of the relevant Required Call Amount.
- (d) The Seller will be required to issue an irrevocable payment instruction in respect of the full amount of the relevant Required Call Amount for value on the relevant Optional Redemption Date to be paid into the Issuer Collection Account no later than two (2) Business Days before the relevant Optional Redemption Date or take such other action agreed with the Issuer and the Security Trustee. The full amount of the relevant Required Call Amount will be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments on the relevant Optional Redemption Date. After the full amount of the relevant Required Call Amount has been applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the (audited) financial statements of the Issuer over the relevant year in which the Seller Call Option is being exercised (if appropriate) having been filed with the trade register of the Chamber of Commerce, the Issuer will be liquidated and any residual amounts remaining after the Issuer has been liquidated and taking the costs involved with such liquidation into account will be distributed to the Seller.
- (e) If on the Notes Calculation Date immediately preceding the relevant Optional Redemption Date it will be determined that all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on such Optional Redemption Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the relevant Optional Redemption Date form part of the Available Revenue Funds and be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payment. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Optional Redemption Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).
- (f) Any remaining outstanding amounts on the Notes after application of the Available Principal Funds and Available Revenue Funds on the relevant Optional redemption Date shall subsequently be cancelled.
- (g) Immediately upon completion of any sale and assignment of all Mortgage Receivables and assignment of all NHG Advance Rights and Beneficiary Rights relating thereto in accordance with this Condition 6(f) (*Seller Call Option*), the Security Trustee shall release

all Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto from the Security.

- (h) In connection with the exercise of the Seller Call Option by the Seller, the Issuer shall not provide any representations and warranties in relation to the sale and assignment of all Mortgage Receivables, NHG Advance Rights and Beneficiary Rights and any agreements the Issuer shall enter into shall contain limited recourse and non-petition language in respect of the Issuer.
- (i) The Issuer and the Security Trustee will cooperate in good faith with the Seller in connection with the exercise of the Seller Call Option by the Seller and to provide such information as reasonably requested including in respect of all Mortgage Loans subject to signing of non-disclosure agreements and further subject to any regulatory and/or data protection restrictions.
- (j) All costs properly incurred and evidenced by the Issuer and the Security Trustee in connection with the exercise of the Seller Call Option by the Seller will be borne by the Seller.

(g) *Redemption for tax reasons*

All (but not some only) of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, may be redeemed at the option of the Issuer on any Notes Payment Date with the proceeds of the sale and assignment of the Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto, at their respective Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption, if, immediately prior to giving such notice, the Issuer has satisfied the Security Trustee that:

- (a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (in each case, including any guidelines issued by the tax authorities) or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (b) the proceeds of the sale and assignment of the Mortgage Receivables, NHG Advance Rights and Beneficiary Rights shall be at least equal to the relevant Required Call Amount.

The purchase price received by the Issuer shall form part of the Available Principal Funds. If the Tax Call Option is exercised by the Issuer, the Notes will be redeemed in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments on the Notes Payment Date immediately following the exercise of the Tax Call option.

If on any Notes Calculation Date all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on such Notes Payment Date form part of the Available Revenue Funds and be applied in accordance with the Conditions subject to the Post-Enforcement and Call Option Exercise Priority of Payments. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on the relevant Notes Payment Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).

Any remaining outstanding amounts on the Notes after application of the Available Principal Funds and Available Revenue Funds on the relevant Notes Payment Date shall subsequently be cancelled.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 calendar days' notice to the Noteholders, the Security Trustee and the Swap Counterparty prior to the relevant Notes Payment Date.

(h) *Clean-Up Call Option*

- (a) The Seller has the right to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding from the Issuer against payment of a purchase price at least equal to the relevant Required Call Amount, which right may be exercised on any Notes Payment Date on which the aggregate Outstanding Principal Amount of all the Mortgage Receivables is not more than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables calculated as at the Closing Date (the **Clean-Up Call Option**). The Seller shall deliver a notice to the Issuer at least 30 calendar days before the relevant Notes Payment Date, which will include the proposed Notes Payment Date and the relevant indicative Required Call Amount (properly evidenced and subject to final confirmation immediately prior to the exercise of the Clean-Up Call Option).
- (b) The Issuer shall only assign legal title to all Mortgage Receivables upon receipt of the relevant Required Call Amount.
- (c) The Seller will be required to issue an irrevocable payment instruction in respect of the full amount of the relevant Required Call Amount for value on the relevant Notes Payment Date to be paid into the Issuer Collection Account no later than two (2) Business Days before the relevant Notes Payment Date or take such other action agreed with the Issuer and the Security Trustee. The full amount of the relevant Required Call Amount will be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments at the latest on the next succeeding Notes Payment Date. After the full amount of the relevant Required Call Amount has been applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the (audited) financial statements of the Issuer over the relevant year in which the Clean-Up Call Option is being exercised (if appropriate) having been filed with the trade register of the Chamber of Commerce, the Issuer will be



liquidated and any residual amounts remaining after the Issuer has been liquidated and taking the costs involved with such liquidation into account will be distributed to the Seller.

- (d) If on the Notes Calculation Date immediately preceding the relevant Notes Payment Date it will be determined that all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on such Notes Payment Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the relevant Notes Payment Date form part of the Available Revenue Funds and be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payment. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Notes Payment Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).
  - (e) Any remaining outstanding amounts on the Notes after application of the Available Principal Funds and Available Revenue Funds on the relevant Notes Payment Date shall subsequently be cancelled.
  - (f) Immediately upon completion of any sale and assignment of all Mortgage Receivables and assignment of all NHG Advance Rights and Beneficiary Rights relating thereto in accordance with this Condition 6(h) (*Clean-up Call Option*), the Security Trustee shall release all Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto from the Security.
  - (g) In connection with the exercise of the Clean-Up Call Option by the Seller, the Issuer shall not provide any representations and warranties in relation to the sale and assignment of all Mortgage Receivables, NHG Advance Rights and Beneficiary Rights and any agreements the Issuer shall enter into shall contain limited recourse and non-petition language in respect of the Issuer.
  - (h) The Issuer and the Security Trustee will cooperate in good faith with the Seller in connection with the exercise of the Clean-Up Call Option by the Seller and to provide such information as reasonably requested including in respect of all Mortgage Loans subject to signing of non-disclosure agreements and further subject to any regulatory and/or data protection restrictions.
  - (i) All costs properly incurred and evidenced by the Issuer and the Security Trustee in connection with the exercise of the Clean-Up Call Option by the Seller will be borne by the Seller.
- (i) *Risk Retention Regulatory Change Call Option*
- (a) On any Notes Payment Date following the occurrence of a Risk Retention Regulatory Change Event, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only) from the Issuer against payment of a purchase price at least equal to the relevant Required Call Amount, subject to and in accordance with this Condition 6(i) (*Risk Retention Regulatory Change Call Option*), by delivery of a notice

to the Issuer at least 60 calendar days before the relevant Notes Payment Date informing the Issuer that it will exercise the Risk Retention Regulatory Change Call Option (the **Risk Retention Regulatory Change Call Notice**).

- (b) The Risk Retention Regulatory Change Call Notice will include the proposed Notes Payment Date and the relevant indicative Required Call Amount (properly evidenced and subject to final confirmation immediately prior to the exercise of the Risk Retention Regulatory Change Call Option). The Seller may withdraw the Risk Retention Regulatory Change Call Option Notice no later than ten (10) Business Days prior to the relevant Notes Payment Date. The Issuer shall notify the exercise of the Risk Retention Regulatory Change Call Option and receipt of the Risk Retention Regulatory Change Call Option Notice to the Noteholders by giving not less than 54 calendar days' notice prior to the relevant Notes Payment Date.
- (c) The Issuer shall only assign legal title to all Mortgage Receivables upon receipt of the purchase price at least equal to the relevant Required Call Amount payable by the Seller on or before the relevant Notes Payment Date.
- (d) The Seller will be required to issue an irrevocable payment instruction in respect of the full amount of the relevant Required Call Amount for value on the relevant Notes Payment Date to be paid into the Issuer Collection Account no later than two (2) Business Days before the relevant Notes Payment Date or take such other action agreed with the Issuer and the Security Trustee. The full amount of the relevant Required Call Amount will be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments on the next succeeding Notes Payment Date. After the full amount of the relevant Required Call Amount has been applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the (audited) financial statements of the Issuer over the relevant year in which the Risk Retention Regulatory Change Call Option is being exercised (if appropriate) having been filed with the trade register of the Chamber of Commerce, the Issuer will be liquidated and any residual amounts remaining after the Issuer has been liquidated and taking the costs involved with such liquidation into account will be distributed to the Seller.
- (e) If on the Notes Calculation Date immediately preceding the relevant Notes Payment Date it will be determined that all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on such Notes Payment Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the relevant Notes Payment Date form part of the Available Revenue Funds and be applied in accordance with the Post-Enforcement and Call Option Exercise Priority of Payment. The Class Z2 Notes, the Class X Notes and the Class R Notes are subject to redemption on such Notes Payment Date in accordance with and subject to Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 9(b) (*Principal*).
- (f) Immediately upon completion of any sale and assignment of all Mortgage Receivables and assignment of all NHG Advance Rights and Beneficiary Rights relating thereto in

accordance with this Condition 6(i) (*Risk Retention Regulatory Change Call Option*), the Security Trustee shall release all Mortgage Receivables and all NHG Advance Rights and Beneficiary Rights relating thereto from the Security.

- (g) In connection with the exercise by the Seller of the Risk Retention Regulatory Change Call Option, the Issuer shall not provide any representations and warranties in relation to the sale and assignment of all Mortgage Receivables, NHG Advance Rights and Beneficiary Rights and any agreements the Issuer shall enter into shall contain limited recourse and non-petition language in respect of the Issuer.
- (h) The Issuer and the Security Trustee will cooperate in good faith with the Seller in connection with the exercise of the Risk Retention Regulatory Change Call Option by the Seller and undertake to provide such information as reasonably requested including in respect of all Mortgage Loans subject to signing of non-disclosure agreements and further subject to any regulatory and/or data protection restrictions.
- (i) All costs properly incurred and evidenced by the Issuer and the Security Trustee in connection with the exercise of the Risk Retention Regulatory Change Call Option by the Seller will be borne by the Seller.
- (j) *Redemption Amount, Class Z2 Redemption Amount, Class X Redemption Amount and Class R Redemption Amount*

The principal amount redeemable in respect of each relevant Note in respect of a Class of Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, on the relevant Notes Payment Date in accordance with Condition 6(b) (*Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes*), Condition 6(d) (*Remarketing Call Option*), Condition 6(e) (*Class R Call Option*), Condition 6(f) (*Seller Call Option*), Condition 6(g) (*Redemption for tax reasons*), Condition 6(h) (*Clean-up Call Option*) and Condition 6(i) (*Risk Retention Regulatory Change Call Option*), shall be the aggregate amount (if any) of the Available Principal Funds on such Notes Payment Date to be available for a Class of Notes, divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro) (each a **Redemption Amount**), provided always that the Redemption Amount can never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly, and the principal amount redeemable in respect of each Class Z2 Note, each Class X Note and each Class R Note, as applicable, on the relevant Notes Payment Date in accordance with Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*) (each a **Class Z2 Redemption Amount**, a **Class X Redemption Amount** or a **Class R Redemption Amount**) shall be the Available Class Z2 Redemption Funds or Available Class X Redemption Funds or Available Class R Redemption Funds, as applicable, as calculated on the Notes Calculation Date relating to such Notes Payment Date divided by the number of Class Z2 Notes or Class X Notes or Class R Notes (as applicable) (rounded down to the nearest euro), provided always that the Class Z2 Redemption Amount or Class X Redemption Amount or Class R Redemption Amount can never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(k) *Determination of the Available Principal Funds, the Available Revenue Funds, the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds, the Available Class R Redemption Funds, the Redemption Amount, the Class Z2 Redemption Amount, the Class X Redemption Amount, the Class R Redemption Amount and Principal Amount Outstanding*

- (i) On each Notes Calculation Date (to the extent Notes are redeemable on the immediately succeeding Notes Payment Date), the Issuer shall cause the Issuer Administrator to determine (a) the Available Principal Funds, (b) the Available Revenue Funds, (c) the Available Class Z2 Redemption Funds, (d) the Available Class X Redemption Funds, (e) the Available Class R Redemption Funds, (f) the amount of the Redemption Amount due for the relevant Class of Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, on the relevant Notes Payment Date, (g) the Class Z2 Redemption Amount, (h) the Class X Redemption Amount, (i) the Class R Redemption Amount and (j) the Principal Amount Outstanding of the relevant Note on the first day following such Notes Payment Date. Each such determination by or on behalf of the Issuer shall in each case (in the absence of a manifest error) be final and binding on all persons.
- (ii) The Issuer will on each Notes Calculation Date (to the extent Notes are redeemable on the immediately succeeding Notes Payment Date), cause each determination of (a) the Available Principal Funds, (b) the Available Revenue Funds, (c) the Available Class Z2 Redemption Funds, (d) the Available Class X Redemption Funds, (e) the Available Class R Redemption Funds, (f) the amount of the Redemption Amount due for the relevant Class of Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, on the relevant Notes Payment Date, (g) the Class Z2 Redemption Amount, (h) the Class X Redemption Amount, (i) the Class R Redemption Amount, and (j) the Principal Amount Outstanding of the relevant Note on the first day following such Notes Payment Date to be notified forthwith to the Security Trustee, the Swap Counterparty, the Paying Agent, the Reference Agent, Euronext, Euroclear and Clearstream, Luxembourg and to the holders of Notes in accordance with Condition 13 (*Notices*). If no Redemption Amount is due to be made on the Notes on any applicable Notes Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 13 (*Notices*).
- (iii) If the Issuer or the Issuer Administrator on its behalf does not at any time for any reason determine any of the amounts set forth in item (i) above, such amount shall be determined by the Security Trustee in accordance with this Condition 6(k) (*Determination of the Available Principal Funds, the Available Revenue Funds, the Available Class Z2 Redemption Funds, the Available Class X Redemption Funds, the Available Class R Redemption Funds, the Redemption Amount, the Class Z2 Redemption Amount, the Class X Redemption Amount, the Class R Redemption Amount and Principal Amount Outstanding*) (but based upon the information in its possession as to the relevant amounts and each such determination or calculation shall be deemed to have been made by the Issuer and shall in each case (in the absence of a manifest error) be final and binding on all persons.

(l) *Definitions*

For the purpose of these Conditions the following terms shall have the following meanings:

**Available Class R Redemption Funds** shall mean (i) until (but excluding) the Notes Payment Date or date (as applicable) on which all Notes (other than the Class Z2 Notes and the Class R Notes) have been redeemed or will be redeemed in full, zero, and (ii) as from (and including) the Notes Payment Date or date (as applicable) on which all Notes (other than the Class Z2 Notes and the Class R Notes) have been redeemed or will be redeemed in full, the amount of the Available Revenue Funds remaining after all payments ranking above item (v) in the Revenue Priority of Payments have been made in full, if any, and, if such date falls after the delivery of an Enforcement Notice, the amount of the Enforcement Available Amount remaining after all payments ranking above item (m) in the Post-Enforcement and Call Option Exercise Priority of Payments have been made in full, if any, provided in each case that the Available Class R Redemption Funds will never exceed the aggregate Principal Amount Outstanding of the Class R Notes on the relevant date.

**Available Class X Redemption Funds** shall mean, (A) prior to the delivery of an Enforcement Notice, (i) on any Notes Payment Date up to (and including) the First Optional Redemption Date, the amount of the Available Revenue Funds remaining after all payments ranking above item (u) in the Revenue Priority of Payments have been made in full, if any, provided that such amount shall never exceed an amount equal to the aggregate Principal Amount Outstanding of the Class X Notes on such date minus EUR 200,000, and (ii) on any Notes Payment Date following the First Optional Redemption Date, the amount of the Available Revenue Funds remaining after all payments ranking above item (u) in the Revenue Priority of Payments have been made in full, if any, provided that such amount shall never exceed an amount equal to the aggregate Principal Amount Outstanding of the Class X Notes on such date, and (B) following the delivery of an Enforcement Notice, (i) on any date up to (and including) the First Optional Redemption Date, the amount of the Enforcement Available Amount remaining after all payments ranking above item (l) in the Post-Enforcement and Call Option Exercise Priority of Payments have been made in full, if any, provided that such amount shall never exceed an amount equal to the aggregate Principal Amount Outstanding of the Class X Notes on such date, and (ii) on any date following the First Optional Redemption Date, the amount of the Enforcement Available Amount remaining after all payments ranking above item (l) in the Post-Enforcement and Call Option Exercise Priority of Payments have been made in full, if any, provided that such amount shall never exceed an amount equal to the aggregate Principal Amount Outstanding of the Class X Notes on such date.

**Available Class Z2 Redemption Funds** shall mean, (A) prior to the delivery of an Enforcement Notice, (i) on any Notes Payment Date on which the Class Z2 Redemption Condition would not be met if the Relevant Class Z2 Redemption Funds were to be applied in full towards redemption of the Class Z2 Notes, such lower amount of such Relevant Class Z2 Redemption Funds (if any) so that the Class Z2 Redemption Condition would still be met, or (ii) on any Notes Payment Date on which the Class Z2 Redemption Condition would be met if the Relevant Class Z2 Redemption Funds were to be applied in full towards redemption of the Class Z2 Notes, the Relevant Class Z2 Redemption Funds (if any), and, and (B) after the delivery of an Enforcement Notice, the amount of the Enforcement Available Amount remaining after all payments ranking above item (p) in the Post-Enforcement and Call Option Exercise Priority of Payments have been made in full, if any, provided always that the Available Class Z2 Redemption Funds will never exceed the aggregate Principal Amount Outstanding of the Class Z2 Notes on the relevant date.

**Class X Residual Amount** means (i) on each Notes Payment Date up to (and including) the First Optional Redemption Date, (a) prior to the delivery of an Enforcement Notice, an amount equal to the Available Revenue Funds remaining after all items ranking above item (x) of the Revenue Priority of Payments have been paid in full, and (b) after the delivery of an Enforcement Notice, the amount remaining after all items ranking above item (q) of the Post-Enforcement and Call Option Exercise Priority of Payments have been paid in full, and (ii) on each Notes Payment Date following the First Optional Redemption Date, zero.

**Class R Residual Amount** means (i) on each Notes Payment Date up to (and including) the First Optional Redemption Date, zero, and (ii) on each Notes Payment Date following the First Optional Redemption Date, (a) prior to the delivery of an Enforcement Notice, an amount equal to the Available Revenue Funds remaining after all items ranking above item (y) of the Revenue Priority of Payments have been paid in full, and (b) after the delivery of an Enforcement Notice, the amount remaining after all items ranking above item (r) of the Post-Enforcement and Call Option Exercise Priority of Payments have been paid in full.

**Principal Amount Outstanding** on any date shall be the principal amount of that Note upon issue less the aggregate amount of all Redemption Amounts, that have become due and payable prior to such date, provided that for the purpose of Conditions 4 (*Interest and Subordinated Step-up Consideration*), 6 (*Redemption*) and 10 (*Events of Default*) all Redemption Amounts that have become due and not been paid shall not be so deducted.

**Relevant Class Z2 Redemption Funds** means the amount of the Available Revenue Funds remaining after all payments ranking above item (w) in the Revenue Priority of Payments have been made in full (if any).

## **7 Taxation**

### **(a) General**

All payments of, or in respect of, principal of and interest or Subordinated Step-up Consideration 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 Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges is 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 be obliged to pay any additional amounts to such Noteholders.

### **(b) FATCA Withholding**

Payments in respect of the Notes may be reduced by any amounts of tax required to be withheld or deducted pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and any other jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). Any such amounts

withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid by the Issuer on the Notes with respect to any such withholding or deduction.

## **8 Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed and become void unless made within five (5) years from the date on which such payment first becomes due.

## **9 Subordination, interest deferral and limited recourse**

### **(a) Interest**

Interest on the Class B Notes, the Class C Notes, the Class Z1 Notes and the Class Z2 Notes (other than, for the avoidance of doubt, the Subordinated Step-up Consideration) shall be payable in accordance with the provisions of Conditions 4 (*Interest and Subordinated Step-up Consideration*) and 5 (*Payment*), subject to the terms of this Condition 9(a) (*Interest*) and subject to the provisions of the Trust Deed.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class A Notes on such Notes Payment Date and such interest is not paid within 14 calendar days from the relevant Notes Payment Date, this will constitute an Event of Default in accordance with Condition 10(a) (*Events of Default*).

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class B Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* and *pari passu* to the amount of the interest due on such Notes Payment Date to the Class B Noteholders. In the event of a shortfall, the Issuer shall debit the Class B Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class B Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class B Notes on that date pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*), but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class B Notes for such period and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class B Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class C Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* and *pari passu* to the amount of the interest due on such Notes Payment Date to the Class C Noteholders. In the event of a shortfall, the Issuer shall debit the Class C Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class C Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class C Notes on that date pursuant to Condition 4 (*Interest and Subordinated*

*Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*), but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class C Notes for such period and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class C Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class Z1 Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* and *pari passu* to the amount of the interest due on such Notes Payment Date to the Class Z1 Noteholders. In the event of a shortfall, the Issuer shall debit the Class Z1 Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class Z1 Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class Z1 Notes on that date pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*), but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class Z1 Notes for such period and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class Z1 Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class Z2 Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* and *pari passu* to the amount of the interest due on such Notes Payment Date to the Class Z2 Noteholders. In the event of a shortfall, the Issuer shall debit the Class Z2 Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class Z2 Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class Z2 Notes on that date pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*), but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class Z2 Notes for such period and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class Z2 Note on the next succeeding Notes Payment Date.

(b) *Principal*

Any payments to be made in accordance with Condition 6(a) (Final Redemption), Condition 6(b) (*Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes*) and Condition 6(c) (*Redemption of the Class Z2 Notes, the Class X Notes and the Class R Notes*), are subject to this Condition 9(b) (*Principal*).

Until the date on which the Principal Amount Outstanding of all Class A Notes is reduced to zero, the Class B Noteholders will not be entitled to any repayment of principal in respect of the Class B Notes. If, on any Notes Payment Date, there is a balance on the Class B Principal Deficiency



Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class B Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class B Principal Shortfall on such Notes Payment Date. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of all Class B Notes is reduced to zero, the Class C Noteholders will not be entitled to any repayment of principal in respect of the Class C Notes. If, on any Notes Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class C Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class C Principal Shortfall on such Notes Payment Date. The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of all Class C Notes is reduced to zero, the Class Z1 Noteholders will not be entitled to any repayment of principal in respect of the Class Z1 Notes. If, on any Notes Payment Date, there is a balance on the Class Z1 Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class Z1 Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class Z1 Principal Shortfall on such Notes Payment Date. The Class Z1 Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class Z1 Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

If on any Notes Calculation Date all amounts of interest and principal due under the Rated Notes have been paid or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, each of the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Notes Payment Date immediately succeeding such Notes Calculation Date form part of the Available Revenue Funds and be applied in accordance with the Conditions subject to the relevant Priority of Payments.

The Class Z2 Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class Z2 Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

The Class X Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class X Notes and any Class X Residual Amount after the date on which the

Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

The Class R Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class R Notes and any Class R Residual Amount after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

(c) *Subordinated Step-up Consideration*

In the event that on any Notes Payment Date following the First Optional Redemption Date, prior to redemption in full of the Class A Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of the Class A Subordinated Step-up Consideration due on such Notes Payment Date, the amount available (if any) shall be applied towards satisfaction of the Class A Subordinated Step-up Consideration due on such Notes Payment Date to the Class A Noteholders on a *pro rata* and *pari passu* basis in accordance with the respective amount of the Class A Subordinated Step-up Consideration to be distributed to the Class A Noteholders at such time. In the event of a shortfall, the Issuer shall debit the Class A Subordinated Step-up Consideration Deficiency Ledger with an amount equal to the amount by which the aggregate part of the Class A Subordinated Step-up Consideration paid on any Notes Payment Date in accordance with this Condition falls short of the aggregate Class A Subordinated Step-up Consideration payable on that date pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*) and a pro rata share of such shortfall shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were an amount due, subject to this Condition, on each Class A Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date following the First Optional Redemption Date, prior to redemption in full of the Class B Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of Class B Subordinated Step-up Consideration due on such Notes Payment Date, the amount available (if any) shall be applied towards satisfaction of the Class B Subordinated Step-up Consideration due on such Notes Payment Date to the Class B Noteholders on a *pro rata* and *pari passu* basis in accordance with the respective amount of Class B Subordinated Step-up Consideration to be distributed to the Class B Noteholders at such time. In the event of a shortfall, the Issuer shall debit the Class B Subordinated Step-up Consideration Deficiency Ledger with an amount equal to the amount by which the aggregate part of the Class B Subordinated Step-up Consideration paid on any Notes Payment Date in accordance with this Condition falls short of the aggregate Class B Subordinated Step-up Consideration payable on that date pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*) and a pro rata share of such shortfall shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were an amount due, subject to this Condition, on each Class B Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date following the First Optional Redemption Date, prior to redemption in full of the Class C Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of Class C Subordinated Step-up Consideration due on such Notes Payment Date, the amount available (if any) shall be applied towards satisfaction of the Class C Subordinated Step-up Consideration due on such Notes Payment Date to the Class C Noteholders on a *pro rata* and *pari passu* basis in accordance with the respective amount of Class C Subordinated Step-up Consideration to be distributed to the Class C Noteholders at such time. In the event of a shortfall, the Issuer shall debit the Class C Subordinated Step-up Consideration Deficiency Ledger with an amount equal to the amount by which the aggregate part of the Class C Subordinated Step-up Consideration paid on any Notes Payment Date in accordance with this Condition falls short of the aggregate Class C Subordinated Step-up Consideration payable on that date pursuant to Condition 4 (*Interest and Subordinated Step-up Consideration*). Such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest and Subordinated Step-up Consideration*) and a pro rata share of such shortfall shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were an amount due, subject to this Condition, on each Class C Note on the next succeeding Notes Payment Date.

Failure to pay any Subordinated Step-up Consideration will not cause an Event of Default.

(d) *Limited recourse*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement and any other amounts received by the Security Trustee, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes, as applicable, are insufficient to pay in full all principal and interest, if any, and other amounts whatsoever due in respect of such Class of Notes, as applicable, the Noteholders of the relevant Class of Notes, as applicable, shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

## 10 Events of Default

The Security Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class (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 Trustee 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 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 14 calendar days or more in the payment of the principal or interest on the Notes of the Relevant Class when and as the same ought to be paid in accordance with these Conditions, excluding the payment of any Subordinated Step-up Consideration; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is

incapable of remedy, such default continues for a period of 30 calendar days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or

- (c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged or released within a period of 30 calendar days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer in respect of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with, its creditors; or
- (f) the Issuer files a petition for a suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt or becomes subject to any other regulation having a similar effect; or
- (g) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or the Security,

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Most Senior Class regardless of whether an Extraordinary Resolution is passed by the holder of such Class or Classes of Notes ranking junior to the Most Senior Class, unless an Enforcement Notice in respect of the Most Senior Class has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class. In the event that an Enforcement Notice has been given by the Security Trustee, the Issuer shall notify the Swap Counterparty thereof.

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

## **11 Enforcement and non-petition**

- (a) At any time after the obligations under the Notes of any Class become due and payable, the Security Trustee 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 Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the holders of the Relevant Class and (ii) it shall have been indemnified to its satisfaction.
- (b) The Noteholders may not proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

- (c) Neither the Noteholders and the Security Trustee nor any other party entitled to any claims against the Issuer in connection with the Notes (or any person acting on behalf of any of them) shall institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note has been paid in full. The Noteholders accept and agree that the only remedy against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 (*Events of Default*) above is to enforce the Security.

## **12 Indemnification of the Security Trustee**

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Transaction Documents without accounting for any profit resulting from such transaction.

## **13 Notices**

With the exception of the publications of the Reference Agent in Condition 4 (*Interest and Subordinated Step-up Consideration*) and of the Issuer in Condition 6 (*Redemption*), all notices to the Noteholders will only be valid if published on <https://editor.eurodw.eu/> or, if such website shall cease to exist or timely publication thereon shall not be practicable, in such manner as the Security Trustee shall approve and, as long as any of the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any such notice shall be deemed to have been given on the first date of such publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given at such date, as the Security Trustee shall approve.

## **14 Meetings of Noteholders; modification; consents; waiver; removal of Director**

The Trust Deed contains provisions for convening meetings of the Noteholders of any Class to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents. Instead of at a meeting, a resolution of the Noteholders of the relevant Class may be passed in writing - including by email or facsimile transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing - provided that all Noteholders with the right to vote have voted in favour of the proposal.

### **(a) Meeting of Noteholders**

A meeting of Noteholders may be convened by the Security Trustee as often as it reasonably considers desirable and shall be convened by the Security Trustee at the written request of (i) the Issuer or the Seller or (ii) by Noteholders of a Class or Classes holding not less than ten (10) per cent. in Principal Amount Outstanding of the Notes of such Class or Classes of the Notes, and which can prove their capacity of Noteholder to the satisfaction of the Security Trustee.

(b) *Quorum and votes*

The quorum for the adoption of an Extraordinary Resolution is two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class or Classes, as the case may be, and for an Extraordinary Resolution approving a Basic Terms Change the quorum shall be at least 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and the majority required shall be at least two-thirds of the validly cast votes in respect of that Extraordinary Resolution and for an Extraordinary Resolution approving a Basic Terms Change, the majority shall be at least 75 per cent. of the validly cast votes in respect of that Extraordinary Resolution.

If at a meeting a quorum is not present, a second meeting will be held not less than 14 nor more than 30 calendar days after the first meeting. At such second meeting an Extraordinary Resolution, including an Extraordinary Resolution approving a Basic Term Change, can be adopted regardless of the quorum represented at such meeting, except if the Extraordinary Resolution relates to the appointment, removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented at such second meeting. At such second meeting an Extraordinary Resolution can be 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.

(c) *Extraordinary Resolution*

A meeting shall have power, exercisable only by Extraordinary Resolution, without prejudice to any other powers conferred on it or any other person:

- (a) to approve any proposal for a Basic Terms Change and for any other modification of any provisions of the Trust Deed, the Conditions, the Notes or any other Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (b) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- (c) to authorise the Security Trustee (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.
- (d) to discharge or exonerate the Security Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- (e) to give any other authorisation or approval which under this Trust Deed or the Notes is required to be given by Extraordinary Resolution; and

- (f) to appoint any persons as a committee to represent the interests of Noteholders and to confer upon such committee any powers which Noteholders could themselves exercise by Extraordinary Resolution.

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 Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, as the case may be, or any date for payment of interest thereon, reducing or cancelling the amount of principal or altering the rate of interest payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, as the case may be, shall take effect unless (i) the Issuer has agreed thereto, (ii) the Swap Counterparty has agreed thereto and (iii) it shall have been sanctioned with respect to the Class A Notes by an Extraordinary Resolution of the Class B Noteholders, the Class C Noteholders, the Class Z1 Noteholders, the Class Z2 Noteholders, the Class X Noteholders and the Class R Noteholders.

(d) *Conflicts between Classes*

An Extraordinary Resolution validly passed at a meeting of a Class of Notes shall be binding upon all Noteholders of such Class. An Extraordinary Resolution validly passed at any meeting of the Most Senior Class shall be binding upon all Noteholders of all other Classes irrespective of the effect upon them, except that an Extraordinary Resolution approving a Basic Terms Change shall not be effective for any purpose unless it shall have been approved by Extraordinary Resolutions of Noteholders of each such lower Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such lower Class.

A resolution of Noteholders of a Class or by Noteholders of one or more Class or Classes shall not be effective for any purpose unless either: (i) the Security Trustee is of the opinion that it would not be materially prejudicial to the interests of Noteholders of any Higher Ranking Class or (ii) when it is approved by Extraordinary Resolutions of Noteholders of each such **Higher Ranking Class**. Higher Ranking Class means, in relation to any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority to it in the Post-Enforcement and Call Option Exercise Priority of Payments.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).

(e) *Voting*

Each Note carries one vote. The Issuer and its affiliates may not vote on any Notes held by them directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes.

(f) *Modifications agreed with the Security Trustee without consent of Noteholders*

The Security Trustee may agree with the other parties to any Transaction Documents, without the consent of the Noteholders to (i) any modification of any of the provisions of the Trust Deed, the Notes or any other Transaction Document which is of a formal, minor or technical nature or is

made to correct a manifest error, and (ii) any other modification, and any waiver, authorisation or consent of any breach or proposed breach, of any of the provisions of the Trust Deed, the Notes or any other Transaction Document, and any consent, to the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that a Credit Rating Agency Confirmation is available in connection with such modification, authorisation, waiver or consent. Any such modification, authorisation, waiver or consent shall be binding on the Noteholders and, if the Security Trustee so requires, such modification, authorisation, waiver or consent shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

In addition, the Security Trustee may agree, without the consent of the Noteholders, to (a) the entering into of a new Transaction Document by the Issuer with a successor of the relevant counterparty or (b) the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor provided that (i) a Credit Rating Agency Confirmation is available in connection with such transfer or contracting, (ii) the rights deriving from such new transaction document, if any, will be pledged to the Security Trustee and (iii) if the relevant counterparty will be a Secured Creditor, the relevant successor will accede to the Secured Creditors Agreement and will agree to be bound by the provisions thereof, provided that the Swap Counterparty may assign or transfer its respective rights and obligations under any Transaction Document to which it is a party without a Credit Rating Agency Confirmation being available in connection with such transfer, if the provisions of the Hedging Agreements are met in respect of such transfer.

The Security Trustee may further agree with the other parties to any Transaction Document, without the consent of the Noteholders, to any modification of the relevant Transaction Documents (including any Hedging Agreement) in order to enable the Issuer and/or the Swap Counterparty to comply with any requirements which apply to it under EMIR, the CRA Regulation, the Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory or implementing technical standards and advice, guidance or recommendations from relevant supervisory regulators), the Securitisation Regulation, the Benchmark Regulation (subject to Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*)), the CRR Amendment Regulation and/or for the securitisation transaction described in this Prospectus to qualify or continue to qualify as STS securitisation, subject to receipt by the Security Trustee of a certificate of the Issuer or the Swap Counterparty certifying to the Security Trustee that the amendments requested by the Issuer or the Swap Counterparty, as the case may be, are to be made solely for the purpose of enabling the Issuer or the Swap Counterparty, as the case may be, to satisfy its requirements under EMIR, the CRA Regulation, the Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory or implementing technical standards and advice, guidance or recommendations from relevant supervisory regulators), the Securitisation Regulation, the Benchmark Regulation (subject to Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*)), the CRR Amendment Regulation and/or for the securitisation transaction described in this Prospectus to qualify or continue to qualify as STS securitisation, provided that the Security Trustee shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Trustee, would have the effect of (A) exposing the Security Trustee or any



other Secured Creditor (unless with its consent) to any additional liability or (B) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Trustee or any other Secured Creditor (unless with its consent) in respect of the Notes, the relevant Transaction Documents and/or the Conditions and further provided that the Security Trustee has received written confirmation from the Swap Counterparty that it has consented to such amendment. The Security Trustee shall notify the Credit Rating Agencies of any modification of the relevant Transaction Documents which is made pursuant to this paragraph of this Condition 14(f) (*Modifications agreed with the Security Trustee without consent of Noteholders*).

(g) *Swap Counterparty prior consent rights*

The Swap Counterparty's written consent is required for any amendment, such consent not to be unreasonably withheld or delayed, (i) to clause 6.1(r) of the Mortgage Receivables Purchase Agreement, (ii) which constitutes a Basic Terms Change, (iii) to the Issuer's right to sell or assign the Mortgage Receivables under the Transaction Documents or to redeem the Notes under the Conditions, (iv) to the Transaction Documents, the Conditions or the Interest Rate Reset Letter, which in the Swap Counterparty's reasonable opinion will have a material adverse impact on the currency, amount, timing or priority of payments due to be made by or to the Swap Counterparty under either the Swap Agreement or the NAMS Rebalancing Agreement or (v) to this Condition 14(g) (*Swap Counterparty prior consent rights*) and clause 27.1.4 of the Trust Deed. Furthermore, the Swap Counterparty's written consent is required for any restructuring of the Notes or structuring of new notes pursuant to Condition 6(d) (*Remarketing Call Option*), such consent not to be unreasonably withheld or delayed. In case of an amendment which constitutes a Basic Terms Change, no such consent will be required if the Swap Counterparty fails to respond within ten (10) Business Days of a written request for consent from the Security Trustee.

(h) *Modification to facilitate Replacement Reference Rate with consent of the Noteholders*

Noteholders representing at least ten (10) per cent, of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to in Condition 4(j) (*Replacement Reference Rate*) that they do not consent to the modification to change the Reference Rate to a Replacement Reference Rate, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with this Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Director*). Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

(i) *Indemnification for individual Noteholders*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Class A Noteholders and the Class B Noteholders and the Class C Noteholders and the Class Z1 Noteholders and the

Class Z2 Noteholders and the Class X Noteholders and the Class R Noteholders each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(j) *Removal and appointment of managing director of Security Trustee*

The Most Senior Class of Notes may by Extraordinary Resolution of a meeting of such Class remove any or all of the managing directors of the Security Trustee, provided that the other Secured Creditors have been consulted. Any managing director so removed will not be responsible for any costs or expenses arising from any such removal. Before any managing directors of the Security Trustee are so removed, the Issuer may nominate a successor managing director nominated by the Issuer and the Most Senior Class of Notes by Extraordinary Resolution of a meeting of such Class (taking into account such nomination by the Issuer, without being bound to it) may appoint a successor managing director in accordance with the Security Trustee's articles of association as soon as reasonably practicable. The removal of a managing director of the Security Trustee will not become effective until a successor managing director is appointed.

The Most Senior Class of Notes may by Extraordinary Resolution of a meeting of such Class appoint a managing director of the Security Trustee, provided that the other Secured Creditors have been consulted beforehand.

## **15 Replacement of Notes and Coupons**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, in the case of Coupons together with the Note and all unmatured Coupons to which they appertain (*mantel en blad*), before replacements will be issued.

## **16 Governing law and jurisdiction**

The Notes and Coupons, and any non-contractual obligations arising out of or in relation to the Notes and Coupons, are governed by, and will be construed in accordance with, Dutch law. Any disputes arising out of or in connection with the Notes and Coupons, including, without limitation, disputes relating to any non-contractual obligations arising out of or in relation to the Notes and Coupons, shall be submitted to the exclusive jurisdiction of the competent courts of Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the Noteholders and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

### **4.2 Form**

Each Class of Notes shall be initially represented by a Temporary Global Note in bearer form, without coupons, (i) in the case of the Class A Notes in the principal amount of EUR 206,000,000, (ii) in the case

of the Class B Notes in the principal amount of EUR 6,200,000, (iii) in the case of the Class C Notes in the principal amount of EUR 4,700,000, (iv) in the case of the Class Z1 Notes in the principal amount of EUR 7,747,000, (v) in the case of the Class Z2 Notes in the principal amount of EUR 3,600,000, (vi) in the case of the Class X Notes in the principal amount of EUR 1,600,000, and (vii) in the case of the Class R Notes in the principal amount of EUR 200,000. Each Temporary Global Note will be deposited with the Common Safekeeper on or about the Closing Date. Upon deposit of each such Temporary Global Note, the Common Safekeeper will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (upon certification that the beneficial owners thereof are not U.S. Persons (as defined in the United States Internal Revenue Code)) not earlier than the Exchange Date for interests in a Permanent Global Note in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note will remain deposited with the Common Safekeeper.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Class A 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 at the Eurosystem's discretion of the Eurosystem eligibility criteria. The Notes, other than the Class A Notes, are not intended to be held in a manner which allows Eurosystem eligibility. The Notes represented by a Global Note are held in book-entry form.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for Notes in definitive form only in the circumstances described below. Such Notes in definitive form shall be issued in minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof with a maximum denomination of EUR 199,000 or, as the case may be, in the then Principal Amount Outstanding of the Notes on such exchange date. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as any Notes are represented by a Global Note, such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate, in the minimum authorised denomination of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof with a maximum denomination of EUR 199,000. Notes in definitive form, if issued, will only be printed and issued in denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof with a maximum denomination of EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000. All such definitive Notes will be serially numbered and will be issued in bearer form and with (at the date of issue) Coupons and, if necessary, talons attached.

For so long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of

the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 (*Notices*) (provided that, in the case any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice delivered on or prior to 4.00 p.m. (local time) on a Business Day in the city in which it was delivered shall be deemed to have been given to the holder of the Global Notes on such Business Day. A notice delivered after 4.00 p.m. (local time) on a Business Day in the city in which it was delivered will be deemed to have been given to the holders of the Global Notes on the next following Business Day in such city.

For so long as the Notes of a particular Class are represented by a Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such principal amount of that Class of Notes and the expression **Noteholder** shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid principal thereon and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective principal amount of such Notes held by them shall be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of an Event of Default, (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee and the Issuer is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required if the Notes were in definitive form, then the Issuer will, at its sole cost and expense, issue:

- (i) Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A Notes; and
- (ii) Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class B Notes; and
- (iii) Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class C Notes; and
- (iv) Class Z1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class Z1 Notes; and
- (v) Class Z2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class Z2 Notes; and
- (vi) Class X Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class X Notes; and
- (vii) Class R Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class R Notes,

in each case within 30 calendar days of the occurrence of the relevant event.

**Application of Dutch Savings Certificates Act in respect of the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes**

Unless between individuals not acting in the conduct of a business or profession, each transaction regarding (a) prior to the First Optional Redemption Date, the Class R Notes, and (b) following the First Optional Redemption Date, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes, which involves the physical delivery thereof within, from or into the Netherlands, must be effected (as required by the Dutch Savings Certificates Act (*Wet Inzake Spaarbewijzen*) of 21st May, 1985) (as amended) and its implementing regulations) through the mediation of the Issuer or an admitted institution of Euronext Amsterdam and must be recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of the relevant Class Z1 Notes, Class Z2 Notes, Class X Notes or Class R Notes.

### 4.3 Subscription and sale

Each of the Joint Lead Managers has in the Senior Subscription Agreement agreed with the Issuer, subject to certain conditions, to purchase the Rated Notes at their respective issue prices. Furthermore, the Seller has in the Junior Subscription Agreement agreed with the Issuer, subject to certain conditions, to purchase the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes at their respective issue prices. The Issuer, the Seller and certain other parties have agreed to indemnify and reimburse the Arranger and the Joint Lead Managers against certain liabilities and expenses in connection with the issue of the Notes.

The issuance of the Notes is not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 246.20 of the U.S. Risk Retention Rules.

Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

Each purchaser of Notes, including beneficial interests therein, will be deemed to represent and agree that: (i) it is not a Risk Retention U.S. Person (unless it is a Risk Retention U.S. Person that has obtained the prior written consent of the Seller to purchase the relevant Notes within the restrictions set forth in the exemption provided for in Section 246.20 of the U.S. Risk Retention Rules), (ii) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note, and (iii) it 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.

The Notes may not be sold to, or for the account or benefit of, U.S. persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and (ii) only with the prior written consent of the Seller, in accordance with an exemption from the U.S. Risk Retention Rules. The Notes have been issued in bearer form and are subject to U.S. tax law requirements.

Each of the Seller and the Issuer has, pursuant to the Notes Purchase Agreements agreed and acknowledged that none of the Joint Lead Managers, the Security Trustee or the Arranger, or any other person shall have any responsibility for determining the proper characterisation of potential investors (including whether such investor is a Risk Retention U.S. Person) for the requirements of the U.S. Risk Retention Rules or for determining the availability of the exemption provided for in Section 246.20 of the U.S. Risk Retention Rules, and none of the Joint Lead Managers, the Security Trustee or the Arranger, or any other person accepts any liability or responsibility whatsoever for any such determination.

#### **Prohibition of Sales to EEA and United Kingdom retail investors**

Each of the Joint Lead Managers has represented and agreed 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 Prospectus to any retail investor in the European Economic Area and the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (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 (**Insurance Distribution Directive**) where in both instances (i) and this (ii) that client or customer, as applicable, 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 the Notes.

## France

Each of the Joint Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not made and will not make any communication by any means about the offer to the public in France, and has not distributed, released or issued or caused to be distributed, released or issued and will not distribute, release or issue or cause to be distributed, released or issued to the public in France, or used in connection with any offer for subscription or sale of the Notes to the public in France, this Prospectus, or any other offering material relating to the Notes, and that such offers, sales, communications and distributions have been and shall be made in France only to (a) qualified investors (*investisseurs qualifiés*) or (b) a restricted circle of investors (*cercle restreint d'investisseurs*), in each case, acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2, L.411-2-1, D.411-2 and D.411-4 of the French Code monétaire et financier.

## Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and accordingly, each Joint Lead Manager has represented and agreed that save as set out below, it has not offered or sold and will not offer or sell any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Prospectus and any other document relating to the Notes in the Republic of Italy other than in circumstances falling within article 1(4) of the Prospectus Regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Legislative Decree No. 58 of 24 February 1998, as amended, CONSOB Regulation No. No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended and the relevant implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations required; and

- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other Italian authorities.

### **United Kingdom**

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (**FSM Act**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSM Act would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSM 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. Terms used in this paragraph have the meaning given to them by Regulation S.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Joint Lead Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth 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 this paragraph have the meaning given to them by Regulation S under the Securities Act.

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

### **The Netherlands**

Each Joint Lead Manager has represented and agreed that prior to the First Optional Redemption Date, the Class R Notes, and following the First Optional Redemption Date, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes, being bearer notes in definitive form that constitute a claim for a fixed sum against the Issuer and on which no interest is due of the Issuer may only be transferred by means of a physical delivery and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations, provided that no such mediation is required: (a) in respect of the transfer and acceptance of



rights representing an interest in the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, in global form or (b) in respect of the initial issue of the Class R Notes, and following the First Optional Redemption Date, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of, prior to the First Optional Redemption Date, the Class R Notes, and following the First Optional Redemption Date, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes in definitive form between individuals not acting in the conduct of a business or profession or (d) in respect of the transfer and acceptance of, prior to the First Optional Redemption Date, the Class R Notes, and following the First Optional Redemption Date, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes within, from or into the Netherlands if all, prior to the First Optional Redemption Date, the Class R Notes, and following the First Optional Redemption Date, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes (either in definitive form or as rights representing an interest in the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and Class R Notes in global form) are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

### **General**

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus or any part thereof does not constitute an offer, or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

Each Joint Lead Manager has undertaken not to offer or sell directly or indirectly any Notes, or to distribute or publish this Prospectus or any other material relating to the Notes in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of the Notes by such Joint Lead Manager will be made on the same terms.

Notwithstanding the foregoing, the Joint Lead Managers will not have any liability to the Issuer, the Seller or any other person, for compliance with the U.S. Risk Retention Rules by the Issuer, the Seller or any other person, prior to, on or after the Closing Date.

## **4.4 Regulatory and industry compliance**

### **Securitisation Regulation**

#### *General*

The Securitisation Regulation entered into force on 17 January 2018 and its provisions are applicable from 1 January 2019. The Securitisation Regulation purports to consolidate the sectoral rules applicable before 1 January 2019 for credit institutions, insurance companies, reinsurance companies and AIFMD managers into one single legislative text whilst introducing similar rules for UCITS managers and certain retirement schemes and funds regulated by the provisions of Directive (EU) 2016/2341. The Securitisation Regulation furthermore introduces the requirements for securitisation transactions to qualify as simple, transparent and standardised (**STS**) securitisations. In addition to the rules stemming from the Securitisation Regulation, a number of implementing technical standards (**ITS**), regulatory technical standards (**RTS**) and guidelines from the European Supervisory Authorities (EBA, EIOPA and ESMA) impose requirements on parties involved in securitisation transactions. As at the date of this Prospectus,

the following RTS and ITS are adopted in final form and became applicable as from 23 September 2020:

- (i) Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE. (OJ EU L 289/1);
- (ii) Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (OJ EU L 289/217);
- (iii) Commission Delegated Regulation (EU) 2020/1226 of 12 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council and laying down regulatory technical standards specifying the information to be provided in accordance with the STS notification requirements, (OJ EU L 289/285);
- (iv) Commission Implementing Regulation (EU) 2020/1227 of 12 November 2019 laying down implementing technical standards with regard to templates for the provision of information in accordance with the STS notification requirements, (OJ EU L 289/315);
- (v) Commission Implementing Regulation (EU) 2020/1228 of 29 November 2019 laying down implementing technical standards with regard to the format of applications for registration as a securitisation repository or for extension of a registration of a trade repository pursuant to Regulation (EU) 2017/2402 of the European Parliament and of the Council, (OJ EU L 289/330);
- (vi) Commission Delegated Regulation (EU) 2020/1229 of 29 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency, (OJ EU 289/335);
- (vii) Commission Delegated Regulation (EU) 2020/1230 of 29 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the application for registration of a securitisation repository and the details of the simplified application for an extension of registration of a trade repository, (OJ EU 289/345).

Further guidelines of EBA are not yet adopted in final form, as explained below insofar as relevant for the securitisation transaction described in this Prospectus.

This paragraph summarises the requirements stemming from the Securitisation Regulation. This paragraph considers the relevant provisions of the Securitisation Regulation from the perspective of the securitisation transaction described in this Prospectus. This paragraph shall refrain from providing comments on the requirements stemming from the Securitisation Regulation for asset backed commercial paper transactions or programmes (**ABCP**). References in the Securitisation Regulation to the role and obligations of 'sponsors' in such ABCP transactions will not be described in this paragraph nor other parts of the Prospectus.

Various parties to the securitisation transaction described in this Prospectus are subject to the requirements of the Securitisation Regulation. However, there is at present uncertainty in relation to some of these requirements, including in particular with regard to the transparency obligations imposed under article 7 of the Securitisation Regulation and the Draft RTS Risk Retention in relation to article 6 of the Securitisation Regulation. The Draft RTS Risk Retention is in final draft adopted by the EBA in 2018 and submitted to the European Commission for adoption. Therefore, the final scope of their application and impact of the conformity of risk retention and the Mortgage Loans to the final regulatory technical standards is not assured.

#### *Due diligence requirements*

Institutional Investors are required, prior to holding a securitisation position, to verify, where the originator or original lender is not a credit institution or investment firm within the meaning of the CRR, that the originator or original lender grants all the credits giving rise to the underlying exposures in a securitisation transaction on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with article 9(1) of the Securitisation Regulation. This requirement applies to the fullest extent to the securitisation described in this Prospectus, as the Originator is not a credit institution or investment firm within the meaning of the CRR.

Furthermore, Institutional Investors are required to verify that the originator or original lender retains on an ongoing basis a material net economic interest in accordance with article 6 of the Securitisation Regulation. See the following paragraph for further details and disclosures in this respect.

In addition, Institutional Investors are required to verify that the originator or securitisation special purpose entity (**SSPE**) makes available the information required by article 7 of the Securitisation Regulation in accordance with the frequency and modalities as set out in this provision. See the following paragraph for further details and disclosures in this respect.

Finally, an Institutional Investor must, prior to holding a securitisation position, carry out a due diligence assessment which enables it to assess the risks involved. That assessment shall consider all the items as set out in article 5(3)(a) up to and including (c) of the Securitisation Regulation.

#### *Risk retention*

The originator or original lender of a securitisation transaction shall maintain on an ongoing basis a material net economic interest in the securitisation of not less than 5%. That interest shall be measured at origination and shall be determined by the notional value for off-balance sheet items.

The risk retention requirement must be structured to meet the conditions of article 6(3) of the Securitisation Regulation and the requirements set out in the RTS adopted pursuant to the mandate set forth in article 6(7) of the Securitisation Regulation. The Draft RTS Risk Retention has been adopted by EBA on 31 July 2018, but has not been adopted by the European Commission as at the date of this Prospectus.

The Seller shall retain a material net economic interest in the securitisation of not less than 5% in the manner and under the conditions as described in the paragraph entitled '*Retention and disclosure requirements under the securitisation regulation*' below. The information contained in that paragraph serves as the disclosure of the manner of organisation of the risk retention requirement as is required pursuant to article 7(1)(e)(iii) of the Securitisation Regulation.

### *Transparency requirements for originators and SSPE's*

Pursuant to article 7(2) of the Securitisation Regulation, the originator and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation, which includes making available the prospectus and the transaction documents, to a regulated securitisation repository. In accordance with article 7(2) of the Securitisation Regulation, in the Transparency Reporting Agreement, the Issuer and the Seller have designated the Seller as the entity responsible for fulfilling the information requirements of article 7 of the Securitisation Regulation in respect of the transaction described in this Prospectus and will either fulfil such requirements itself or shall procure that such requirements are fulfilled on its behalf. The securitisation repository, which needs to comply with the authorisation requirements set out in chapter 3 of the Securitisation Regulation and the regulatory technical standards applicable in relation thereto, will in turn disclose information on securitisation transactions to the public.

The disclosure requirements of article 7 of the Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements set forth in the provisions of law applicable prior to 1 January 2019, including the requirements set forth in the CRA Regulation as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but, following a letter from the European Commission dated 14 December 2018 requesting certain amendments to be made to the disclosure technical standards, on 31 January 2019 ESMA published an opinion regarding amendments to ESMA's draft technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates. On 16 October 2019 the European Commission published draft regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE (**Disclosure Technical Standards**), which Disclosure Technical Standards have been adopted on 3 September 2020 in a delegated regulation of the European Commission ((EU) 2020/1224) and apply as from 23 September 2020. Therefore, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes II and XII of the Commission Implementing Regulation (EU) 2020/1224.

### **Rules concerning capital relief**

The CRR Amendment Regulation entered into force on 17 January 2018 and its provisions are applicable as of 1 January 2019. The CRR Amendment Regulation purports to revise the rules on the treatment of securitisation positions purchased and held by credit institutions and investment firms in respect of the risk-weighted exposures to be attached to such securitisation positions. The rules of the CRR Amendment Regulation therefore have a restricted scope of applicability to credit institutions and certain investment firms established and supervised in the EEA only. The CRR Amendment Regulation furthermore addresses the specific features of STS securitisations and their treatment in respect of the risk weighting rules for securitisation positions qualifying as securitisation positions of qualifying STS securitisations purchased and held by credit institutions and certain investment firms. Following the adoption of the CRR Amendment Regulation certain securitisation positions of qualifying STS securitisations will, following a further calibration of the capital requirements as set forth in the CRR Amendment Regulation, obtain a preferential treatment as regards their capital requirements weighting for credit institutions and certain investment firms (as these are defined in the CRR) investing in such securitisation positions. Such relevant provisions of the CRR Amendment Regulation, including the provisions related to STS securitisations, apply to the fullest extent to the Notes.

On 18 January 2015, the Solvency II Regulation entered into force. The implementing rules set out more detailed requirements for individual insurance undertakings as well as for groups, based on the provisions set out in the Solvency II Regulation. Pursuant to the Solvency II Regulation, more stringent rules apply to European insurance companies since January 2016 as regards regulatory capital requirements (*eigen vermogen*). Following the adoption of Commission Delegated Regulation (EU) 2018/1221 of 1 June 2018 the then applicable provisions of the Solvency II Regulation on calibration for 'type 1 securitisation' have, with effect from 1 January 2019, been replaced by a more risk-sensitive calibration for STS securitisations covering all possible tranches that also meet additional requirements in order to minimise risks. The relevant provisions of the Solvency II Regulation apply to the fullest extent to the Notes.

Since the introduction of Basel III: A global regulatory framework for more resilient banks and banking systems in 2010 (**Basel III Framework**), the Basel Committee published several consultation documents for amendment of Basel III. On 7 December 2017, the Basel Committee published the finalised Basel III reforms as improvements to the global regulatory framework (**Basel III Reforms**) (informally referred to as Basel IV). Basel III Reforms seeks to restore credibility in the calculation of the risk weighted assets and improve the comparability of banks' ratios. The rules for calculating risk weighted assets for credit risk will be tightened, under the standardised approach as well as under the internal ratings-based (IRB) approach. This includes changes to the requirements for the risk-weighting of mortgages. In the revised standardised approach mortgage risk weights depend on the loan-to-value (LTV) ratio of the mortgage (instead of the existing single risk weight to residential mortgages). In accordance with Basel III Reforms, banks' calculations of risk weighted assets generated by internal models cannot, in aggregate, fall below 72.5 per cent. of the risk weighted assets computed by the standardised approaches. The implementation will be gradual over a five-year period, from 2022 until 2027. The Basel III Reforms may have an impact on the capital requirements in respect of the holder of the Notes and/or on incentives to hold the Notes for credit institutions and certain investment firms established and supervised in the EEA that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

On 2 August 2019 EBA published its 'Policy Advice on the Basel III reforms: output floor (EBAOp-2019-09c)'. EBA recommends that it is essential that the output floor is implemented by EU institutions at a 72.5% level in compliance with the Basel III Reforms.

Potential investors should consult their own advisers as to the consequences to and effect on them of the CRR Amendment Regulation, the Solvency II Regulation, the Basel III Framework and the Basel III Reforms to their holding of any Notes. None of the Issuer, the Security Trustee, the Arranger or the Joint Lead Managers are responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of the CRR Amendment Regulation, the Solvency II Regulation, the Basel III Framework and the Basel III Reforms (whether or not implemented by them in its current form or otherwise).

### **Rules concerning liquidity management**

The Delegated Regulation (EU) 2018/1620 of 13 July 2018 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the **LCR Delegated Regulation**) provides for rules allowing securitisation positions meeting certain requirements and conditions to be comprised as HQLA of the Level 2B type (**Level 2B HQLA**) in the liquidity buffer of credit institutions. Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 amends the

LCR Delegated Regulation (the **Amended LCR Delegated Regulation**). This amendment integrates the STS criteria for securitisations set out in the Securitisation Regulation in the LCR Delegated Regulation to the effect that securitisation positions will only qualify as HQLA if the securitisation positions have been issued under a securitisation in respect of which an STS-notification has been made with and processed by ESMA, which amendment became applicable as from 20 April 2020.

The Seller and the Issuer have made available an assessment made by PCS to reflect the transaction features of the securitisation transaction described in this Prospectus. In such assessment the criteria as they are set forth in the Amended LCR Delegated Regulation have been reviewed in order to verify whether the Notes may qualify as HQLA pursuant to the provisions of the Amended LCR Delegated Regulation. The LCR eligibility assessment made by PCS is based on the rules which became applicable as from 20 April 2020 and an independent assessment made by the Seller confirms that the requirements for the qualification of the Class A Notes as Level 2B HQLA assets as they currently apply are also being met to the fullest extent.

None of the Issuer, the Arranger, the Joint Lead Managers, the Seller or the Servicer makes any representation to any prospective investor or purchaser of the Notes as to these matters on the Closing Date or at any time in the future and none of them are responsible for informing any Noteholders of the effects on the changes to risk-weighting of the Notes or the qualification as Level 2B HQLA which, amongst others, may result from the suspension, delay or withdrawal of this STS securitisation qualification from the list published by ESMA on its website pursuant to article 27(5) Securitisation Regulation or the adoption, interpretation or application by their own regulator of the LCR Delegated Regulation and the Amended LCR Delegated Regulation (whether or not in their current form or otherwise). Prospective investors should assess independently and where relevant should consult their own advisors as to the effects of the changes to risk-weights of the Notes referred to above or the qualification as Level 2B HQLA.

### **Rules concerning recovery and resolution of institutions**

The BRRD and the SRM Regulation set out a common European recovery and resolution framework which is composed of three pillars: (i) preparation (by requiring banks and other entities subject to the BRRD/SRM Regulation to draw up recovery plans and resolution authorities to draw up resolution plans), (ii) early intervention powers and (iii) resolution powers. The SRM Regulation applies to significant banks and banking groups subject to the single supervisory mechanism pursuant to Council Regulation (EU) No 1024/2013 and ECB Regulation (EU) No 1022/2013 and provides for a single resolution mechanism in respect of such banks and banking groups. The BRRD has been transposed into the law of the Netherlands pursuant to the BRRD Implementation Act, which entered into force on 26 November 2015.

Neither the Seller nor the Issuer are subject to the rules and regulations of the BRRD or SRM Regulation. This legislation may be relevant for other parties to the securitisation transaction described in this Prospectus. Potential investors should assess independently and where relevant consult their own advisors as to the effect of the BRRD or SRM Regulation to them and their holding of any Notes.

### **EU Banking Reforms**

Following certain proposals of the Basel Committee and the Financial Stability Board, the European Commission proposed on 23 November 2016 a comprehensive package of banking reforms (the **EU Banking Reforms**). This includes changes to CRD IV, CRR, BRRD and SRM Regulation, including measures to increase the resilience of EU institutions and enhance financial stability. The EU Banking

Reforms are wide-ranging and cover multiple areas, including: (a) a binding 3 per cent. leverage ratio, (b) a binding detailed net stable funding ratio, (c) a requirement to have more risk-sensitive own funds for banks trading in certain instruments (further to Basel Committee's fundamental review of the trading book), (d) a new category of 'non-preferred' senior debt, (e) the introduction of the new total loss-absorbing capacity (**TLAC**) standard for global systemically important institutions (G-SIIs), (f) an amendment of the minimum requirement for own funds and eligible liabilities framework to integrate the TLAC standard and (g) a revised calculation method for derivatives exposures.

The EU Banking Reforms have been adopted by the Council of the EU and the European Parliament on 14 May 2019 and entered into force on 20 June 2019. Most of the new rules will start applying in mid-2021, subject in certain cases to transposition in the Member States.

On 28 April 2020 the European Commission published its Proposal for a Regulation amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards adjustments in response to the COVID-19 Pandemic (**COVID-19 Banking Package**). Two particular elements of this COVID-19 Banking Package are highlighted in the context of the securitisation transaction described in this Prospectus.

First, it is proposed to adjust the transitional arrangements that allow credit institutions to alleviate the impact from expected credit-loss (**ECL**) provisioning under IFRS 9 on their own funds. This adjustment would allow credit institutions to better mitigate the impact of any potential increase in ECL provisioning caused by the deterioration in the credit quality of credit institutions' exposures due to the economic consequences of the COVID-19 Pandemic.

Second, to account for the impact of COVID-19 related guarantees, the rules on the minimum loss coverage for non-performing exposures (**NPEs**) are proposed to be adjusted to extend temporarily the treatment that is currently applicable to NPEs guaranteed or insured by export credit agencies to NPEs that would arise as a consequence of the COVID-19 Pandemic and that are covered by the various guarantee schemes that were put in place by Member States. This would recognise the similar characteristics shared by export credit agencies guarantees and COVID-19 related guarantees.

Neither the Seller nor the Issuer are subject to the rules and regulations of CRD IV, CRR, the BRRD or SRM Regulation. This legislation may be relevant for other parties to the securitisation transaction described in this Prospectus. Potential investors should assess independently and where relevant consult their own advisors as to the effects of the BRRD and the SRM Regulation to them and their holding of any Notes.

### **Benchmark Regulation**

The interest payable on the Rated Notes will be determined by reference to Euribor. Under the Benchmark Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including Euribor), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain use by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

EMMI, administrator of the Euribor benchmark, is planning to reform the Euribor benchmark determination methodology by evolving from the current quote-based methodology towards a transaction-based methodology. Such changes are contemplated by EMMI in order to comply with the requirements under the Benchmark Regulation, to comply with the recommendations of the Belgian Financial Services and Markets Authority as being the competent authority supervising EMMI and to follow the guidelines of international organisations on the administration of benchmarks such as the International Organization of Securities Commissions, the Financial Stability Board, ESMA and EBA. As at the date of this Prospectus EMMI, in respect of EURIBOR, appears in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation. As a subsequent step, EMMI started transitioning panel banks from the current Euribor methodology to the new hybrid methodology developed in connection with the reform. On 28 November 2019, EMMI confirmed it has completed the transitioning of the panel banks from the quote-based Euribor methodology to the hybrid methodology. If Euribor were to be discontinued or no longer remains to be available the Issuer is likely to be compelled to apply fall-back provisions as described in further detail below.

The Rate Determination Agent may be considered an ‘administrator’ under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario. This would mean that the Rate Determination Agent (i) administers the arrangements for determining such rate, (ii) collects, analyses, or processes input data for the purposes of determining such rate and (iii) determines such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an ‘administrator’ under the Benchmark Regulation, the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario should be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Rate Determination Agent in the circumstances as described in Condition 4(j) (*Replacement Reference Rate*)) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. In such case, this may affect the possibility for the Issuer to apply the fall-back provision of Condition 4(j) (*Replacement Reference Rate*) meaning that the applicable benchmark will remain unchanged (but subject to the other provisions of Condition 4 (*Interest and Subordinated Step-up Consideration*)).

The use of the Replacement Reference Rate may result in the Notes that referenced the Reference Rate performing differently (including potentially paying a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form. Furthermore, the terms and conditions of the Notes may



be amended by the Issuer, as necessary to ensure the proper operation of the Replacement Reference Rate, without any requirement for consent or approval of the Noteholders, subject to Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*).

The Replacement Reference Rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Notes without any requirement that the Issuer obtains consent of any Noteholders, subject to Condition 14(h) (*Modification to facilitate Replacement Reference Rate with consent of the Noteholders*). If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate under Condition 4(j) (*Replacement Reference Rate*), this could result in the effective application of a fixed interest rate to what was previously a Note to which a floating rate of interest was applicable, which fixed interest rate is based on the rate which applied in the previous period when the relevant Reference Rate was available. The Issuer will however be entitled (but not obliged) to in such case elect to re-apply the provisions of Condition 4(j) (*Replacement Reference Rate*), *mutatis mutandis*, on one or more occasions until a Replacement Reference Rate has been determined.

In addition, due to the uncertainty concerning the availability of successor rates and substitute reference rates and the involvement of a Rate Determination Agent (as defined in Condition 4(j) (*Replacement Reference Rate*)), the relevant fallback provisions may not operate as intended at the relevant time. In addition, the Replacement Reference Rate may perform differently from the discontinued benchmark. As set out in the risk factor entitled '*Risks related to benchmarks and future discontinuance of Euribor and any other benchmark*' this could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Further to the benchmark reforms, a transitioning away from the IBORs to 'risk-free rates' is expected. An example of such a rate is the euro short-term rate (**€STR**) as administered by the ECB's Governing Council, which is a rate based on transaction data available to the Eurosystem. Since 1 October 2019, EONIA® is calculated with a reformed methodology tracking €STR, the new euro short-term rate of the ECB. Published for the first time by the ECB on 2 October 2019 at 08.00 ECT, €STR reflects the wholesale euro unsecured overnight borrowing costs of euro area banks and complements existing benchmark rates produced by the private sector, serving as a backstop reference rate.

€STR is being published on the ECB's website, via the ECB's Market Information Dissemination (**MID**) platform and in the ECB's Statistical Data Warehouse. The MID platform will be the main publication channel for €STR.

There is a risk that the performance of €STR as fall-back rate will not be equivalent to the predecessor EONIA rate or that insufficient liquidity in transactions utilising €STR as benchmark will arise, whether permanently or temporarily, to ensure proper performance of €STR as benchmark rate. The interest rate for the Issuer Transaction Accounts is based on €STR. If €STR does not perform, whether permanently or temporarily, adequately there is a risk that the Issuer must make arrangements to replace €STR with an alternative base rate.

## **Prospectus approval**

This Prospectus has been approved by the AFM, as competent authority under the Prospectus Regulation. The AFM only approves this 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 and the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. This Prospectus shall be valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to 12 months after its approval by the AFM and shall expire on 16 November 2021, at the latest. It is noted that the obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

### **CRA Regulation**

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

The Credit Rating Agencies are at the date of this Prospectus included in the register of certified rating agencies as maintained by ESMA.

### **European Market Infrastructure Regulation (EMIR)**

The Issuer will be entering into the Swap Agreement, which is an over-the-counter (**OTC**) interest rate swap transaction. 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 derivative contracts, including a mandatory clearing obligation, risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty (**CCP**) and reporting requirements. On 4 May 2017, the European Commission published a proposal for a regulation amending EMIR (the **Proposed Amending EMIR Regulation**). It includes, amongst others, changes to the reporting requirements and the application of the clearing thresholds for non-financial counterparties and financial counterparties. The Proposed Amending EMIR Regulation has been adopted by the European Council and the European Parliament on 20 May 2019 and entered into force on 17 June 2019 (the **Amending EMIR Regulation**).

Under EMIR, parties to derivatives transactions whose positions in OTC derivatives (including the positions of certain other entities in its group, but excluding any hedging positions) exceed a specified clearing threshold must clear OTC derivative contracts that are entered into on or after the effective date for the clearing obligation. The Issuer believes that it is not subject to these requirements for the following reasons.

Firstly, the securitisation transaction described in this Prospectus will be notified to the ESMA as meeting the requirements of article 18 and of articles 19 to 22 of the Securitisation Regulation (the **STS Criteria**). Pursuant to the provision of article 4(5) EMIR (as amended pursuant to the Securitisation Regulation) the Issuer complies with the criteria of this provision that it is an SSPE in connection with a securitisation within the meaning of the Securitisation Regulation that solely issues securitisations meeting the STS Criteria and, in view of this fulfilment of criteria, the provision of article 4(1) EMIR establishing the clearing obligations does not apply.

Secondly, the Issuer's only positions in OTC derivatives are the positions under the Hedging Agreements, which in its view qualify as hedging positions under EMIR. In addition, to the Issuer's knowledge, it qualifies as a non-financial counterparty and no other non-financial counterparty entity in the Issuer's group (which includes the Seller's group) has entered into speculative OTC derivatives.

OTC derivative contracts that are not cleared by a CCP are subject to certain other risk-mitigation requirements. These include arrangements for timely confirmation of OTC derivative contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivative contracts. Certain of these risk mitigation requirements impose obligations on the Issuer in relation to the Hedging Agreements. Another risk mitigation requirement under EMIR is the mandatory margining of non-cleared OTC derivative contracts. This requirement does, however, not apply to non-financial counterparties below the clearing threshold, like the Issuer.

In addition, under EMIR, any counterparty must timely report the conclusion, modification and termination of their OTC and exchange traded derivative contracts to a trade repository. However, since the Issuer is a non-financial counterparty below the clearing threshold, the Swap Counterparty is solely responsible, and legally liable, for reporting on behalf of both counterparties.

If any party fails to comply with the rules under EMIR or MiFID II it may be liable for an incremental penalty payment or fine. If such a penalty or fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

### **Securities financing transactions**

Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (**SFT Regulation**) entered into force on 13 January 2015 and most of its provisions addressing requirements for non-financial counterparties (such as the Issuer) purported to enter into force 21 months after the date of entry into force of the SFT Regulation. However, further delays occurred in the entry into force of the main provisions of the SFT Regulation. The new rules on transparency provide for the reporting of details regarding securities financing transactions (**SFTs**) concluded by all market participants, whether they are financial or non-financial entities, including the composition of the collateral, whether the collateral is available for reuse or has been reused, the substitution of collateral at the end of the day and the haircuts applied.

The technical standards on reporting entered into force on 11 April 2019 and the reporting for credit institutions and investment firms will start one (1) year later with a phased-in application for the rest of entities until January 2021.

The Issuer considers that the securitisation transaction as described in this Prospectus, does not qualify as an SFT within the meaning of the SFT Regulation. The Issuer does not exclude that should (potential)

investors consider using the Notes in the context of a securities financing transaction entered into by them, that the provisions of the SFT Regulation will apply to such transactions. Potential investors should consult their own advisers as to the consequences to and effect on them of the SFT Regulation to their holding or utilisation for securities financing transactions of any Notes.

## **PRIIPS**

Regulation (EU) No 1286/2014 of the European Parliament and the Council of 26 November 2014 on Key Information Documents for packaged retail and insurance-based investment products (the **PRIIPS Regulation**) regulates the (i) pre-contractual transparency requirements for packaged retail and insurance-based investment products (**PRIIPS**) in the form of a Key Information Document (**KID**) and (ii) specific competences for the EIOPA as regards insurance-based investment products and for the competent authorities generally in respect of all types of PRIIPs to supervise markets and to intervene as regards the offering and distribution of PRIIPs if there are concerns as regards the protection of retail customers to whom such PRIIPs are to be sold. Such rights of intervention may require the offerors or distributors of the PRIIPs to observe certain conditions or requirements when offering and distributing PRIIPs.

The Risk Insurance Policies are not likely to qualify as PRIIPs within the meaning of the PRIIPs Regulation. Currently, there is uncertainty whether or not the Notes qualify as PRIIPs. The Joint Committee of European Supervisory Authorities' Q&A on the PRIIPs KID dated 18 August 2017 (JC 2017-49) and the updated Q&A's published on 19 July 2018 (JC 2017 49) do not contain any further guidance as regards the potential qualification of the Notes as PRIIPs.

On 8 March 2017 the European Commission adopted the PRIIPs Delegated Regulation. The PRIIPs Regulation applies to the addressees of the provisions of the PRIIPs Regulation and the PRIIPs Delegated Regulation with effect from 1 January 2018. The PRIIPs Regulation is applicable as of 1 January 2018 to PRIIPs offered and distributed from 1 January 2018. Therefore, if the Notes were to qualify as PRIIPs, it cannot be excluded that the Issuer will be required to prepare a KID in relation to the Notes and incur costs and liabilities in relation thereto.

On 30 May 2017, the Second Chamber of Dutch Parliament adopted the Dutch act implementing the PRIIPs Regulation in the Dutch legislation (**Dutch PRIIPs Implementation Act**). On 6 June 2017 the First Chamber of Dutch Parliament adopted the Dutch PRIIPs Implementation Act. The Dutch PRIIPs Implementation Act entered into force with effect from 1 January 2018. The Dutch PRIIPs Implementation Act provides the AFM with powers as referred to in article 17 of the PRIIPs Regulation to prohibit the offer or distribution of insurance-based investment products to retail investors. From the text of the Dutch PRIIPs Implementation Act it is also unclear whether the Notes qualify as PRIIPs. Since 1 January 2018 neither EIOPA nor the AFM have provided further guidance as to whether or not the notes issued under securitisation transactions may qualify as PRIIPs.

On 14 May 2019 the European Commission sent a letter to the European Supervisory Authorities (EBA, ESMA and EIOPA) to address the question as to whether or not certain bond issues should, *ex ante*, be excluded from the applicability of the PRIIPS Regulation. The European Commission stated that even categories of bonds that could seem to fall outside the scope of the PRIIPs Regulation could still be based on contractual terms and conditions that would qualify those bonds as PRIIPs. Therefore, the European Commission stated that it is neither feasible nor prudent to agree *ex ante* and in abstract terms whether some categories of bonds fall under the PRIIPs Regulation or not.

## License requirement under the Wft

Under the Wft a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers in the Netherlands, such as the Issuer, must have a license under the Wft. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Wft. The Issuer has outsourced the servicing and administration of the Mortgage Receivables to the Servicer. The Servicer has, as an admitted institution (*aangesloten instelling*), the benefit of the license of an intermediary (*bemiddelaar*) under the Wft. The Issuer thus benefits from the exemption. If the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Receivables to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Wft. If the Servicing Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Receivables to a licensed entity and, in such case, it will not hold a license itself, the Issuer will have to terminate its activities and may have to sell the Mortgage Receivables, which could lead to losses under the Notes. In each Delegate Sub-Servicing Letter, the relevant Delegate Sub-Servicer has agreed to continue to perform the Mortgage Loan Services it performs as Delegate Sub-Servicer, in case the Servicing Agreement is terminated, for a certain period of nine (9) months and, subject to certain conditions to replace the Seller in its capacity as Servicer under the Servicing Agreement in respect of such services. In the Servicing Agreement the Issuer and the Security Trustee have undertaken to, upon termination of the Servicing Agreement in respect of the Servicer, use their best efforts to appoint a substitute servicer. However, no guarantee can be given that a servicing agreement with a substitute servicer will be entered into.

## Retention and disclosure requirements under the Securitisation Regulation

### *Risk retention and disclosure requirements under the Securitisation Regulation*

The Seller has undertaken in the Senior Subscription Agreement to each of the Joint Lead Managers and in the Mortgage Receivables Purchase Agreement to the Issuer and the Security Trustee, to retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 6 of the Securitisation Regulation. On the Closing Date, such material net economic interest will be held in accordance with article 6 of the Securitisation Regulation and will comprise of the entire interest in the first loss tranche of the securitisation transaction described in this Prospectus (held through the Class Z1 Notes and the Class Z2 Notes) and, if necessary, other tranches or claims having the same or a more severe risk profile than those sold to investors.

The Senior Subscription Agreement and the Mortgage Receivables Purchase Agreement include a representation and warranty and undertaking of the Seller (as originator) as to its compliance with the requirements set forth in article 6(1) up to and including (3) and article 9 of the Securitisation Regulation. In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make available materially relevant information to investors in accordance with article 7 of the Securitisation Regulation.

The Seller is the Reporting Entity for the purposes of article 7 of the Securitisation Regulation and will (or any agent on its behalf will):

- (a) from the Signing Date:

- (i) publish a quarterly investor report in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(e) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Investor Report by no later than the Notes Payment Date; and
  - (ii) publish on a quarterly basis certain loan-by-loan information in relation to the Mortgage Receivables in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(a) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the Notes Payment Date simultaneously with the quarterly investor report;
  - (iii) make available, by publication by Bloomberg or Intex respectively, on an ongoing basis, at least one of the liability cash flow models as referred to in article 22(3) of the Securitisation Regulation to Noteholders and, upon request, to potential investors in accordance with article 22(3) of the Securitisation Regulation and if there are any significant changes to the cash flows, will update such liability cash flow model accordingly;
  - (iv) as soon as it is technically able to source such information on the environmental performance of the Mortgage Receivables, publish on a quarterly basis information on the environmental performance of the Mortgage Receivables in accordance with the requirements stemming from article 22(4) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the relevant Notes Payment Date;
- (b) publish, in accordance with article 7(1)(f) of the Securitisation Regulation, without delay any inside information made public;
  - (c) publish without delay any significant event including any significant events described in article 7(1)(g) of the Securitisation Regulation; and
  - (d) make available, within 15 calendar days of the Closing Date, copies of the relevant Transaction Documents and this Prospectus.

The Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to in paragraphs (a) to (e) (inclusive) above as required under article 7 and article 22 of the Securitisation Regulation by means of:

- (a) once there is a SR Repository registered under article 10 of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction described in this Prospectus, the SR Repository; or
- (b) while no SR Repository has been registered and appointed by the Reporting Entity, the external website of <https://editor.eurowdw.eu/>, being an external website that conforms to the requirements set out in the fourth paragraph of article 7(2) of the Securitisation Regulation.

The Reporting Entity (or any agent on its behalf) will make the information referred to above available to the Noteholders, relevant competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes.

The quarterly investor reports shall include, in accordance with article 7(1), subparagraph (e)(iii) of the Securitisation Regulation, information about the risk retention, including information on which of the modalities provided for in article 6(3) has been applied, in accordance with article 6 of the Securitisation Regulation.

In addition and without prejudice to information to be made available by the Reporting Entity in accordance with article 7 of the Securitisation Regulation, the Issuer Administrator, on behalf of the Issuer, will prepare investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with information on the retention of the material net economic interest by the Seller. Such investor reports are based on the templates published by the DSA on its website. The investor reports can be obtained at: <https://www.vistra.com/services/alternative-investments/capital-markets/transaction-reporting> and/or [www.loanbyloan.eu](http://www.loanbyloan.eu) and/or the website of the DSA: [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl). The Issuer and the Seller may agree at any time in the future that the Issuer Administrator, on behalf of the Issuer, will no longer have to publish investor reports based on the templates published by the DSA.

Each prospective institutional investor (as such term is defined in the Securitisation Regulation) is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, Tulpenhuis (in its capacity as the Seller, the Servicer and the Reporting Entity), the Issuer Administrator nor the Arranger or the Joint Lead Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

#### *STS-securitisation*

Pursuant to article 18 of the Securitisation Regulation a number of requirements must be met if the originator and the SSPE's wish to use the designation 'STS' or 'simple, transparent and standardised' for securitisation transactions initiated by them. The securitisation transaction described in this Prospectus is intended to qualify as an STS-securitisation within the meaning of article 18 of the Securitisation Regulation. The Seller will submit an STS notification to ESMA in accordance with article 27 of the Securitisation Regulation prior to or on the Closing Date, pursuant to which compliance with the requirements of articles 19 to 22 of the Securitisation Regulation will be notified with the intention that the securitisation transaction described in this Prospectus is to be included in the list administered by ESMA within the meaning of article 27 of the Securitisation Regulation (at the date of this Prospectus: <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>). However, none of the Issuer, Tulpenhuis (in its capacity as the Seller, the Servicer and the Reporting Entity), the Issuer Administrator, the Arranger and the Joint Lead Managers gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of article 27 of the Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the Securitisation Regulation and (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of article 18 of the Securitisation Regulation after the date of this Prospectus.

Without prejudice to the above the Seller and the Issuer confirm the following to the extent relating to it, which confirmations are made on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA STS Guidelines Non-ABCP Securitisations) and regulations and interpretations in draft form at the time of this Prospectus, and are subject to any changes made therein after the date of this Prospectus:

- (a) For the purpose of compliance with article 20(1) of the Securitisation Regulation, (i) the Seller confirms that (X) pursuant to a warehouse mortgage receivables purchase agreement and multiple deeds of sale and assignment between the Seller and House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR and registration of such deeds of sale and assignment with the Dutch tax authorities, House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR purchased and accepted assignment of the Mortgage Receivables from the Seller as a result of which legal title to the Mortgage Receivables was transferred to House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR and such purchase and assignment was enforceable against the Seller and/or any third party of the Seller, subject to any applicable bankruptcy laws or similar laws affecting the rights of creditors and (Y) pursuant to a deed of repurchase and reassignment between House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR and the Seller, which will be executed as a notarial deed on or before the Closing Date, the Seller will repurchase and accept reassignment of the Mortgage Receivables from House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR as a result of which legal title to the Mortgage Receivables will be retransferred to the Seller and such repurchase and reassignment will be enforceable against House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR and/or any third party of House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR, subject to any applicable bankruptcy laws or similar laws affecting the rights of creditors and as a result thereof the requirement stemming from article 20(5) of the Securitisation Regulation is not applicable and (ii) the Seller and the Issuer confirm that pursuant to the Mortgage Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the Mortgage Receivables, the NHG Advance Rights and the Beneficiary Rights relating thereto by means of a registered Deed of Assignment and Pledge as a result of which legal title to the Mortgage Receivables, the NHG Advance Rights and the Beneficiary Rights relating thereto is transferred to the Issuer and such purchase and assignment will be enforceable against the Seller and third parties of the Seller, subject to any applicable bankruptcy laws or similar laws affecting the rights of creditors and as a result thereof the requirement stemming from article 20(5) of the Securitisation Regulation is not applicable (see also Section 7.1 (*Purchase, repurchase and sale*)).
- (b) For the purpose of compliance with article 20(2) of the Securitisation Regulation, the Seller and the Issuer confirm that the Dutch Bankruptcy Act (*Faillissementswet*) does not contain severe clawback provisions as referred to in article 20(2) of the Securitisation Regulation and the Seller will represent on the Closing Date or the relevant Purchase Date to the Issuer in the Mortgage Receivables Purchase Agreement that (a) its COMI is situated in the Netherlands and (b) it is not subject to any one or more of the insolvency and winding-up proceedings listed in Annex A to the Insolvency Regulation in any EU Member State and has not been dissolved (*ontbonden*), granted a (preliminary) suspension of payments (*(voorlopige) surseance verleend*) or declared bankrupt (*failliet verklaard*) (see also Section 3.4 (*Seller*)).
- (c) The Seller will represent on the Closing Date or the relevant Purchase Date in the Mortgage Receivables Purchase Agreement that each Mortgage Loan was originated by the Seller and as a result thereof, the requirement stemming from article 20(4) of the Securitisation Regulation is not applicable (see also Section 6.1 (*Stratification tables*) and Section 7.2 (*Representations and warranties*), subparagraph (i)).



- (d) For the purpose of compliance with the relevant requirements, among other provisions, stemming from articles 20(6), 20(7), 20(8), 20(10), 20(11) and 20(12) of the Securitisation Regulation, the Seller and the Issuer confirm that only Mortgage Receivables resulting from Mortgage Loans which satisfy the Mortgage Loan Criteria and, if applicable, the Additional Purchase Conditions and the representations and warranties made by the Seller in the Mortgage Receivables Purchase Agreement and as set out in Section 7.2 (*Representations and warranties*) will be purchased by the Issuer (see also Section 7.1 (*Purchase, repurchase and sale*), Section 7.2 (*Representations and warranties*) and Section 7.3 (*Mortgage Loan Criteria*)).
- (e) For the purpose of compliance with the requirements stemming from article 20(6) of the Securitisation Regulation, reference is made to the representation and warranty set forth in Section 7.2 (*Representations and warranties*), subparagraphs (c) and (d). On the Signing Date there are rights of pledge on the Mortgage Receivables in favour of Stichting Security Trustee Tulpenhuis 2019-1, the security trustee established for the warehouse transaction as referred to in item (a)(i) above, but these rights of pledge will be released on or before the Closing Date and as a result thereof, the Mortgage Receivables will on the Closing Date be free and clear of any rights of pledge in favour of any third party (other than any rights of pledge created pursuant to the Transaction Documents).
- (f) For the purpose of compliance with the requirements stemming from article 20(7) of the Securitisation Regulation, the Issuer and the Seller are of the view that the Transaction Documents do not allow for active portfolio management of the Mortgage Loan Receivables on a discretionary basis (see also Section 7.1 (*Purchase, repurchase and sale*)).
- (g) For the purpose of compliance with the requirements stemming from article 20(8) of the Securitisation Regulation, the Mortgage Receivables are homogeneous in terms of asset type, taking into account the cash flows, credit risk and prepayment characteristics of the Mortgage Receivables within the meaning of article 20(8) of the Securitisation Regulation and the Mortgage Loans satisfy the homogeneity conditions of Article 1(a), (b), (c) and (d) of the RTS Homogeneity (see also Section 6.1 (*Stratification tables*)). In addition, for the purpose of compliance with the relevant requirements stemming from article 20(8) of the Securitisation Regulation, reference is made to the representations and warranties set forth in Section 7.2 (*Representations and warranties*), subparagraphs (h) (see also section 6.3.10 (*Borrower*) and Mortgage Loan Criteria set forth in Section 7.3 (*Mortgage Loan Criteria*), subparagraphs (a), (g), (h) and (k) (see also Section 6.2 (*Description of Mortgage Loans*)). Furthermore, for the purpose of compliance with the relevant requirement stemming from article 20(8) of the Securitisation Regulation, a transferable security, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council will not meet the Mortgage Loan Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include such transferable securities (see also Section 7.3 (*Mortgage Loan Criteria*)).
- (h) For the purpose of compliance with article 20(9) of the Securitisation Regulation, a securitisation position as defined in the Securitisation Regulation will not meet the Mortgage Loan Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include such securitisation positions (see also Section 7.3 (*Mortgage Loan Criteria*)).

- (i) For the purpose of compliance with the requirements stemming from article 20(10) of the Securitisation Regulation, the Mortgage Loans have been originated in accordance with the ordinary course of Tulpenhuis' 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 Prospectus (see also Section 6.3.1 (*Origination process*) and Section 7.2 (*Representations and warranties*), subparagraph (i)). In addition, for the purpose of compliance with the relevant requirements stemming from article 20(10) of the Securitisation Regulation, (i) a summary of the underwriting standards is disclosed in this Prospectus and the Seller has undertaken in the Mortgage Receivables Purchase Agreement to fully disclose to the Issuer any material change to such underwriting standards pursuant to which the Mortgage Loans are originated without undue delay and the Issuer has undertaken in the Trust Deed to fully disclose such information to potential investors without undue delay upon having received such information from the Seller (see also Section 6.3 (*Origination and servicing*)), (ii) pursuant to the Mortgage Loan Criteria none of the Mortgage Loans may qualify as a Self-Certified Mortgage Loan (see Section 7.3 (*Mortgage Loan Criteria*), subparagraph (e)), (iii) the Seller will represent on the Closing Date or the relevant Purchase Date in the Mortgage Receivables Purchase Agreement that in respect of each Mortgage Loan, the assessment of the Borrower's creditworthiness was done in accordance with the Seller's underwriting criteria and meets the requirements set out in paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or of Article 8 of Directive 2008/48/EC (see also Section 7.2 (*Representations and warranties*), subparagraph (o), (t), (cc) and (dd) and Section 6.3.10 (*Borrower*)) and (iv) as both directors of Tulp Hypotheken B.V. (who, on behalf of the Seller, carries out the administrative activities regarding the offering, the review and acceptance of mortgage loans) have the relevant experience in the origination of mortgage loans similar to the Mortgage Loans, at a personal level, for at least five (5) years and senior staff of Tulp Hypotheken B.V., other than the directors, who are responsible for managing the origination of mortgage loans similar to the Mortgage Loans on behalf of the Seller have the relevant professional experience in the origination of mortgage loans of a similar nature to the Mortgage Loans, at a personal level, for at least five (5) years, and Stater (who, on behalf of Tulp Hypotheken B.V., in its turn acting on behalf of the Seller, carries out part of the administrative activities regarding the offering, the review and acceptance of mortgage loans) has the relevant experience in the origination of mortgage loans similar to the Mortgage Loans for at least five (5) years (see also Section 6.3.4 (*Stater Nederland B.V.*) and Section 6.3.5 (*Tulpenhuis, Tulp & Stater Nederland B.V.*)), the Seller (in its capacity as original lender and originator, each within the meaning of the Securitisation Regulation) is of the opinion that it has the required expertise in originating residential mortgage loans which are of a similar nature as the Mortgage Loans within the meaning of article 20(10) of the Securitisation Regulation, by means of its agents, Tulp Hypotheken B.V. and Stater (see also Section 3.4 (*Seller*) and Section 6.3 (*Origination and servicing*)).
- (j) For the purpose of compliance with the relevant requirements stemming from article 20(11) of the Securitisation Regulation, reference is made to the representations and warranties set forth in Section 7.2 (*Representations and warranties*), subparagraphs (t), (dd), (ee), (oo) and (qq) and the Mortgage Loan Criteria set forth in Section 7.3 (*Mortgage Loan Criteria*), subparagraph (q). The Mortgage Receivables forming part of the initial pool purported to be sold and assigned on the Closing Date do not include any exposures to Restructured Borrowers. To the extent any

Further Advance Receivables against Restructured Borrowers are sold and assigned on a purchase date after the Closing Date, the Seller undertakes in the Mortgage Receivables Purchase Agreement that it shall comply with the disclosure requirement set forth in article 20(11)(a)(ii) of the Securitisation Regulation in respect of such exposures. In addition, for the purpose of compliance with the relevant requirements stemming from article 20(11) of the Securitisation Regulation, the Mortgage Receivables forming part of the initial pool have been selected on the Cut-Off Date immediately preceding the Closing Date and shall be assigned by the Seller to the Issuer no later than on the Closing Date and any Further Advance Receivables will either be selected on the relevant Cut-Off Date or be assigned by the Seller to the Issuer on or about the date such Mortgage Receivables comes into existence, and such assignments therefore occur or will occur in the Seller's view without undue delay (see also Section 6.1 (*Stratification tables*)).

- (k) For the purpose of compliance with the requirements stemming from article 20(12) of the Securitisation Regulation, reference is made to the representations and warranties set forth in Section 7.2 (*Representations and warranties*), subparagraph (nn).
- (l) For the purpose of compliance with the requirements stemming from article 20(13) of the Securitisation Regulation, the repayments to be made to the Noteholders have not been structured to depend predominantly on the sale of the Mortgaged Assets securing the Mortgage Loans (see also Section 6.2 (*Description of Mortgage Loans*)).
- (m) For the purpose of compliance with the requirements stemming from article 21(1) of the Securitisation Regulation, each of the Senior Subscription Agreement and the Mortgage Receivables Purchase Agreement includes a representation and warranty and undertaking of the Seller (as originator) as to its compliance with the requirements set forth in article 6 of the Securitisation Regulation (see also the paragraph entitled Risk retention under the Securitisation Regulation under this Section 4.4 (*Regulatory and industry compliance*)).
- (n) For the purpose of compliance with the requirements stemming from article 21(2) of the Securitisation Regulation, the Issuer will hedge the interest rate exposure by entering into the Hedging Agreements with the Swap Counterparty in order to appropriately mitigate such interest rate exposure (see also Section 1 (*Risk factors*), the paragraph entitled 'Hedging Agreements' and Section 5.4 (*Hedging*)). In addition, for the purpose of compliance with the relevant requirements stemming from article 21(2) of the Securitisation Regulation, other than the Hedging Agreements, no derivative contracts are entered into by the Issuer and derivatives will not meet the Mortgage Loan Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include derivatives (see also Condition 3 (*Covenants of the Issuer*) and Section 7.3 (*Mortgage Loan Criteria*)). Furthermore, the Notes will be denominated in euro, the interest on the Notes will be payable quarterly in arrear in euro and the Mortgage Loans are denominated in euro (see also Condition 1 (*Form, Denomination and Title*), Condition 4(b) (*Interest Periods and Payment Dates*) and the Mortgage Loan Criterion set forth in Section 7.3 (*Mortgage Loan Criteria*), subparagraph (l)).
- (o) For the purpose of compliance with the requirements stemming from article 21(3) of the Securitisation Regulation, the Seller confirms that the Mortgage Loans bear a fixed rate of interest

(see also Section 5.1 (*Available funds*), Section 6.2 (*Description of the Mortgage Loans*) and the Mortgage Loan Criterion set forth in Section 7.3 (*Mortgage Loan Criteria*), subparagraph (g)).

- (p) For the purpose of compliance with the requirements stemming from article 21(4) of the Securitisation Regulation, the Seller and the Issuer confirm that upon the issuance of an Enforcement Notice, (i) no amount of cash shall be trapped in the Issuer Accounts and (ii) no automatic liquidation for market value of the Mortgage Receivables is required under the Transaction Documents (see also Conditions 6 (*Redemption*), 10 (*Events of Default*) and 11 (*Enforcement and Non-Petition*) and Section 7.1 (*Purchase, repurchase and sale*)). In addition, for the purpose of compliance with article 21(4) and article 21(9) of the Securitisation Regulation, the issuance of an Enforcement Notice, delivery of which by the Security Trustee will trigger a change from the Revenue Priority of Payments and the Redemption Priority of Payments into the Post-Enforcement and Call Option Exercise Priority of Payments, will be reported to the Noteholders without undue delay (see also Condition 10 (*Events of Default*) and Section 5.2 (*Priorities of Payment*)).
- (q) Prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Principal Funds will be applied by the Issuer in accordance with the Redemption Priority of Payments and as a result thereof the requirements stemming from article 21(5) of the Securitisation Regulation are not applicable (see also Section 5.1 (*Available Funds*) and Section 5.2 (*Priorities of Payment*)).
- (r) For the purpose of compliance with the requirements stemming from article 21(6) of the Securitisation Regulation, the Issuer confirms that it shall not purchase any new Mortgage Receivables after the Closing Date other than any Further Advance Receivables up to and excluding the First Optional Redemption Date subject to and in accordance with the terms set forth in the Mortgage Receivables Purchase Agreement (including, but not limited to, the Additional Purchase Conditions) (see also section 7.1 (*Purchase, repurchase and sale*)).
- (s) For the purpose of compliance with the requirements stemming from article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer are set forth in the Servicing Agreement (including the processes and responsibilities to ensure that a substitute servicer shall be appointed upon the occurrence of a termination event under the Servicing Agreement), a summary of which is included in Section 3.5 (*Servicer, Sub-Servicer and Delegate Sub-Servicers*) and Section 7.5 (*Servicing Agreement*), the contractual obligations, duties and responsibilities of the Issuer Administrator are set forth in the Administration Agreement, a summary of which is included in Section 3.6 (*Issuer Administrator*) and Section 5.7 (*Administration Agreement*), the contractual obligations, duties and responsibilities of the Security Trustee are set forth in the Trust Deed, a summary of which is included in Section 3.3 (*Security Trustee*) and Section 4.1 (*Terms and conditions*), the provisions that ensure the replacement of the Swap Counterparty are set forth in the Swap Agreement (see also Section 5.4 (*Hedging*)) and an undertaking in that regard is included in the Trust Deed, the provisions that ensure the replacement of the Issuer Account Bank are set forth in the Issuer Account Agreement (see also Section 5.6 (*Transaction Accounts*)) and the relevant rating triggers for potential replacements are set forth in the definition of Requisite Credit Rating.

- (t) As (i) both directors of the Sub-Servicer (acting on behalf of the Servicer) have the relevant experience in the servicing of mortgage loans similar to the Mortgage Loans, at a personal level, for at least five (5) years and senior staff, other than the directors, who are responsible for managing the Sub-Servicer's servicing of mortgage loans similar to the Mortgage Loans have the relevant professional experience in the servicing of mortgage loans of a similar nature to the Mortgage Loans, at a personal level, for at least five (5) years and (ii) Stater and Hypocasso (who, on behalf of the Sub-Servicer, carry out the servicing of the Mortgage Loans) have the relevant experience in the servicing of mortgage loans similar to the Mortgage Loans for at least five (5) years (see also Section 6.3.4 (*Stater Nederland B.V.*) and Section 6.3.5 (*Tulpenhuis, Tulp & Stater Nederland B.V.*)), and as a result thereof all Mortgage Loans are administered and serviced on behalf of the Servicer by the Sub-Servicer and Stater and Hypocasso, the Seller is of the opinion that it (in its capacity as Servicer), has the required expertise in servicing residential mortgage loans which are of a similar nature as the Mortgage Loans within the meaning of article 21(8) of the Securitisation Regulation, and each of Tulp Hypotheken B.V. (as Sub-Servicer), Stater and Hypocasso (each as Delegate Sub-Servicer) has well documented and adequate policies, procedures and risk management controls relating to the servicing of mortgage receivables (see also Section 3.5 (*Servicer, Sub-Servicer and Delegate Sub-Servicers*) and Section 6.3 (*Origination and servicing*)).
- (u) For the purpose of compliance with the requirements stemming from article 21(9) of the Securitisation Regulation, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies are set out in Tulpenhuis' administration manual by reference to which the Mortgage Loans, the Mortgage Receivables, the Mortgages and other security relating thereto, including, without limitation, the enforcement procedures will be administered and such administration manual is incorporated by reference in the Servicing Agreement (see also Section 6.3.14 (*Tulpenhuis' arrears and default management*), Section 6.3.15 (*Foreclosure process and management of deficits after foreclosure*)) and as the concept of payment holidays is not applicable to the Mortgage Loans, payment holidays will not be incorporated by reference in the Servicing Agreement. In addition, for the purpose of compliance with the requirements stemming from article 21(9) of the Securitisation Regulation, if and to the extent the Security Trustee has agreed, without the consent of the Noteholders in accordance with Condition 14(f) (*Modification agreed with the Security Trustee without consent of Noteholders*), to a change in the Priority of Payments, which change would materially adversely affect the repayment of any principal under the Notes, such change shall be reported to the Noteholders as soon as practicable thereafter (see also Condition 14(f) (*Modification agreed with the Security Trustee without consent of Noteholders*)).
- (v) For the purpose of compliance with the requirements stemming from article 21(10) of the Securitisation Regulation, the Trust Deed and Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Director*) contain provisions for convening meetings of Noteholders, voting rights of the Noteholders, the procedures in the event of a conflict between Classes and the responsibilities of the Security Trustee in this respect (see also Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Director*)).
- (w) The Seller has provided to potential investors (i) information regarding mortgage receivables deemed substantially similar to those being securitised by means of the securitisation transaction

described in this Prospectus pursuant to article 22(1) of the Securitisation Regulation over at least five (5) years as set out in Section 6.1 (*Stratification tables*), paragraph *Data on static and dynamic historical default and loss performance* of this Prospectus, a draft of which was made available to such potential investors prior to the pricing of the Notes and (ii) a liability cash flow model as referred to in article 22(3) of the Securitisation Regulation, which is published by Bloomberg or Intex respectively, prior to the pricing of the Notes and will, after the date of this Prospectus, on an ongoing basis make at least one of the aforementioned liability cash flow models available to Noteholders and, upon request, to potential investors in accordance with article 22(3) of the Securitisation Regulation in accordance with the Transparency Reporting Agreement (see also item (z) below) and if there are any significant changes to the cash flows, will update such liability cash flow model accordingly.

- (x) For the purpose of compliance with the requirements stemming from article 22(2) of the Securitisation Regulation, a sample of Mortgage Receivables has been externally verified by an appropriate and independent party prior to the date of this Prospectus (see also Section 6.1 (*Stratification tables*)). The Seller confirms no significant adverse findings have been found.
- (y) For the purpose of compliance with the requirements stemming from article 22(4) of the Securitisation Regulation, the Seller confirms that it shall as soon as it is technically able to source such information on the environmental performance of the Mortgage Receivables, publish on a quarterly basis information on the environmental performance of the Mortgage Receivables in accordance with the requirements stemming from article 22(4) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the relevant Notes Payment Date.
- (z) The Seller and the Issuer confirm that the information required pursuant to article 7 of the Securitisation Regulation (including the STS notification within the meaning of article 27 of the Securitisation Regulation) has been made available to potential investors upon their request prior to the pricing of the Notes and in accordance with the Securitisation Regulation, and each of them undertakes to make the relevant information pursuant to article 7 of the Securitisation Regulation, to the extent applicable, available to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, potential investors. Copies of the final Transaction Documents and the Prospectus shall be published on <https://editor.eurowdw.eu/> ultimately within 15 days of the Closing Date. For the purpose of compliance with article 7 of the Securitisation Regulation, the Seller (as originator) and the Issuer (as SSPE) have, in accordance with article 22(5) of the Securitisation Regulation designated the Seller as Reporting Entity to be responsible for compliance with article 7 of the Securitisation Regulation and in accordance with article 7(2) of the Securitisation Regulation, designated amongst themselves the Seller as the Reporting Entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of article 7(1) of the Securitisation Regulation (see also Section 5.8 (*Transparency Reporting Agreement*)). The Seller as Reporting Entity will (or will procure that any agent will on its behalf) for the purposes of article 7 of the Securitisation Regulation from the Signing Date, publish a quarterly investor report in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(e) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Investor Report by no later than the Notes Payment Date and publish on a quarterly basis certain loan-by-loan information in relation to the Mortgage Receivables in respect of each Notes Calculation Period, as required by and in accordance with

article 7(1)(a) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the Notes Payment Date simultaneously with the quarterly investor report. In addition, the Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to above as required under article 7 and article 22 of the Securitisation Regulation by means of, once there is a SR Repository registered under article 10 of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction described in this Prospectus, the SR Repository or while no SR Repository has been registered and appointed by the Reporting Entity, <https://editor.eurodw.eu/>, being an external website that conforms to the requirements set out in the fourth paragraph of article 7(2) of the Securitisation Regulation.

- (aa) The Reporting Entity shall make the information described in subparagraphs (f) and (g) of article 7(1) of the Securitisation Regulation available without delay.

The designation of the securitisation transaction described in this Prospectus as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MIFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the securitisation transaction described in this Prospectus as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. No assurance can be provided that the securitisation position described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation. Investors should verify the current status of the securitisation transaction described in this Prospectus on ESMA's website.

### **Dutch Securitisation Standard**

This Prospectus follows the template table of contents and the template glossary of defined terms (save as otherwise indicated in this Prospectus), and the Notes and Cash Reports to be published by the Issuer will follow the applicable template Notes and Cash Report (save as otherwise indicated in the relevant Notes and Cash Report), each as published by the Dutch Securitisation Association on its website [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl). As a result, the Notes comply with the standard created for residential mortgage-backed securities by the Dutch Securitisation Association. This has also been recognised by Prime Collateralised Securities initiative established by Prime Collateralised Securities (PCS) Europe as the Domestic Market Guideline for the Netherlands in respect of this asset class.

### **CRR Assessment, LCR Assessment and STS Verification**

Application has been made to PCS to assess compliance of the Notes with the criteria set forth in the CRR regarding STS-securitisations (i.e. the CRR Assessment and the LCR Assessment). There can be no assurance that the Notes will receive the CRR Assessment and/or the LCR Assessment (either before issuance or at any time thereafter) and that CRR is complied with. The LCR eligibility assessment made by PCS is based on the rules applicable as from 20 April 2020 and an independent assessment made by the Seller confirms that the requirements for the qualification of the Class A Notes as Level 2B HQLA assets as they currently apply are also being met to the fullest extent. In addition, an application has been made to PCS for the securitisation transaction described in this Prospectus to receive a report from PCS verifying compliance with the criteria stemming from article 18, 19, 20, 21 and 22 of the Securitisation Regulation (the **STS Verification**). There can be no assurance that the securitisation transaction described in this

Prospectus will receive the STS Verification (either before issuance or at any time thereafter) and if the securitisation transaction described in this Prospectus does receive the STS Verification, this shall not, under any circumstances, affect the liability of the originator and SSPE in respect of their legal obligations under the Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in article 5 of the Securitisation Regulation.

The STS Verifications, the CRR Assessments and the LCR Assessments (the **PCS Services**) are provided by Prime Collateralised Securities (PCS) EU SAS (**PCS**). No PCS Service is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act, nor within the meaning of the Commission Delegated Regulation (EU) 2019/980 dated 14 March 2019.

PCS is not a law firm and nothing in any PCS Service constitutes legal advice in any jurisdiction. PCS is authorised by the French Autorité des Marchés Financiers, pursuant to article 28 of the Securitisation Regulation, to act as a third-party verifying STS compliance. This authorisation covers STS Verifications in the European Union. Other than as specifically set out above, none of the activities involved in providing the PCS Services are endorsed or regulated by any regulatory and/or supervisory authority nor is PCS regulated by any other regulator including the Dutch Autoriteit Financiële Markten or the European Securities and Markets Authority.

By providing any PCS Service in respect of any securities PCS does not express any views about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings. Investors should conduct their own research regarding the nature of the CRR Assessment, LCR Assessment and STS Verification and must read the information set out in <http://pcsmarket.org>. In the provision of any PCS Service, PCS has based its decision on information provided directly and indirectly by the Seller. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any PCS Service is not a confirmation or implication that the information provided by or on behalf of the Seller as part of the relevant PCS Service is accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in articles 20 to 26 of the Securitisation Regulation together with, if relevant, the appropriate provisions of article 43, (together, the **STS criteria**). Unless specifically mentioned in the STS Verification, PCS relies on the English version of the Securitisation Regulation. In addition, article 19(2) of the Securitisation Regulation requires the European Banking Authorities, from time to time, to issue guidelines and recommendations interpreting the STS criteria. The EBA has issued the EBA STS Guidelines Non-ABCP Securitisations. The task of interpreting individual STS criteria rests with national competent authorities (**NCA**s). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria (**NCA Interpretations**). The STS criteria, as drafted in the Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling an STS Verification, PCS uses its discretion to interpret the STS criteria based on (a) the text of the Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCA Interpretation. There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by EBA or NCA Interpretations may not differ in their approach from those used by



PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA Guidelines and therefore used, prior to the publication of such NCA interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCA. Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

The task of interpreting individual CRR criteria, liquidity coverage ratio (**LCR**) criteria as well as the final determination of the capital required by a bank to allocate for any investment or the type of assets it may put in its LCR pool rests with prudential authorities supervising any European bank. The CRR/LCR criteria, as drafted in the CRR, are subject to a potentially wide variety of interpretations. In compiling a CRR Assessment / LCR Assessment, PCS uses its discretion to interpret the CRR/LCR criteria based on the text of the CRR, and any relevant and public interpretation by the EBA. Although PCS believes its interpretations reflect a reasonable approach, there can be no guarantees that any prudential authority or any court of law interpreting the CRR/LCR criteria will agree with the PCS interpretation. PCS also draws attention to the fact that, in assessing capital requirements and the composition of any bank's LCR pool, prudential regulators possess wide discretions.

Accordingly, when performing a CRR Assessment / LCR Assessment, PCS is not confirming or indicating that the securitisation the subject of such assessment will be allowed to have lower capital allocated to it under the CRR Regulation or that it will be eligible to be part of any bank's LCR pool. PCS is merely addressing the specific CRR/LCR criteria and determining whether, in PCS' opinion, these criteria have been met.

Therefore, no bank should rely on a CRR Assessment / LCR Assessment in determining the status of any securitisation in relation to capital requirements or liquidity coverage ratio pools and must make its own determination. All PCS Services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any PCS Service. PCS has no obligation and does not undertake to update any PCS Service to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those STS criteria that speak to actions taking place following the close of any transaction such as – without limitation – the obligation to continue to provide certain mandated information.

### **U.S. Risk Retention**

The U.S. Risk Retention Rules came into effect on 24 December 2015 and generally require the “securitizer” of a “securitization transaction” to retain at least five (5) per cent. of the “credit risk” of “securitized assets”, as such terms are defined for purpose of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The issue of the Notes will not involve risk retention by the Seller or any other party within the meaning of, and for the purposes of, the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption

provided for in Section 246.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (i) the transaction is not required to be and is not registered under the Securities Act; (ii) no more than ten (10) per cent. of the U.S. 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**); (iii) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the U.S. of a non-U.S. entity; and (iv) 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 U.S.

Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

### **Volcker Rule**

The Issuer is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the **Volcker Rule**). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the **Investment Company Act**) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determinations that (i) the Issuer would satisfy all of the elements of the exemption from registration under the Investment Company Act provided by Section 3(c)(5)(C) thereunder, and, accordingly, (ii) 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) of the Investment Company Act for their exclusion and/or exemption from registration under the Investment Company Act.

### **Developments relating to COVID-19**

In December 2019, a novel strain of COVID-19 was reported in Wuhan, China. The World Health Organization has classified COVID-19 as a global pandemic. Governments around the world have implemented measures to combat the spread of the virus, including travel bans, quarantines and restrictions on public gatherings and commercial activity. Such measures have disrupted the normal flow of business operations in those countries and regions, have affected global supply chains and resulted in uncertainty across the global economy and financial markets.

It is noted that to mitigate the consequences of the COVID-19 Pandemic, governments in various countries have introduced measures aimed at mitigating the economic consequences of the outbreak. The Dutch government has announced and has taken economic measures aimed at protecting jobs, households' wages and companies, such as by way of tax payment holidays, guarantee schemes and a compensation scheme for heavily affected sectors in the economy.

Governments, regulators and central banks, including the ECB and DNB, have also announced that they are taking or considering measures in order to safeguard the stability of the financial sector, to prevent lending to the business sector from being severely impaired and to ensure the payment system continues to function properly. In a press release issued on 17 March 2020, the DNB announced that it had decided to temporarily give banks additional leeway to continue business lending and absorb potential losses.

The exact ramifications of the COVID-19 outbreak are highly uncertain and it is difficult to predict the further spread or duration of the pandemic and the economic effects thereof, or the effect of current or any future measures aimed at preventing a further spread of COVID-19 and mitigating the negative impact of COVID-19 on the economy and financial markets, in general, but also in respect of the Seller and other counterparties of the Issuer and in particular, the Borrowers (see also risk factors *Risks related to COVID-19* and *The Issuer has counterparty risk exposure*), whether direct or indirect, such as by increasing sovereign debt of certain countries which may result in increased volatility and widening credit spreads.

Forecasts of growth in 2019 and 2020 for some of the largest European economies were in the process of being significantly revised at the start of 2020. Germany was set to suffer weaker industrial production following global trade disputes and disruptions to supply chains. Italy has been facing a slowing business investment and a softening labor market and France has been experiencing lower public and private investment and slower growth in private consumption. The forecasts for the three largest economies in the Eurozone, and the Eurozone are now expected to be severely affected by a prolonged disruption and lockdown caused by the COVID-19 Pandemic. In an attempt to mitigate the economic fallout caused by the COVID-19 Pandemic, various fiscal initiatives as well as an expanded quantitative easing program of the ECB have been implemented. On 21 July, EU leaders agreed on a EUR 750 billion recovery effort, Next Generation EU, to help the EU tackle the crisis caused by the COVID-19 Pandemic. Alongside the recovery package, EU leaders agreed on a EUR 1074.3 billion long-term EU budget for 2021-2027. Among others, the budget will support investment in digital and green transitions. Together with the EUR 540 billion of funds already in place for the three safety nets (for workers, for businesses and for member states), the overall EU's recovery package amounts to EUR 2,364.3 billion. These measures are designed to improve confidence in Eurozone equities and encourage private bank lending however there remains considerable uncertainty as to whether such measures, will be sufficient to ensure economic recovery or avert the threat of sovereign default.

#### **4.5 Use of proceeds**

The aggregate proceeds of the Notes to be issued on the Closing Date amount to EUR 229,686,171.

The aggregate proceeds of the issue of the Notes, other than the Class Z2 Notes, part of the Class X Notes in an amount equal to EUR 1,239,171 and the Class R Notes, amount to EUR 224,647,000. This amount will be applied by the Issuer on the Closing Date to pay to the Seller the Purchase Price for the Mortgage Receivables purchased on the Signing Date under the Mortgage Receivables Purchase Agreement. An amount of EUR 1,241,779.87, being equal to the Aggregate Construction Deposit Amount will be withheld by the Issuer from the Purchase Price payable on the Closing Date and deposited in the Construction Deposit Account.

The aggregate proceeds of the Class Z2 amount to EUR 3,600,000. This amount will be credited to the Reserve Account and is equal to the Reserve Account Second Target Level as at the Closing Date.

The aggregate proceeds of part of the Class X Notes in an amount equal to EUR 1,239,171 and the Class R Notes amount to EUR 1,439,171. This amount will be applied by the Issuer to pay the costs of setting-up the transaction described in this Prospectus.

#### **4.6 Taxation in the Netherlands**

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes and does not purport to describe every aspect of taxation that may be relevant to a particular holder. Tax matters are complex, and the tax consequences of the issuance to a particular holder of Notes will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult his own tax advisor for a full understanding of the tax consequences of the issuance to him, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this Section 4.6 (*Taxation*) does not address the Dutch tax consequences for a holder of Notes who:

- (i) is a person who may be deemed an owner of Notes for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;

- (ii) is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from Notes;
- (iii) is an investment institution as defined in the Dutch Corporation Tax Act 1969;
- (iv) owns Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;
- (v) has a substantial interest in the Issuer or a deemed substantial interest in the Issuer for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5% or more of the shares or of any class of shares of the Issuer, or rights to acquire, directly or indirectly, such an interest in the shares of the Issuer or profit participating certificates relating to 5% or more of the annual profits or to 5% or more of the liquidation proceeds of the Issuer, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Issuer are held by him following the application of a non-recognition provision; or
- (vi) is for Dutch tax purposes taxable as a corporate entity and resident of Aruba, Curaçao or Sint Maarten.

### ***Withholding tax***

All payments under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except that as of 1 January 2021, Dutch withholding tax may apply with respect to payments of interest made or deemed to be made by the Issuer, within the meaning of the Dutch Withholding Tax Act 2021, if the interest payments are made or deemed to be made to a related party which, (i) is resident in a low-tax or non-cooperative jurisdiction as specifically listed in an annually updated Dutch regulation, (ii) has a permanent establishment in any such jurisdiction to which the interest is attributable, (iii) is neither resident in the Netherlands nor in a low-tax or non-cooperative jurisdiction, and is entitled to the interest with the main purpose or one of the main purposes to avoid taxation of another person, (iv) is a hybrid entity, or (v) is not resident in any jurisdiction.

### ***Taxes on income and capital gains***

#### ***Resident holders of Notes***

A holder of Notes who is resident or deemed to be resident in the Netherlands for Dutch tax purposes is fully subject to Dutch income tax if he is an individual or fully subject to Dutch corporation tax if it is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, as described in the summary below.

#### ***Individuals deriving profits or deemed to be deriving profits from an enterprise***

Any benefits derived or deemed to be derived from or in connection with Notes that are attributable to an enterprise from which an individual derives profits, whether as an entrepreneur or pursuant to a co-

entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates up to 49.5%.

#### *Individuals deriving benefits from miscellaneous activities*

Any benefits derived or deemed to be derived from or in connection with Notes that constitute benefits from miscellaneous activities by an individual are generally subject to Dutch income tax at progressive rates up to 49.5%.

An individual may, *inter alia*, derive or be deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities if his investment activities go beyond regular active portfolio management.

#### *Other individuals*

If a holder of Notes is an individual whose situation has not been discussed before in this Section 4.6 (*Taxation*) – “Taxes on income and capital gains – Resident holders of Notes”, the value of his Notes forms part of the yield basis for purposes of tax on benefits from savings and investments. A deemed benefit, which is determined on the basis of progressive rates starting from 1.789% up to 5.28% per annum of this yield basis, is taxed at the rate of 30%. Actual benefits derived from or in connection with his Notes are not subject to Dutch income tax.

#### *Corporate entities*

Any benefits derived or deemed to be derived from or in connection with Notes that are held by a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, are generally subject to Dutch corporation tax.

#### *General*

A holder of Notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

### ***Non-resident holders of Notes***

#### *Individuals*

If a holder of Notes is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax, he will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- (i) he derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes are attributable to such permanent establishment or permanent representative; or
- (ii) he derives benefits or is deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities performed in the Netherlands.

### *Corporate entities*

If a holder of Notes is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporation tax, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- (i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative its Notes are attributable; or
- (ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Notes are attributable.

### *General*

If a holder of Notes is neither resident nor deemed to be resident in the Netherlands, such holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

### **Gift and inheritance taxes**

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Notes by way of gift by, or upon the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of Notes becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Notes made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

### **Registration taxes and duties**

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, the performance by the Issuer of its obligations under such documents or under Notes, or the transfer of Notes.

### **Value added tax (VAT)**

No Netherlands VAT will be payable by the holders of the Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

## 4.7 Security

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges under the Pledge Agreements in favour of the Security Trustee, in the Trust Deed a Parallel Debt is created. The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim (*eigen en zelfstandige vordering*) to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Creditors shall be reduced by an amount equal to the amount so received and vice versa. The same applies, *mutatis mutandis*, to the parallel debt included in the Collection Foundation Account Pledge Agreement.

To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Creditors in accordance with, until the delivery of an Enforcement Notice, the Revenue Priority of Payments and the Redemption Priority of Payments and, after the delivery of an Enforcement Notice, the Post-Enforcement and Call Option Exercise Priority of Payments. After the delivery of an Enforcement Notice, the amounts due to the Secured Creditors will, broadly, be equal to amounts recovered (*verhaald*) by the Security Trustee on the Mortgage Receivables and other assets pledged to the Security Trustee under the Issuer Mortgage Receivables Pledge Agreement, any Deed of Assignment and Pledge, the Issuer Rights Pledge and the Issuer Account Pledge Agreement.

The Issuer will vest a right of pledge in favour of the Security Trustee on the Mortgage Receivables, the NHG Advance Rights and the Beneficiary Rights on the Closing Date pursuant to the Issuer Mortgage Receivables Pledge Agreement and the relevant Deed of Assignment and Pledge, governed by Dutch law, and undertakes to grant a first ranking right of pledge on the relevant Further Advance Receivables on the Purchase Date on which they are acquired, which, together with the other Security, will secure the payment obligations of the Issuer to the Security Trustee under the Trust Deed and any other Transaction Documents. The pledge on the Mortgage Receivables will not be notified to the Borrowers, except upon the occurrence of certain notification events, which are similar to the Assignment Notification Events but relating to the Issuer, including the delivery of an Enforcement Notice by the Security Trustee (the **Pledge Notification Events**). Notification of the undisclosed right of pledge in favour of the Security Trustee can be validly made after bankruptcy or the granting of a suspension of payments in respect of the Issuer. Prior to notification of the pledge to the Borrowers, the pledge will be an undisclosed right of pledge (*stil pandrecht*) within the meaning of Section 3:239 of the Dutch Civil Code.

From the occurrence of a Pledge Notification Event and, consequently notification to the Borrowers and withdrawal of the power to collect, the Security Trustee will collect (*innen*) all amounts due to the Issuer and the Seller whether by the Borrowers or any other parties to the Transaction Documents. Pursuant to the Trust Deed, the Security Trustee will, until the delivery of an Enforcement Notice for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or procure the payment of certain amounts to the Issuer, whilst for that sole purpose terminating (*opzeggen*) its right of pledge.

In addition, a right of pledge will be vested by the Issuer in favour of the Security Trustee on the Signing Date pursuant to the Issuer Rights Pledge Agreement, governed by Dutch law, over all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing



Agreement, (iii) the Administration Agreement, (iv) the Receivables Proceeds Distribution Agreement, (v) the Hedging Agreements and (vi) the Beneficiary Waiver Agreement. The Issuer Rights include all rights ancillary thereto. The rights of pledge pursuant to the Issuer Rights Pledge Agreement will be notified to the relevant obligors and will, therefore, be a disclosed right of pledge (*openbaar pandrecht*), but the Security Trustee will grant a power to collect to the Issuer which will be withdrawn upon the occurrence of any of the Pledge Notification Events.

In addition, a right of pledge will be vested by the Issuer in favour of the Security Trustee on the Signing Date pursuant to the Issuer Account Pledge Agreement, governed by Dutch law, over all rights of the Issuer under or in connection with Issuer Transaction Accounts and the Swap Cash Collateral Account. The right of pledge created under the Issuer Account Pledge Agreement will be notified to the Issuer Account Bank in order for them to be accepted by the Issuer Account Bank and to obtain from the Issuer Account Bank a waiver of any pre-existing security interests and other rights in respect of the relevant accounts it may have. Following the occurrence of any of the Pledge Notification Events, the Issuer shall no longer be entitled to operate the relevant accounts and the Security Trustee will be granted a power to enforce the right of pledge over the accounts, in accordance with the terms of the Issuer Account Pledge Agreement. The Security Trustee may only enforce any Security it holds over any Swap Collateral Account once (i) the relevant hedging transactions have been closed out or terminated in accordance with the relevant Hedging Agreement and (ii) any amounts or securities payable or deliverable to the Swap Counterparty under the relevant Hedging Agreement have been paid or delivered.

The rights of pledge created in or pursuant to the Issuer Mortgage Receivables Pledge Agreement, the Issuer Rights Pledge Agreement and the Issuer Account Pledge Agreement secure any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Trust Deed and any other Transaction Documents.

Pursuant to the Collection Foundation Account Pledge Agreement, the Collection Foundation has granted a first ranking right of pledge on the balances standing to the credit of the Collection Foundation Account, in favour of Stichting Security Trustee Ontvangsten Tulp, who acts for the benefit of all issuers (and any security trustees) in (future) securitisation transactions, covered bonds transactions, warehouse transactions, whole loan funding transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) by the Seller or group companies thereof. Such right of pledge is governed by Dutch law and has been notified to the Collection Foundation Account Provider.

In this respect it has been agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of one of the parties, such defaulting party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

The security rights described above shall serve as security for the benefit of the Secured Creditors, including each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class Z1 Noteholders, the Class Z2 Noteholders, the Class X Noteholders and the Class R Noteholders, but (i) payments of principal and, in certain circumstances, interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and, in certain circumstances, interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal, and in certain

circumstances, interest, on the Class Z1 Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, and in certain circumstances, payment of principal on the Class X Notes, (iv) in certain circumstances, payments of principal and interest, on the Class Z2 Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes, and in certain circumstances, payment of principal on the Class X Notes and the Class R Notes, (v) in certain circumstances payments of principal and the Class X Residual Amount, on the Class X Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, and in certain circumstances, payments of principal and interest on the Class Z1 Notes, the Class Z2 Notes and the Class R Notes, (vi) in certain circumstances payments of principal and the Class R Residual Amount, on the Class R Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes and the Class X Notes and in certain circumstances, the Class Z2 Notes.

The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain other payment obligations set forth in the applicable Priority of Payments. See further Section 5.2 (*Priorities of Payments*).

The obligation to pay the Subordinated Step-up Consideration in respect of any Class (other than the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes) is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Rated Notes in accordance with the Conditions and the Trust Deed. See further Section 4.1 (*Terms and conditions*) and (see further Section 5 (*Credit structure*) below).

Under Dutch law the Security Trustee can, in the event of bankruptcy or suspension of payments of the Issuer, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Issuer, after notification of the assignment and prior to notification of the right of pledge over the Mortgage Receivables but on or after the date of the bankruptcy or (preliminary) suspension of payments of the Issuer, will form part of the bankruptcy estate of the Issuer, although the pledgee has the right to receive such amounts as a preferential creditor after deduction of certain bankruptcy-related costs, (ii) a mandatory freezing-period of up to four (4) months may apply in the case of bankruptcy or suspension of payments, which, if applicable, would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in the case of bankruptcy of the Issuer.

#### **4.8 Credit ratings**

It is a condition precedent to issuance that the Class A Notes, on issue, be assigned an AAA(sf) credit rating by DBRS and an AAAsf credit rating by Fitch, that the Class B Notes, on issue, be assigned an AA (low)(sf) credit rating by DBRS and an AAsf credit rating by Fitch, that the Class C Notes, on issue, be assigned an A (low)(sf) credit rating by DBRS and an A-sf credit rating by Fitch. Each of the Credit Rating Agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

Each of the Credit Rating Agencies engaged by the Issuer to rate the Rated Notes has agreed to perform rating surveillance with respect to its ratings for as long as the Notes remain outstanding. Fees for such rating surveillance by the Credit Rating Agencies will be paid by the Issuer. Although the Issuer will pay fees for ongoing rating surveillance by the Credit Rating Agencies, the Issuer has no obligation or ability to ensure that any Credit Rating Agency performs rating surveillance. In addition, a Credit Rating Agency may cease rating surveillance if the information furnished to that Credit Rating Agency is insufficient to allow it to perform surveillance.

The Credit Rating Agencies have informed the Issuer that the "sf" designation in their ratings represents an identifier for structured finance product ratings. For additional information about this identifier, prospective investors can go to the related rating agency's website. The Issuer, the Arranger and the Joint Lead Managers have not verified, do not adopt and do not accept responsibility for any statements made by the Credit Rating Agencies on their internet websites. Credit ratings referenced throughout this Prospectus are forward-looking opinions about credit risk and express an agency's opinion about the ability of and willingness of an issuer of securities to meet its financial obligations in full and on time. Ratings are not indications of investment merit and are not buy, sell or hold recommendations, a measure of asset value, or an indication of the suitability of an investment.

The credit ratings assigned by DBRS on the Closing Date address (a) the timely payment of interest and ultimate payment of principal to the Class A Noteholders, (b) the ultimate payment of principal and ultimate payment of interest to the Class B Noteholders prior to them being the most senior class of note outstanding and timely payment of interest once they are the most senior outstanding class of notes, and (c) the ultimate payment of interest and principal to the Class C Noteholders by a date that is not later than the Final Maturity Date, each in accordance with and subject to the Conditions but, for the avoidance of doubt, do not address the likelihood of payment of the Subordinated Step-up Consideration (being an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year) in respect of any of the Classes of Notes.

The credit ratings assigned by Fitch on the Closing Date address the likelihood of (a) timely payment of interest to the Class A Noteholders and the Class B Noteholders on each Notes Payment Date and payment in full of principal to the Class A Noteholders and the Class B Noteholders by a date that is not later than the Final Maturity Date and (b) full payment of interest and principal due to the Class C Noteholders by a date that is not later than the Final Maturity Date prior to them being the Most Senior Class of Notes outstanding and timely payment of interest once they are the Most Senior Class of Notes outstanding, but, for the avoidance of doubt, do not address the likelihood of payment of the Subordinated Step-up Consideration (being an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year) in respect of any of the Classes of Notes.

Any decline in or withdrawal of the credit ratings of the Rated Notes or changes in credit rating methodologies may affect the market value of the Notes. Furthermore, the credit ratings may not reflect the potential impact of all rights related to the structure, market, additional factors discussed above or below and other factors that may affect the value of the Notes.

There is no assurance that any credit ratings assigned by the Credit Rating Agencies on the Closing Date will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Credit Rating Agencies if, in any of the Credit Rating Agencies' judgment, circumstances so warrant. The Issuer does not have an obligation to maintain the credit ratings assigned to the Rated Notes.

The Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes will not be assigned a credit rating.

Other credit rating agencies that have not been engaged to rate the Notes by the Issuer may issue unsolicited credit ratings on the Notes at any time. Any unsolicited ratings in respect of the Notes may differ from the ratings expected to be assigned by Fitch and DBRS and may not be reflected in any final terms.

Notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Credit Rating Agencies in respect of any confirmation given by them and relied upon by the Security Trustee, the Security Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders if the Credit Rating Agencies have confirmed that the then current rating of the applicable Class or Classes of Notes would not be adversely affected by such exercise.

A credit rating is an assessment of credit risk and does not address other matters that may be of relevance to the Noteholder. A confirmation from a Credit Rating Agency regarding any action proposed to be taken by the Security Trustee and the Issuer does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While Noteholders are entitled to have regard to the fact that the Credit Rating Agencies have confirmed that the then current credit ratings of Rated Notes would not be adversely affected, a confirmation from the relevant Credit Rating Agency does not impose or extend any actual or contingent liability on the Credit Rating Agencies to such Noteholders, the Issuer, the Security Trustee or any other person or create any legal relationship between the Credit Rating Agencies and the Noteholders, the Issuer, the Security Trustee or any other person whether by way of contract or otherwise.

Any confirmation from the relevant Credit Rating Agency may or may not be given at the sole discretion of such Credit Rating Agency. It should be noted that, depending for example 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 Credit Rating Agency cannot provide a confirmation in the time available or at all, and the relevant Credit Rating Agency shall not be responsible for the consequences thereof. Confirmation, if given by the relevant Credit Rating Agency, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction described in this Prospectus of which the securities form part since the Closing Date.

A confirmation from the relevant Credit Rating Agency represents only a restatement or confirmation of the opinions given as at, in relation to DBRS, such time, and in relation to Fitch, the Closing Date, and cannot be construed as advice for the benefit of any parties to the transaction described in this Prospectus.

The Credit Rating Agencies may change their criteria and methodologies and it may therefore be required that the Transaction Documents be restructured in connection therewith to prevent a downgrade of the credit ratings assigned to the Notes. There is, however, no obligation for any party to the Transaction Documents, including the Issuer, to cooperate with or to initiate or propose such a restructuring. A failure to restructure the transaction described in this Prospectus may lead to a downgrade of the credit ratings assigned to the Rated Notes.

## 5 CREDIT STRUCTURE

*The structure of the credit arrangements for the proposed issue of the Notes may be summarised as set out below.*

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting.

The ability of the Issuer to meet its obligations in full to pay its operating and administrative expenses and principal of and interest, if any, on the Notes will be dependent solely on (a) the receipt by it of funds under the Mortgage Receivables, (b) the proceeds of the sale of any Mortgage Receivables, (c) the receipt by it of payments under the Swap Agreement, (d) in certain circumstances, drawings under the Reserve Account, and (e) the receipt by it of interest in respect of the balance standing to the credit of the relevant Issuer Transaction Accounts. The Issuer does not have any other resources available to it to meet its obligations under the Notes.

Each of the Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with the relevant Priority of Payments (see Section 5.2 (*Priorities of Payments*)). The Noteholders and the other Secured Creditors shall not have recourse on any assets of the Issuer other than (i) the Mortgage Receivables, (ii) the balance standing to the credit of the Issuer Transaction Accounts and, subject to certain conditions being met, the balance standing to the credit of the Swap Cash Collateral Account, and (iii) the rights and amounts received under the Transaction Documents. 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 Trust Deed in priority to the Notes are insufficient to pay in full all principal, interest and Subordinated Step-up Consideration, if any, and other amounts whatsoever due in respect of such Notes, the Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts (see Condition 9(d) (*Limited recourse*)).

### 5.1 Available funds

#### Available Revenue Funds

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated on each Notes Calculation Date, received or to be received or held by the Issuer in respect of the immediately preceding Notes Calculation Period or on the immediately succeeding Notes Payment Date (excluding, for the avoidance of doubt, any Tax Credit, any Excess Swap Collateral and any Swap Replacement Premium, other than any amounts remaining on the Swap Replacement Ledger which should form part of the Available Revenue Funds in accordance with the Administration Agreement) (items under (i) up to and including (xii) less items (xiii), (xiv), (xv) and (xvi) hereafter being referred to as the **Available Revenue Funds**):

- (i) interest, including interest penalties, on the Mortgage Receivables and, for the avoidance of doubt, to the extent relating to the Construction Deposit;
- (ii) interest accrued and received on the Issuer Transaction Accounts;
- (iii) Prepayment Penalties under the Mortgage Receivables;

- (iv) Net Foreclosure Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal;
- (v) amounts from the Swap Counterparty under the Hedging Agreements, excluding any Swap Collateral (for the avoidance of doubt, unless such collateral is available for inclusion in the Available Revenue Funds in accordance with the Trust Deed in connection with the termination of the Swap Agreement) and excluding any Swap Replacement Premium payable by a replacement swap counterparty which is to be applied towards a termination payment in accordance with the Trust Deed;
- (vi) amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement, any Pre-agreed Compensation Amounts or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (vii) amounts received in connection with (a) a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal and (b) the exercise of a Remarketing Call Option, to the extent such amounts do not relate to principal, as calculated at the date of such exercise;
- (viii) any amounts received, recovered or collected from a Borrower in respect of a Mortgage Receivable in addition to Net Foreclosure Proceeds, whether in relation to interest, principal or otherwise, following completion of foreclosure on the Mortgage and other collateral securing the Mortgage Receivable, to the extent such amounts are not due and payable to Stichting WEW to satisfy its claim resulting from payment made by it under the NHG Guarantees;
- (ix) amounts to be drawn from the Reserve Account in accordance with the Trust Deed and the Administration Agreement;
- (x) an amount equal to the Revenue Shortfall Amount on the immediately succeeding Notes Payment Date;
- (xi) amounts to be drawn from the Issuer Collection Account with a corresponding debit to the Revenue Reconciliation Ledger on the immediately succeeding Notes Payment Date; and
- (xii) any amounts standing to the credit of the Issuer Collection Account, after all amounts of interest and principal due in respect of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, have been paid in full,

**less:**

- (xiii) any amount of the Available Revenue Funds to be credited to the Revenue Reconciliation Ledger on the immediately succeeding Notes Payment Date;
- (xiv) an amount equal to the highest applicable corporate income tax rate (25 per cent. in 2020) of the higher of (A) EUR 3,500 and (B) ten (10) per cent. of the amount due and payable per annum by the Issuer to the Issuer Director, pursuant to item (a) of the Revenue Priority

of Payments, representing taxable income for corporate income tax purposes in the Netherlands (the **Profit**);

- (xv) an amount paid to third parties (other than pursuant to any of the Transaction Documents) under obligations incurred in the Issuer's business at a date which is not a Notes Payment Date during the relevant Notes Calculation Period; and
- (xvi) any NHG Return Amount (to the extent such amount relates to (a) item (ii) of the definition thereof and (b) interest) paid to Stichting WEW during the previous Notes Calculation Period,

will be applied in accordance with the Revenue Priority of Payments.

### **Available Principal Funds**

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts calculated on each Notes Calculation Date received or to be received or held by the Issuer in respect of the immediately preceding Notes Calculation Period or on the immediately succeeding Notes Payment Date (items under (i) up to and including (viii) less items (ix), (x), (xi) and (xii) hereinafter being referred to as the **Available Principal Funds**):

- (i) as amounts received in connection with a repayment or prepayment in part or in full of principal under the Mortgage Receivables;
- (ii) as Net Foreclosure Proceeds on any Mortgage Receivable, to the extent such proceeds relate to principal;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement, any Pre-agreed Compensation Amounts and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement, to the extent such amounts relate to principal;
- (iv) as amounts received in connection with (a) a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal and (b) the exercise of a Remarketing Call Option, to the extent such amounts relate to principal, as calculated at the date of such exercise;
- (v) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement;
- (vi) as amounts received on the Issuer Collection Account on the preceding Mortgage Collection Payment Date from the credit balance of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement;
- (vii) as any amounts to be drawn from the Issuer Collection Account with a corresponding debit to the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date; and
- (viii) as Additional Principal Amount,



**less:**

- (ix) any amount equal to the Revenue Shortfall Amount on the immediately succeeding Notes Payment Date;
- (x) any amount to be credited to the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date;
- (xi) any amounts paid or to be paid in or towards satisfaction of the Purchase Price for the Further Advance Receivables purchased during the previous Notes Calculation Period (other than on the previous Notes Payment Date falling in such Notes Calculation Period) or on the relevant Notes Payment Date; and
- (xii) any NHG Return Amount (to the extent such amount relates to (a) item (ii) of the definition thereof and (b) principal) paid to Stichting WEW during the previous Notes Calculation Period,

will be applied in accordance with the Redemption Priority of Payments.

**Cash collection arrangements**

Payments by the Borrowers of interest and scheduled principal under the Mortgage Loans are due on the next to last Business Day of each calendar month, interest being payable in arrear. All payments made by Borrowers must be paid into the Collection Foundation Account maintained by the Collection Foundation with the Collection Foundation Account Provider. The Collection Foundation Account is also used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys to which the Seller is entitled vis-à-vis the Collection Foundation.

Although the Seller has undertaken towards the Issuer, the Security Trustee and the Collection Foundation not to amend the payment instructions and not to redirect cash flows to the Collection Foundation Account in respect of the Mortgage Receivables to another account without the prior written approval of the Issuer, the Security Trustee and the Collection Foundation, and Vistra B.V., as administrator of the Collection Foundation, has undertaken not to follow instructions from the Seller or any third party to transfer amounts in respect of the Mortgage Receivables from the accounts of the Borrowers to an account other than the Collection Foundation Account without the before mentioned prior written approval, there is a risk that the Seller or its bankruptcy trustee or administrator (following bankruptcy or suspension of payments but prior to notification) instructs the Borrowers to pay to another bank account. Any such payments by a Borrower would be valid (*bevrijdend*). The Seller is obliged to pay to the Issuer any amounts which were not paid to the Collection Foundation Account but to the Seller directly. However, receipt of such amounts by the Issuer is subject to such payments actually being made.

The Collection Foundation Account is held with ABN AMRO Bank N.V. As a consequence, the Collection Foundation has a claim against ABN AMRO Bank N.V. as the Collection Foundation Account Provider as the bank where such account is held, in respect of the balances standing to credit of the Collection Foundation Account.

The Issuer has been advised that in the event of a bankruptcy of the Seller any amounts standing to the credit of the Collection Foundation Account relating to the Mortgage Receivables will not form part of the bankruptcy estate of the Seller. The Collection Foundation is set up as a special purpose bankruptcy remote

entity. The objectives clause included in the articles of association (*statuten*) of the Collection Foundation is limited to collecting, managing and distributing amounts received on the Collection Foundation Account to the persons who are entitled to receive such amounts pursuant to the Receivables Proceeds Distribution Agreement.

Upon receipt of such amounts, the Collection Foundation will distribute to the Issuer or, after notification of the relevant Borrowers in accordance with the Issuer Mortgage Receivables Pledge Agreement, to the Security Trustee any and all amounts relating to the Mortgage Receivables received by it on the Collection Foundation Account, in accordance with the relevant provisions of the Receivables Proceeds Distribution Agreement. Pursuant to the relevant Receivables Proceeds Distribution Agreement, Vistra B.V. and after an insolvency event relating to Vistra B.V., a new administrator appointed for such purpose, respectively, will perform such payment transaction services on behalf of the Collection Foundation.

If at any time the unsecured, unsubordinated and unguaranteed debt obligations of the Collection Foundation Account Provider are assigned a rating below the Required Ratings, Vistra B.V., on behalf of the Collection Foundation, will as soon as reasonably possible, but within no longer than 30 calendar days, (i) ensure that payments to be made by the Collection Foundation Account Provider in respect of amounts received on the Collection Foundation Account relating will be fully guaranteed pursuant to an unconditional and irrevocable guarantee from an eligible party, or transfer the Collection Foundation Account to a new account provider, provided that the unsecured, unsubordinated and unguaranteed debt obligations of such guarantor or new account provider are assigned at least the Required Ratings, or (ii) implement any other actions provided that the Credit Rating Agencies are notified of such other action.

In the event of a transfer to an alternative bank as referred to under (i) above, the Collection Foundation shall enter into a pledge agreement – and create a disclosed first ranking right of pledge over such bank account in favour of Stichting Security Trustee Ontvangsten Tulp – upon terms substantially the same as the Collection Foundation Account Pledge Agreement.

Vistra B.V., or if Vistra B.V. fails to reimburse the Collection Foundation or pay on behalf of the Collection Foundation any costs in connection with any of the actions under (i) or (ii), ABN AMRO Bank N.V. as Collection Foundation Account Provider shall pay any costs incurred by the Collection Foundation as a result of the action described under (i) or (ii) above, only if such action is a consequence of a downgrade of its rating below the Required Ratings.

Each of the Collection Foundation and the Seller have undertaken with the Issuer that, on or prior to each Mortgage Collection Payment Date, all amounts of principal, interest, Prepayment Penalties and interest penalties in respect of the Mortgage Receivables received by the Collection Foundation on the relevant Collection Foundation Account during the immediately preceding Mortgage Calculation Period Account in respect of the Mortgage Receivables will be transferred to the Issuer Collection Account.

### **Use of proceeds**

The Issuer will use the net proceeds from the issue of the Notes (other than the Class Z2 Notes, part of the Class X Notes in an amount equal to EUR 1,239,171 and the Class R Notes) on the Closing Date to pay to the Seller the Purchase Price for the Mortgage Receivables purchased on the Signing Date under the Mortgage Receivables Purchase Agreement. An amount of EUR 1,241,779.87, being equal to the Aggregate Construction Deposit Amount will be withheld by the Issuer from the Purchase Price payable on the Closing Date and deposited in the Construction Deposit Account. The proceeds of the Class Z2 Notes will be used to fund the Reserve Account. The aggregate proceeds of part of the Class X Notes in an

amount equal to EUR 1,239,171 and the Class R Notes amount to EUR 1,439,171. This amount will be applied by the Issuer to pay the costs of setting-up the transaction described in this Prospectus.

### **Mortgage Interest Rates**

The Mortgage Loans pay interest on a fixed rate basis, subject to a reset from time to time. There is a right to reset the interest rate on the Mortgage Loans after the termination of the fixed interest period applicable to such Mortgage Loans. The reset of the interest rate on the Mortgage Loans shall occur in accordance with the Interest Rate Reset Letter. In addition, risk premiums based on LTV ratios are taken into account when the Seller determines interest rates on mortgage loans, including the Mortgage Loans from which the Mortgage Receivables result. The Mortgage Interest Rates may therefore reduce (with a fixed rate) due to a lowering of the LTV ratio in respect of a Mortgage Loan (i) during the fixed interest period of such Mortgage Loan, or may reduce or increase (ii) when the Mortgage Interest Rate of a Mortgage Loan is to be reset after a fixed interest period. The LTV ratio may reduce if a Mortgage Loan has been partly repaid or if the value of the Mortgaged Asset has increased. This applies to all Mortgage Loans granted by the Seller other than Mortgage Loans with the lowest LTV risk premium. Consequently, the Mortgage Interest Rates are subject to automatic adjustment of interest rates.

On the Cut-Off Date immediately preceding the Closing Date, the weighted average interest rate of the portfolio amounted to 2.01 per cent. The weighted average remaining interest reset period is 22.08 years. Interest rates vary among individual Mortgage Loans. The range of interest rates is described further in Section 6.2 (*Description of Mortgage Loans*).

## **5.2 Priorities of Payments**

### **Priority of Payments in respect of interest**

Unless a Call Option is exercised, in which case the Post-Enforcement and Call Option Exercise Priority of Payments needs to be followed, prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Revenue Funds will pursuant to the terms of the Trust Deed be applied by the Issuer on the Notes Payment Date immediately succeeding the relevant Notes Calculation Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the **Revenue Priority of Payments**):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees, costs, expenses or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) the fees, costs, expenses or other remuneration due and payable to the Collection Foundation under the Receivables Proceeds Distribution Agreement and (iii) any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents;
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amount due and payable, if any, to the Delegate Sub-Servicers under the Delegate Sub-Servicing Letters and any amount due and payable, if any, to the Servicer under the Servicing Agreement, (ii) any amount due and payable to the Issuer Administrator under the Administration Agreement, (iii) any amount due and payable to the Reporting Entity under the Transparency Reporting Agreement and (iv) any amount due and payable to the Paying Agent and the Reference Agent under the Paying Agency Agreement;

- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amount due and payable to third parties under obligations incurred in the Issuer's business (other than under the Transaction 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 (other than Dutch corporate income tax over Profit), (ii) any amount due and payable to the Credit Rating Agencies and any legal adviser, auditor and accountant, appointed by the Issuer or the Security Trustee, (iii) any amount due and payable to the Issuer Account Bank under the Issuer Account Agreement and, if applicable, to any custodian appointed in respect of any Swap Securities Collateral Account held with such custodian under the relevant custodian agreement, and (iv) any amounts due in connection with the listing of the Notes;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due and payable under the Swap Agreement (except for any Swap Counterparty Subordinated Payment, any Excess Swap Collateral, any Swap Replacement Premium and any Tax Credit);
- (e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest due on the Class A Notes, other than the Class A Subordinated Step-up Consideration;
- (f) *sixth*, in or towards satisfaction of sums to be credited to the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest due or accrued due on the Class B Notes, other than the Class B Subordinated Step-up Consideration;
- (h) *eighth*, to replenish the Reserve Account up to the amount of the Reserve Account First Target Level;
- (i) *ninth*, in or towards satisfaction of sums to be credited to the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) *tenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest due or accrued due on the Class C Notes, other than the Class C Subordinated Step-up Consideration;
- (k) *eleventh*, in or towards satisfaction of sums to be credited to the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (l) *twelfth*, to replenish the Reserve Account up to the amount of the Reserve Account Second Target Level;
- (m) *thirteenth*, after the First Optional Redemption Date, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Class A Subordinated Step-up Consideration due or accrued due on the Class A Notes;

- (n) *fourteenth*, after the First Optional Redemption Date, in or towards satisfaction, *pro rata and pari passu*, according to the respective amounts thereof, of the Class B Subordinated Step-up Consideration due or accrued due on the Class B Notes;
- (o) *fifteenth*, after the First Optional Redemption Date, in or towards satisfaction, *pro rata and pari passu*, according to the respective amounts thereof, of the Class C Subordinated Step-up Consideration due or accrued due on the Class C Notes;
- (p) *sixteenth*, in or towards satisfaction, *pro rata and pari passu*, of the Swap Counterparty Subordinated Payment due to the Swap Counterparty under the terms of the Swap Agreement and the amounts, if any, due and payable under the NAMS Rebalancing Agreement, including any termination payment due and payable by the Issuer;
- (q) *seventeenth*, on any Notes Payment Date following the First Optional Redemption Date until the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) have been or will be redeemed in full, to form part of the Available Principal Funds to be applied in accordance with the Redemption Priority of Payments;
- (r) *eighteenth*, in or towards satisfaction of sums to be credited to the Class Z1 Principal Deficiency Ledger until the debit balance, if any, on the Class Z1 Principal Deficiency Ledger is reduced to zero;
- (s) *nineteenth*, in or towards satisfaction, *pro rata and pari passu*, according to the respective amounts thereof, of interest due or accrued due on the Class Z1 Notes,
- (t) *twentieth*, in or towards satisfaction, *pro rata and pari passu*, according to the respective amounts thereof, of interest due or accrued due on the Class Z2 Notes;
- (u) *twenty-first*, in or towards satisfaction of principal due under the Class X Notes until fully redeemed in accordance with the Conditions by applying the Available Class X Redemption Funds;
- (v) *twenty-second*, in or towards satisfaction of principal due under the Class R Notes until fully redeemed in accordance with the Conditions by applying the Available Class R Redemption Funds;
- (w) *twenty-third*, in or towards satisfaction of principal due under the Class Z2 Notes until fully redeemed in accordance with the Conditions by applying the Available Class Z2 Redemption Funds;
- (x) *twenty-fourth*, in or towards satisfaction, *pro rata and pari passu*, according to the respective amounts thereof, of the Class X Residual Amount; and
- (y) *twenty-fifth*, in or towards satisfaction, *pro rata and pari passu*, according to the respective amounts thereof, of the Class R Residual Amount.

#### **Priority of Payments in respect of principal**

Unless a Call Option is exercised, in which case the Post-Enforcement and Call Option Exercise Priority of Payments needs to be followed, prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Principal Funds will pursuant to terms of the Trust Deed be applied by the Issuer on the Notes

Payment Date immediately succeeding the relevant Notes Calculation Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the **Redemption Priority of Payments**):

- (a) *first*, in or towards satisfaction of principal due under the Class A Notes until fully redeemed in accordance with the Conditions;
- (b) *second*, in or towards satisfaction of principal due under the Class B Notes until fully redeemed in accordance with the Conditions;
- (c) *third*, in or towards satisfaction of principal due under the Class C Notes until fully redeemed in accordance with the Conditions;
- (d) *fourth*, in or towards satisfaction of principal due under the Class Z1 Notes until fully redeemed in accordance with the Conditions; and
- (e) *fifth*, to form part of the Available Revenue Funds.

**Payment outside the Priority of Payments (prior to Enforcement Notice)**

Any Tax Credit, any Excess Swap Collateral and any Swap Replacement Premium shall be paid outside the relevant Priority of Payments and such amount will not form part of the Available Revenue Funds (see Section 5.4 (*Hedging*)).

Any amount due and payable to third parties (other than pursuant to any of the Transaction Documents) under obligations incurred in the Issuer's business at a date which is not a Notes Payment Date and any amount due and payable to Stichting WEW of any NHG Return Amount may be made on the relevant due date by the Issuer from the Issuer Collection Account to the extent that the funds available on the Issuer Collection Account are sufficient to make such payment.

The Issuer may on any Business Day prior to the First Optional Redemption Date apply the Further Advance Available Funds towards the purchase of any Further Advance Receivables offered by the Seller, provided that the relevant conditions in that regard have been met (see Section 7.1 (*Purchase, repurchase and sale*)).

**Post-Enforcement and Call Option Exercise Priority of Payments**

Following (i) the exercise of a Call Option, the Available Revenue Funds and Available Principal Funds available to the Issuer on the Notes Payment Date, or (ii) the delivery of an Enforcement Notice, the Enforcement Available Amount, will be paid to the Secured Creditors (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 **Post-Enforcement and Call Option Exercise Priority of Payments**):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees, costs, expenses or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) the fees, costs, expenses or other remuneration due and payable to the Collection Foundation under the Receivables Proceeds Distribution Agreement and (iii) any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents;

- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amount due and payable, if any, to the Delegate Sub-Servicers under the Delegate Sub-Servicing Letters and any amount due and payable, if any, to the Servicer under the Servicing Agreement, (ii) any amount due and payable to the Issuer Administrator under the Administration Agreement, (iii) any amount due and payable to the Reporting Entity under the Transparency Reporting Agreement and (iv) any amount due and payable to the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amount due and payable to third parties under obligations incurred in the Issuer's business (other than under the Transaction 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 (other than Dutch corporate income tax over Profit), (ii) any amount due and payable to the Credit Rating Agencies and any legal adviser, auditor and accountant, appointed by the Issuer or the Security Trustee, (iii) any amount due and payable to the Issuer Account Bank under the Issuer Account Agreement and, if applicable, to any custodian appointed in respect of any Swap Securities Collateral Account held with such custodian under the relevant custodian agreement, and (iv) any amounts due in connection with the listing of the Notes;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due and payable under the Swap Agreement (except for any Swap Counterparty Subordinated Payment, any Excess Swap Collateral, any Swap Replacement Premium and any Tax Credit);
- (e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest accrued and principal due on the Class A Notes, other than the Class A Subordinated Step-up Consideration;
- (f) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Class A Subordinated Step-up Consideration due on the Class A Notes, if any;
- (g) *seventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest accrued and principal due on the Class B Notes, other than the Class B Subordinated Step-up Consideration;
- (h) *eighth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest accrued and principal due on the Class C Notes, other than the Class C Subordinated Step-up Consideration;
- (i) *ninth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Class B Subordinated Step-up Consideration due on the Class B Notes, if any;
- (j) *tenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Class C Subordinated Step-up Consideration due on the Class C Notes, if any;
- (k) *eleventh*, in or towards satisfaction, *pro rata* and *pari passu*, of the Swap Counterparty Subordinated Payment due to the Swap Counterparty under the terms of the Swap Agreement and the amounts, if any, due and payable under the NAMS Rebalancing Agreement, including any termination payment due and payable by the Issuer;

- (l) *twelfth*, in or towards satisfaction of principal due under the Class X Notes until fully redeemed in accordance with the Conditions by applying the Available Class X Redemption Funds;
- (m) *thirteenth*, in or towards satisfaction of principal due under the Class R Notes until fully redeemed in accordance with the Conditions by applying the Available Class R Redemption Funds;
- (n) *fourteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, interest accrued and principal due on the Class Z1 Notes;
- (o) *fifteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, interest accrued under the Class Z2 Notes;
- (p) *sixteenth*, in or towards satisfaction of principal due under the Class Z2 Notes until fully redeemed in accordance with the Conditions by applying the Available Class Z2 Redemption Funds;
- (q) *seventeenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Class X Residual Amount; and
- (r) *eighteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Class R Residual Amount.

### 5.3 Loss allocation

#### Principal Deficiency Ledger

A Principal Deficiency Ledger comprising four sub-ledgers, known as the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class Z1 Principal Deficiency Ledger, respectively, will be established by or on behalf of the Issuer in order to record any Realised Loss on the Mortgage Receivables. In addition, each such sub-ledger will be used to record any Revenue Shortfall Amount (the balance standing to the debit of any such sub-ledger, respectively, the Class A Principal Deficiency, the Class B Principal Deficiency, the Class C Principal Deficiency and the Class Z1 Principal Deficiency and each a **Principal Deficiency**). The sum of any Realised Loss and any Revenue Shortfall Amount shall be debited to the Class Z1 Principal Deficiency Ledger (such debit items being reccredited at item (r) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the sum of the Principal Amount Outstanding of the Class Z1 Notes and thereafter such amounts shall be debited to the Class C Principal Deficiency Ledger (such debit items being reccredited at item (k) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the sum of the Principal Amount Outstanding of the Class C Notes and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being reccredited at item (i) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the sum of the Principal Amount Outstanding of the Class B Notes and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (such debit items being reccredited at item (f) of the Revenue Priority of Payments on each relevant Notes Payment Date).

**Realised Loss** means, on any Notes Payment Date, the sum of:

- (a) with respect to the Mortgage Receivables, in respect of which the Seller, the Issuer, the Servicer on behalf of the Issuer or the Security Trustee has completed the foreclosure (including for the



avoidance of doubt the proceeds of any NHG Guarantee), in the immediately preceding Notes Calculation Period the amount by which (i) the aggregate Outstanding Principal Amount of all Mortgage Receivables exceeds (ii) the amount of the Net Foreclosure Proceeds applied to reduce the Outstanding Principal Amount of the Mortgage Receivables; and

- (b) with respect to the Mortgage Receivables, sold by the Issuer in the immediately preceding Notes Calculation Period, the amount by which (i) the aggregate Outstanding Principal Amount of such Mortgage Receivables exceeds (ii) the purchase price of the Mortgage Receivables received or to be received on the immediately succeeding Notes Payment Date, by the Issuer to the extent relating to principal; and
- (c) with respect to the Mortgage Receivables in respect of which the Borrower (i) has successfully asserted set-off or defence to payments or (ii) repaid or prepaid any amount in the immediately preceding Notes Calculation Period, the amount by which (x) the aggregate Outstanding Principal Amount of such Mortgage Receivables prior to such set-off or defence or repayment or prepayment exceeds (y) the aggregate Outstanding Principal Amount of such Mortgage Receivables after such set-off or defence or repayment or prepayment having been made, unless, and to the extent, such amount is received from the Seller or otherwise in accordance with any item of the Available Principal Funds.

## 5.4 Hedging

### Interest Rate Hedging

All Mortgage Receivables sold and assigned to the Issuer bear a fixed rate of interest, which may be subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Rated Notes is calculated as a margin over 3-month Euribor. The Interest Rate on the Notes (other than the Class X Notes and the Class R Notes) shall at any time be at least zero per cent. By entering into the Swap Agreement and the NAMS Rebalancing Agreement with the Swap Counterparty, the Issuer will hedge the exposure in respect of the interest received under the Swap Mortgage Receivables against the Euribor component of the interest rate due by the Issuer under the Rated Notes (i.e. excluding the applicable margin part of the interest rate). There are six confirmations pursuant to each of the Swap Agreement and the NAMS Rebalancing Agreement, each in respect of Loan Parts having a fixed interest rate period of 5, 10, 15, 20, 25 or 30 years, respectively.

In respect of each Swap Transaction, the Issuer will agree to pay on each payment date of such Swap Transaction an amount equal to the sum of:

- (i) the Swap Notional Amount for the relevant Swap Calculation Period multiplied by (a) the Pool Swap Fixed Rate for the relevant Swap Calculation Period multiplied by (b) the relevant day count fraction determined on an actual/360 basis; and
- (ii) an amount equal to the scheduled Prepayment Penalties owed by Borrowers under the Swap Mortgage Receivables in the relevant Reference Pool for the relevant Swap Calculation Period (the **Scheduled ERC**).

The Pool Swap Fixed Rate for the first Swap Calculation Period is set out in the Swap Agreement. The Pool Swap Fixed Rate for each future Swap Calculation Period is reset each time a Swap Mortgage Receivable is added to the relevant Reference Pool, by reference to the weighted average (based on certain

assumptions in respect of the rate of amortisation of the Swap Mortgage Receivables) of (i) in respect of the existing Swap Mortgage Receivables in the relevant Reference Pool, the Pool Swap Fixed Rate in respect of the preceding Swap Calculation Period, and (ii) in respect of each Swap Mortgage Receivable that is added to the relevant Reference Pool, the Mortgage Swap Fixed Rate in respect of that Swap Mortgage Receivable.

In respect of each Swap Transaction, the Swap Counterparty will agree to pay on each payment date of such Swap Transaction an amount equal to (i) the Swap Notional Amount for the relevant Swap Calculation Period multiplied by (ii) Euribor for 3-month deposits for the relevant Swap Calculation Period (or such other rate determined following a Benchmark Trigger Event, as applicable) multiplied by (iii) the relevant day count fraction determined on an actual/360 basis (the **Swap Counterparty Floating Amount**). If the Swap Counterparty Floating Amount is a negative amount (i.e. because Euribor for 3-month deposits (or such other rate determined following a Benchmark Trigger Event, as applicable) is negative), the Issuer will be required to pay an amount equal to the absolute value of such Swap Counterparty Floating Amount to the Swap Counterparty. Each Swap Calculation Period will be equal to the corresponding Interest Period.

In respect of each NAMS Rebalancing Transaction, the Swap Counterparty will be entitled to receive a NAMS Rebalancing Payment in respect of a period, if the amortisation of the Swap Mortgage Receivables during that period diverges from certain expected amortisation scenarios which are based on a 0% CPR Assumption (as defined in the NAMS Rebalancing Agreement), together with certain fast or slow prepayment assumptions which are specified in the NAMS Rebalancing Agreement as an amortisation rate per annum in respect of each Observation Date (the **Prepayment Assumptions**). The NAMS Rebalancing Payment represents the impact of rebalancing a vanilla interest rate swap to the actual outstanding balance of the Swap Mortgage Receivables. The terms of such vanilla interest rate swap are the same as the terms of the Swap Transaction corresponding to the relevant NAMS Rebalancing Transaction, provided that the notional amounts of such vanilla interest rate swap are known in advance and projected using the Prepayment Assumptions. If the prepayment rate experienced on the Swap Mortgage Receivables is within specified CPR bands (determined on the basis of the Prepayment Assumptions) for a given period from (and including) an Observation Date to (but excluding) the next following Observation Date, no payment will be due under the NAMS Rebalancing Transactions unless there are Issuer Deferred Amounts (as defined below) from previous period(s), which will be payable to the extent that the Issuer has sufficient funds available to pay such Issuer Deferred Amounts. The NAMS Rebalancing Payment will be payable *pari passu* with payment of the Swap Counterparty Subordinated Payment under the applicable Priority of Payments.

In addition, if the Issuer has insufficient funds available to pay in full any amounts due under the NAMS Rebalancing Agreement on any Notes Payment Date, this will not constitute a NAMS Event of Default and any unpaid amounts (the **Issuer Deferred Amounts**) will be accrued and payable on the next subsequent Notes Payment Date on which funds are available (or, if earlier, on the termination date of the relevant NAMS Rebalancing Transaction). The Scheduled ERC is paid by the Issuer to the Swap Counterparty on each such Notes Payment Date and in respect of each relevant period under the Swap Agreement. Under the NAMS Rebalancing Agreement, the amount owed by the Issuer will be reduced by the ERC Rebate (as defined in the NAMS Rebalancing Agreement and which is a portion of the Scheduled ERC). To the extent that this results in an overall payment being due from the Swap Counterparty on any such Notes Payment Date, such amount (the **Swap Counterparty Deferred Amount**) will be deferred and the amount owed by the Issuer will be reduced by this amount on the next Notes Payment Date on which a NAMS Rebalancing Payment is due and payable by the Issuer. Interest will be payable by the Issuer or the Swap Counterparty

on any Issuer Deferred Amount or Swap Counterparty Deferred Amount, respectively. Such deferral of payment will not constitute a NAMS Event of Default.

The Hedging Agreements will be documented under two separate ISDA 2002 master agreements. The Hedging Transactions under each Hedging Agreement may be terminated upon the occurrence of one of certain specified Events of Default and Termination Events (each as defined therein) commonly found in standard ISDA documentation except where such Events of Default and Termination Events (each as defined therein) are disapplied and/or modified and any Additional Termination Events (as defined therein) are added.

The Swap Events of Default under the Swap Agreement in relation to the Issuer will be limited to (a) non-payment under the Swap Agreement, (b) the occurrence of certain insolvency events in respect of the Issuer and (c) the occurrence of certain merger-related events in respect of the Issuer if the resulting, surviving or transferee entity fails to assume all the obligations of the Issuer under the Swap Agreement, whereas all Swap Events of Default under the Swap Agreement other than (x) Cross Default and (y) Default Under Specified Transaction (each as defined in the Swap Agreement) will apply in relation to the Swap Counterparty.

All NAMS Events of Default under the NAMS Rebalancing Agreement other than (a) Cross Default and (b) Default Under Specified Transaction (each as defined in the NAMS Rebalancing Agreement) will be applicable to the Issuer and the Swap Counterparty.

A Hedging Termination Event under a Hedging Agreement will occur if (in summary) (i) it becomes unlawful for either party to perform its obligations under the relevant Hedging Agreement, or (ii) a Force Majeure Event (as defined and modified in the relevant Hedging Agreement) occurs, or (iii) a Tax Event (as defined and modified in the relevant Hedging Agreement) occurs, or (iv) a Tax Event Upon Merger (as defined and modified in the relevant Hedging Agreement) occurs, or (v) in respect of the Issuer only, a Credit Event Upon Merger (as defined in the relevant Hedging Agreement) occurs. In addition, a Swap Termination Event under the Swap Agreement will occur if (a) any restructuring of the Notes or structuring of new notes occurs pursuant to Condition 6(d) (*Remarketing Call Option*) (or a corresponding call option in the conditions of any new notes or restructured Notes) without the prior written consent of the Swap Counterparty (such consent not to be unreasonably withheld or delayed), provided that such restructuring of the Notes or structuring of new notes will not constitute a Swap Termination Event if (i) the terms of the Transaction Documents (or the equivalent transaction documents in respect of such structuring or restructuring) are substantially similar following such structuring or restructuring to the terms of the Transaction Documents immediately prior to such structuring or restructuring (as determined by the Swap Counterparty, acting in good faith and a commercially reasonable manner) and (ii) the Swap Counterparty is not further contractually subordinated to any other Secured Creditor following such structuring or restructuring as compared to the position of the Swap Counterparty immediately prior to such structuring or restructuring; or (b) if the Swap Counterparty's written consent (such consent not unreasonably withheld or delayed) is not provided in respect of any amendment (i) to clause 6.1(r) of the Mortgage Receivables Purchase Agreement, which includes an undertaking of the Seller not to amend its Standard Loan Documents and its underwriting guide in any material respect without the prior written consent of the Security Trustee and the Swap Counterparty, (ii) which constitutes a Basic Terms Change, (iii) to the Issuer's right to sell or assign the Mortgage Receivables under the Transaction Documents or to redeem the Notes under the Conditions, (iv) to the Transaction Documents, the Conditions or the Interest Rate Reset Letter, which in the Swap Counterparty's reasonable opinion will have a material adverse impact on

the currency, amount, timing or priority of payments due to be made by or to the Swap Counterparty under either the Swap Agreement or the NAMS Rebalancing Agreement, or (v) to Condition 14(g) (*Swap Counterparty prior consent rights*) and clause 27.1.4 of the Trust Deed; or (c) the Security Trustee serves an Enforcement Notice on the Issuer, pursuant to Condition 10 (*Events of Default*) of the Notes; or (d) the Rated Notes are redeemed in whole (including, but not limited to, the circumstances set out in Conditions 6(e) (*Class R Call Option*), 6(f) (*Seller Call Option*), 6(g) (*Redemption for tax reasons*), 6(h) (*Clean-Up Call Option*) and 6(i) (*Risk Retention Regulatory Change Call Option*) of the Notes), other than pursuant to the exercise by the Class R Noteholders (acting jointly) of the Remarketing Call Option on an Optional Redemption Date in accordance with Condition 6(d) (*Remarketing Call Option*); or (e) a part of the Portfolio is sold or assigned by the Issuer (including as a repurchase by the Seller due to amongst other things, a breach of the representations and warranties pursuant to the Mortgage Receivables Purchase Agreement) other than where such sale or assignment is due to the sale of a Mortgaged Asset following the service of an Enforcement Notice by the Security Trustee pursuant to Condition 10 (*Events of Default*) of the Notes, or (f) due to the adoption of, or any change in, any applicable law after the date on which a Swap Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, there is a material change to the treatment of the security granted in favour of the Security Trustee pursuant to the Pledge Agreements, which adversely affects the Swap Counterparty's rights in respect of such security; or (g) the Class R Noteholders (acting jointly) exercise the Remarketing Call Option (or a corresponding call option in the conditions of any new notes or restructured Notes) on an Optional Redemption Date that falls on or following the date that is the earlier of (i) 15 years after the trade date of the Swap Transactions and (ii) the date of the fourth exercise by the Class R Noteholders (acting jointly) of the Remarketing Call Option.

If a Swap Transaction is terminated or transferred and the corresponding NAMS Rebalancing Transaction is not transferred on the same date, this will trigger a termination of the corresponding NAMS Rebalancing Transaction. A NAMS Rebalancing Transaction may also terminate following the exercise of the Remarketing Call Option.

Upon the early termination of a Hedging Transaction, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. Any termination payment could be substantial.

If a termination payment is due to the Swap Counterparty (other than where it constitutes a Swap Counterparty Subordinated Payment) under the Swap Agreement, it will rank in priority to payments due from the Issuer under the Notes under the applicable Priority of Payments. If a Swap Counterparty Subordinated Payment or a termination payment under the NAMS Rebalancing Agreement is due to the Swap Counterparty, it will rank in priority to payments due from the Issuer under the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes under the applicable Priority of Payments. Subject to the terms of the Hedging Agreements, the termination amount will be based upon loss (or gain) and may consider market quotations of the cost of entering into transactions with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties.

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 Swap Counterparty, the Issuer will not be required pursuant to the terms of the Swap Agreement to pay the Swap Counterparty such amounts as would otherwise have been required to ensure that the Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that the Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Swap Counterparty will be required (save where such deduction is in respect of FATCA) pursuant to the terms of the Hedging Agreements 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.

If the Swap Counterparty ceases to have certain required ratings by the Credit Rating Agencies, the Swap Counterparty will be required to take certain remedial measures under the Swap Agreement which, subject to the terms of the Swap Agreement, may include (i) the provision of collateral for its obligations under the Swap Agreement (pursuant to the credit support annex entered into by the Issuer and the Swap Counterparty which forms part of the Swap Agreement on the basis of ISDA documentation, which stipulates certain requirements relating to the provision of collateral by the Swap Counterparty at any time after the Closing Date in accordance with the relevant Credit Rating Agency criteria), (ii) arranging for its obligations under the Swap Agreement to be transferred to an entity with the required ratings, (iii) procuring another entity with at least the required ratings guarantee its obligations under the Swap Agreement, or (iv) the taking of such other action acceptable to the relevant Credit Rating Agencies as may be required to maintain or, as the case may be, restore the then current ratings assigned to the Rated Notes immediately prior to the Swap Counterparty ceasing to have such ratings. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Transactions.

Furthermore, in the Trust Deed, if the Swap Counterparty is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Swap Agreement, the Issuer has undertaken to use commercially reasonable efforts, or procure that the Issuer Administrator shall use commercially reasonable efforts, to ensure (if necessary) that the relevant steps contemplated in the Swap Agreement are taken and, in case of a termination of the Swap Agreement due to other reasons, the Issuer has undertaken to take or procure that the Issuer Administrator shall take all steps reasonably required under the Swap Agreement and in assisting the Security Trustee in finding an alternative swap counterparty.

Any Excess Swap Collateral will promptly be returned to such Swap Counterparty outside the relevant Priority of Payments. Interest accrued on, and any distributions received in respect of, the Swap Collateral will either be deposited in the Swap Collateral Account or paid to the Swap Counterparty in accordance with the credit support annex.

Any Tax Credit obtained by the Issuer in connection with an amount that is required to be withheld or deducted in respect of tax from payments due under the Swap Agreement shall be paid to the Swap Counterparty outside the relevant Priority of Payments.

#### **Swap termination and payment by replacement swap counterparty**

If following the termination of a Hedging Transaction (i) an amount is due by the Issuer to the Swap Counterparty as termination payment (including any Swap Counterparty Subordinated Payment), other than in relation to the return of Excess Swap Collateral under the Swap Agreement, and (ii) the Issuer receives an upfront payment from a replacement swap counterparty in connection with the entering into of a replacement swap agreement as a result of the market value of such swap agreement, then the Issuer shall apply such amounts received from that replacement swap counterparty to pay an amount equal to such termination payment outside the relevant Priority of Payments and such amount will not form part of the Available Revenue Funds.

## **EMIR**

Under EMIR, parties to derivatives transactions whose positions in OTC derivatives (including the positions of certain other entities in its group, but excluding any hedging positions) exceed a specified clearing threshold must clear OTC derivative contracts that are entered into on or after the effective date for the clearing obligation. The Issuer believes that it is not subject to these requirements for the following reasons.

Firstly, the securitisation transaction described in this Prospectus will be notified to the ESMA as meeting the STS Criteria. Pursuant to the provision of article 4(5) EMIR (as amended pursuant to the Securitisation Regulation) the Issuer complies with the criteria of this provision that it is an SSPE in connection with a securitisation within the meaning of the Securitisation Regulation that solely issues securitisations meeting the STS Criteria and, in view of this fulfilment of criteria, the provision of article 4(1) EMIR establishing the clearing obligations does not apply.

Secondly, the Issuer's only positions in OTC derivatives are the positions under the Hedging Agreements, which in its view qualify as hedging positions under EMIR. In addition, to the Issuer's knowledge, it qualifies as a non-financial counterparty below the clearing threshold and no other non-financial counterparty entity in the Issuer's group (which includes the Seller's group) has entered into speculative OTC derivatives.

OTC derivative contracts that are not cleared by a CCP are subject to certain other risk-mitigation requirements. These include arrangements for timely confirmation of OTC derivative contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivative contracts. Certain of these risk mitigation requirements impose obligations on the Issuer in relation to the Hedging Agreements. Another risk mitigation requirement under EMIR is the mandatory margining of non-cleared OTC derivative contracts. This requirement does, however, not apply to non-financial counterparties below the clearing threshold, like the Issuer.

In addition, under EMIR, any counterparty must timely report the conclusion, modification and termination of their OTC and exchange traded derivative contracts to a trade repository. However, since the Issuer is a non-financial counterparty below the clearing threshold, the Swap Counterparty is solely responsible, and legally liable, for reporting on behalf of both counterparties.

## **5.5 Liquidity support**

### **Reserve Account**

Amounts credited to the Reserve Account will be available on any Notes Payment Date to meet items (a) to (k) (inclusive) of the Revenue Priority of Payments provided that all other amounts available to the Issuer other than item (ix) of the Available Revenue Funds and the Revenue Shortfall Amount available for such purpose have been used or shall be used on such Notes Payment Date to meet these items (a) to (k) (inclusive) of the Revenue Priority of Payments.

### **Available Principal Funds / Revenue Shortfall Amount**

If and to the extent that the Available Revenue Funds, but excluding item (x) thereof, are insufficient for the Issuer to meet items (a) up to and including (e) of the Revenue Priority of Payments and after redemption in full of the Class A Notes, the item in the Revenue Priority of Payments relating to the payment of interest of the Most Senior Class, the Issuer shall use from the Available Principal Funds (excluding item (ix) thereof) such amount required to meet such items (a) up to and including (e) of the Revenue Priority of Payments and after redemption in full of the Class A Notes, the item in the Revenue Priority of Payments relating to the payment of interest of the Most Senior Class on such Notes Payment Date as the Revenue Shortfall

Amount. Any Revenue Shortfall Amount shall be debited to the Principal Deficiency Ledger on such Notes Payment Date, see further Section 5.3 (*Loss allocation*).

Further ledgers may be maintained to record amounts standing to the credit of the Issuer Accounts.

## **5.6 Issuer Accounts**

### **Issuer Accounts**

#### *Issuer Collection Account*

The Issuer will maintain with the Issuer Account Bank, the Issuer Collection Account to which – *inter alia* – all amounts received (i) in respect of the Mortgage Receivables and (ii) from the other parties to the Transaction Documents will be paid. The Issuer Administrator will identify all amounts paid into the Issuer Collection Account, including the amounts received set out under (i) and (ii) above.

The Issuer Administrator will identify all amounts paid into the Issuer Collection Account in respect of the Mortgage Receivables by crediting such amounts to ledgers established for such purpose. Payments received on each relevant Mortgage Collection Payment Date in respect of the Mortgage Receivables will be identified as principal or revenue receipts and credited to the relevant principal ledger or the revenue ledger, as the case may be. Further ledgers may be maintained to record amounts held in the Issuer Collection Account.

Payments may be made from the Issuer Collection Account other than on a Notes Payment Date only to satisfy (i) any Tax Credit and any Swap Replacement Premium, (ii) amounts due to third parties (other than pursuant to the Transaction Documents) and under obligations incurred in connection with the Issuer's business and (iii) the Purchase Price of the Further Advance Receivables purchased by the Issuer from the Seller, subject to the Additional Purchase Conditions being met.

#### *Construction Deposit Account*

In addition, the Issuer will maintain with the Issuer Account Bank a Construction Deposit Account. On or around the Closing Date an amount corresponding to the Aggregate Construction Deposit Amount in relation to the Mortgage Receivables purchased by the Issuer on the Closing Date will be credited to the Construction Deposit Account and on any Purchase Date of a Further Advance Receivable, an amount equal to the Construction Deposit attached to such Further Advance will be credited to the Construction Deposit Account. Payments may be made from the Construction Deposit Account on a Business Day only to satisfy payment by the Issuer to the Seller of part of the Purchase Price as a result of the distribution of all of the Construction Deposits by the Seller to the relevant Borrowers as per such Business Day. Besides this, the Construction Deposit Account will be debited (i) on each Mortgage Collection Payment Date with the amount Borrowers have set off against the Mortgage Receivables in connection with the Construction Deposits and/or (ii) if an Assignment Notification Event set out under (d) (see Section 7.1 (*Purchase, repurchase and sale*)) has occurred, as a result of which the Issuer has no further obligation to pay such part of the Purchase Price. In both cases, the relevant amount will be credited to the Issuer Collection Account and will form part of the Available Principal Funds. In the event that the interest rate accruing on the balance standing to the credit of the Construction Deposit Account is less than zero, such amount will be payable by the Issuer to the Issuer Account Bank, subject to and in accordance with the applicable Priority of Payment.

### *Reserve Account*

The Issuer will maintain with the Issuer Account Bank the Reserve Account to which on the Closing Date the proceeds of the Class Z2 Notes will be credited, which are equal to EUR 3,600,000.

If and to the extent that the Available Revenue Funds (excluding item (ix) and (x)) as calculated on any Notes Calculation Date exceed the amounts required to meet items ranking higher than item (g) (inclusive) in the Revenue Priority of Payments on the immediately succeeding Notes Payment Date, the excess amount will be used to credit the Reserve Account, to the extent required, until the balance standing to the credit of the Reserve Account equals the Reserve Account First Target Level, being, on any Notes Payment Date, the higher of (i) an amount equal to 1.0 per cent. of the Principal Amount Outstanding of the Class A Notes and the Class B Notes, calculated at close of business on such Notes Payment Date and (ii) EUR 1,697,600, provided that on the Notes Payment Date on which all amounts of interest and principal due to the Class A Notes and the Class B Notes have been or will be paid and redeemed, the Reserve Account First Target Level shall be zero.

Amounts credited to the Reserve Account up to an amount equal to the Reserve Account Second Target Level will be available on any Notes Payment Date to meet items (a) to (k) (inclusive) of the Revenue Priority of Payments, provided that all other amounts available to the Issuer for such purpose have been used or shall be used on such Notes Payment Date to meet these items (a) to (k) (inclusive) of the Revenue Priority of Payments.

If and to the extent that the Available Revenue Funds (excluding item (ix) and (x)) as calculated on any Notes Calculation Date exceed the amounts required to meet items ranking higher than item (k) (inclusive) in the Revenue Priority of Payments, the excess amount will be used to credit the Reserve Account, to the extent required, until the balance standing to the credit of the Reserve Account equals the Reserve Account Second Target Level, being, on the Closing Date an amount equal to EUR 3,600,000, and on any Notes Payment Date, an amount equal to the higher of (i) an amount equal to 1.6 per cent. of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes, calculated at close of business on such Notes Payment Date and (ii) EUR 2,875,482, provided that on the Notes Payment Date on which all amounts of interest and principal due to the Rated Notes have been or will be paid and redeemed, the Reserve Account Second Target Level shall be zero.

To the extent that the balance standing to the credit of the Reserve Account on any Notes Payment Date exceeds the Reserve Account Second Target Level (after payments pursuant to the Revenue Priority of Payments would have been made on such date), such excess shall be drawn from the Reserve Account on such Notes Payment Date and shall form part of the Available Revenue Funds on that Notes Payment Date.

On the Notes Payment Date on which all amounts of interest and principal due in respect of the Rated Notes have been or will be paid, the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on such Notes Payment Date form part of the Available Revenue Funds and be applied in accordance with the Conditions subject to the relevant Priority of Payments.

### *Swap Collateral Accounts*

The Issuer will maintain with the Issuer Account Bank the Swap Cash Collateral Account to which any collateral in the form of cash may be credited by the Swap Counterparty pursuant to the Swap Agreement.



If any collateral in the form of securities is to be provided to the Issuer by the Swap Counterparty, the Issuer will be required to open a Swap Securities Collateral Account in accordance with the Swap Agreement in which such securities will be held.

No withdrawals may be made in respect of any Swap Collateral Account other than:

- (i) to effect the return of Excess Swap Collateral to the Swap Counterparty (which return shall be effected by the transfer of such Excess Swap Collateral directly to the Swap Counterparty, outside the Revenue Priority of Payments or, as applicable, the Post-Enforcement and Call Option Exercise Priority of Payments) including any interest accrued on or distributions received in respect of the collateral which may be paid in accordance with the credit support annex; or
- (ii) following the termination of the Swap Agreement where an amount is owed by the Swap Counterparty to the Issuer, the collateral (in case of securities after liquidation or sale thereof) (other than any Excess Swap Collateral) will form part of the Available Revenue Funds (for the avoidance of doubt, after any close out netting has taken place), provided that such amount may be first applied towards, or reserved for, an upfront payment to a replacement swap counterparty outside the Revenue Priority of Payments until one (1) year after such termination has occurred.

#### *Swap Replacement Ledger*

The Issuer Administrator shall, on behalf of the Issuer open a ledger to which any Swap Replacement Premiums and Tax Credit will be credited upon receipt of the same to the Issuer Collection Account (the **Swap Replacement Ledger**).

On the Closing Date, the Issuer Administrator will establish the Swap Replacement Ledger to which any Swap Replacement Premiums and Tax Credit will be credited upon receipt of the same to the Issuer Collection Account.

The amount standing to the credit of the Swap Replacement Ledger may only be debited:

- (a) in respect of amounts credited as Swap Replacement Premium:
  - (i) to pay any termination amount due to the Swap Counterparty under the Hedging Agreements; or
  - (ii) to pay any premium due to a replacement swap counterparty upon entry into a replacement swap agreement; or
  - (iii) to pay to the Swap Counterparty any Swap Replacement Premium transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the Hedging Agreements;
- (b) in respect of amounts credited as Tax Credit, to pay to the Swap Counterparty an amount equal to any Tax Credit received by the Issuer,

in each case, without being subject to the applicable Priority of Payments, provided that any amount which is in excess of the total of (a) in respect of amounts credited as Swap Replacement Premium, (i) any termination amount due to the Swap Counterparty under the Hedging Agreements, or (ii) any premium due to a replacement swap counterparty upon entry into a replacement swap agreement, or (iii) any amount to pay to the Swap Counterparty any Swap Replacement Premium transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the Hedging Agreements, or (b) in respect of amounts credited as Tax Credit, any amount to pay to the Swap Counterparty equal to any Tax Credit received by the Issuer, will form part of the Available Revenue Funds and will be applied in accordance with the relevant Priority of Payments.

#### *Interest*

The Issuer Account Bank will agree to pay a rate of interest determined by reference to €STR minus a margin on the balance standing to the credit of the relevant Issuer Transaction Account from time to time. In the event that the interest rate accruing on the balance standing to the credit of the relevant Issuer Transaction Account is less than zero, such amount will be payable by the Issuer to the Issuer Account Bank, subject to and in accordance with the applicable Priority of Payments.

#### *Rating of Issuer Account Bank*

If at any time the rating of the Issuer Account Bank falls below the Requisite Credit Rating or any such rating is withdrawn by any of the Credit Rating Agencies, the Issuer will be required within 30 calendar days (of such reduction or withdrawal of such rating) to (a) transfer the balance standing to the credit of the relevant Issuer Accounts to an alternative issuer account bank having at least the Requisite Credit Rating, (b) to obtain a third party with at least the Requisite Credit Rating to guarantee the obligations of the Issuer Account Bank or, (c) to find another solution so that the then current ratings of the Rated Notes are not adversely affected as a result thereof. The Issuer shall, promptly following the transfer to another bank, pledge its interests in such agreement and the Issuer Accounts in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

## **5.7 Administration Agreement**

### **Issuer Services**

In the Administration Agreement, the Issuer Administrator will agree to provide certain services, including (a) the application of amounts received by the Issuer to the Issuer Accounts and the production of reports in relation thereto, (b) arranging that, if required, drawings are made by the Issuer from the Issuer Collection Account, the Reserve Account, the Swap Collateral Accounts and the Construction Deposit Account, (c) arranging that all payments to be made by the Issuer under the Hedging Agreements are made, (d) arranging that all payments to be made by the Issuer under the other Transaction Documents are made, (e) arranging that all payments to be made by the Issuer under the Notes are made in accordance with the Paying Agency Agreement, the Trust Deed and the Conditions, (f) the maintaining of all required ledgers in connection with the above, (g) all administrative actions in relation thereto, (h) arranging that all calculations to be made pursuant to the Conditions are made and (i) to submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested.

The Issuer Administrator will calculate the amounts available to the Issuer on the basis of information received by it, including but not limited to the relevant information provided by the Servicer to the Issuer Administrator for each Mortgage Calculation Period. The Issuer Administrator will make each of the Portfolio

and Performance Reports and the Notes and Cash Reports available to, amongst others, the Issuer, the Security Trustee and the Noteholders on a quarterly basis in addition to and without prejudice to the information to be made available by the Reporting Entity in accordance with Article 7 of the Securitisation Regulation (see also Section 8 (*General information*)). The Issuer and the Seller agree at any time in the future that the Issuer Administrator, on behalf of the Issuer, will no longer have to publish the Portfolio and Performance Reports and / or the Notes and Cash Reports, no such reports will have to be made available.

### **Termination**

The Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Issuer Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution and liquidation (*ontbinding en vereffening*) of the Issuer Administrator or the Issuer Administrator being declared bankrupt or granted a suspension of payments. In addition, the Administration Agreement may be terminated by the Issuer Administrator upon the expiry of not less than 12 months' notice, subject to (i) written approval by the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Credit Rating Agency having provided a Credit Rating Agency Confirmation in respect of the termination. A termination of the Administration Agreement by either the Issuer and the Security Trustee or the Issuer Administrator will only become effective if a substitute issuer administrator is appointed.

Upon the occurrence of a termination event as set out above, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute issuer administrator and such substitute issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Administration Agreement, provided that such substitute issuer administrator shall have the benefit of an administration fee at a level to be then determined. The Issuer shall inform the Credit Rating Agencies of such administration fee. The Issuer shall, promptly following the execution of such agreement, pledge its interests in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

### **Calculations and reconciliation**

The Issuer Administrator will calculate the amounts available to the Issuer on the basis of information received by it, including but not limited to the relevant information provided by the Servicer for each Mortgage Calculation Period.

If on any Mortgage Calculation Date no Portfolio and Performance Report is delivered to the Issuer Administrator by the Servicer in accordance with the Servicing Agreement, the Issuer Administrator will use all reasonable endeavours to make all determinations necessary in order for the Issuer Administrator to continue to perform the Issuer Services, as further set out in the Administration Agreement. The Issuer Administrator will make such determinations until such time it receives from the Servicer or substitute servicer the Portfolio and Performance Report. Upon receipt by the Issuer Administrator of such Portfolio and Performance Report, the Issuer Administrator will apply the reconciliation calculations as further set out in the Administration Agreement in respect of payments made as a result of determinations made by the Issuer Administrator during the period when no Portfolio and Performance Report was available, and credit or debit, as applicable, such amounts from the Revenue Reconciliation Ledger and the Principal Reconciliation Ledger as set out in the Administration Agreement.

With respect to the Revenue Priority of Payments, the Issuer Administrator shall only make payments for items (a) up to and including (p) and shall make no payments to any items ranking below item (p) until the

relevant Portfolio and Performance Reports are available. The Issuer or the Issuer Administrator shall credit the amounts remaining after items (a) up to and including (p) of the Revenue Priority of Payments have been paid in full on the Revenue Reconciliation Ledger.

Any (i) calculations properly done in accordance with the Trust Deed and in accordance with the Administration Agreement, and (ii) payments made and payments not made under any of the Notes and Transaction Documents in accordance with such calculations and (iii) reconciliation calculations and reconciliation payments made or payments not made as a result of such reconciliation calculations, each in accordance with the Administration Agreement, shall be deemed to be done, made or not made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an event of default or any other default or termination event under any of the Transaction Documents or breach of any triggers included therein (including but not limited to Assignment Notification Events and Pledge Notification Events).

### **Market Abuse Directive**

Pursuant to the Administration Agreement, the Issuer Administrator, *inter alia*, shall procure compliance by the Issuer with all applicable legal requirements, including in respect of the below.

The Directive 2014/57/EU of 16 April 2014 on criminal sanctions for market abuse (the **Market Abuse Directive**) and the Regulation 596/2014 of 16 April 2014 on market abuse (the **Market Abuse Regulation**) and the Dutch legislation implementing this directive (the Market Abuse Directive, the Market Abuse Regulation and the Dutch implementing legislation together referred to as the **MAD Regulations**), *inter alia*, impose on the Issuer the obligations to disclose inside information and to maintain a list of persons that act on behalf of or for the account of the Issuer and who, on a regular basis, have access to inside information in respect of the Issuer.

The Issuer Administrator has accepted the tasks of maintaining the list of insiders and to organise the assessment and disclosure of inside information, if any, on behalf of the Issuer. The Issuer Administrator shall have the right to consult with the Servicer and any legal counsel, accountant, banker, broker, securities company or other company other than the Credit Rating Agencies and the Security Trustee in order to analyse whether the information can be considered to be inside information which must be disclosed in accordance with the MAD Regulations. If disclosure is required, the Issuer Administrator shall procure the publication of such information in accordance with the MAD Regulations and provide the Reporting Entity with such inside information and any other material information regarding an event that could be considered as any significant event in order for the Reporting Entity to comply with article 7(1) (f) and (g) of the Securitisation Regulation. Notwithstanding the delegation of compliance with the MAD Regulations to the Issuer Administrator, the Issuer shall ultimately remain legally responsible and liable for such compliance.

## **5.8 Transparency Reporting Agreement**

Pursuant to article 7 of the Securitisation Regulation, the Issuer (as SSPE under the Securitisation Regulation) and Tulpenhuis (as originator under the Securitisation Regulation) are obliged to make information available to the Noteholders, competent authorities referred to in article 29 of the Securitisation Regulation and potential investors and to designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation in relation to the securitisation transaction described in this Prospectus. Under the Transparency Reporting Agreement, the Issuer shall, in accordance with article 7(2) of the Securitisation

Regulation, designate and appoint the Seller as the Reporting Entity to fulfil the aforementioned information requirements.

The Seller is the Reporting Entity for the purposes of article 7 of the Securitisation Regulation and will (or any agent on its behalf will):

- (a) from the Signing Date:
  - (i) publish a quarterly investor report in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(e) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Investor Report by no later than the Notes Payment Date; and
  - (ii) publish on a quarterly basis certain loan-by-loan information in relation to the Mortgage Receivables in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(a) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the Notes Payment Date simultaneously with the quarterly investor report;
  - (iii) make available, by publication by Bloomberg or Intex, on an ongoing basis, at least one of the liability cash flow models as referred to in article 22(3) of the Securitisation Regulation to Noteholders and, upon request, to potential investors in accordance with article 22(3) of the Securitisation Regulation and if there are any significant changes to the cash flows, will update such liability cash flow model accordingly;
  - (i) as soon as it is technically able to source such information on the environmental performance of the Mortgage Receivables, publish on a quarterly basis information on the environmental performance of the Mortgage Receivables in accordance with the requirements stemming from article 22(4) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the relevant Notes Payment Date;
- (b) publish, in accordance with article 7(1)(f) of the Securitisation Regulation, without delay any inside information made public;
- (c) publish without delay any significant event including any significant events described in article 7(1)(g) of the Securitisation Regulation; and
- (d) make available, within 15 calendar days of the Closing Date, copies of the relevant Transaction Documents and this Prospectus.

The Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to in paragraphs (a) to (e) (inclusive) above as required under article 7 and article 22 of the Securitisation Regulation by means of:

- (a) once there is a SR Repository registered under article 10 of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction described in this Prospectus, the SR Repository; or

- (b) while no SR Repository has been registered and appointed by the Reporting Entity, the external website of <https://editor.eurodw.eu/>, being an external website that conforms to the requirements set out in the fourth paragraph of article 7(2) of the Securitisation Regulation.

The Reporting Entity (or any agent on its behalf) will make the information referred to above available to the Noteholders, relevant competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes.

The Transparency Reporting Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Reporting Entity to comply with its obligations (unless remedied within the applicable grace period), dissolution and liquidation (*ontbinding en vereffening*) of the Reporting Entity or the Reporting Entity being declared bankrupt or granted a suspension of payments. A termination of the Transparency Reporting Agreement will only become effective if the Issuer shall be appointed as a substitute reporting entity.

## 5.9 Legal framework as to the assignment of the Mortgage Receivables

### *Assignment of the Mortgage Receivables*

Under Dutch law a transfer of title by way of assignment of a receivable can be effected either by means of (a) a deed of assignment executed between the assignee and the assignor and a notification of the assignment to the relevant debtor (the so-called *openbare cessie*) or (b) a notarial deed or a registered deed of assignment, without notification, until an assignment notification event occurs, of the assignment to the relevant debtor being required (the so-called *stille cessie*). In the latter case notification to the debtor, however, will still be required to prevent such debtor from validly discharging its obligations (*bevrijdend betalen*) under the receivable by making a payment to the assignor. The legal ownership of the Mortgage Receivables will be transferred by the Seller to the Issuer on the Closing Date (through the execution of a Deed of Assignment and Pledge, which shall be incorporated in a notarial deed) and, in respect of the Further Advance Receivables, on any Purchase Date (through deeds of assignment and registration thereof with the appropriate Dutch tax authorities), by the Seller to the Issuer (the **Assignment**). The Mortgage Receivables Purchase Agreement provides that the Assignment will not be notified to the Borrowers unless certain events (referred to as Assignment Notification Events) occur. For a description of these Assignment Notification Events reference is made to Section 7.1 (*Purchase, repurchase and sale*).

Under Dutch law, until notification of the Assignment to the Borrowers, the Borrowers can only validly pay to the Seller in order to fully discharge their payment obligations (*bevrijdend betalen*). Each Borrower has given a power of attorney to the Seller or any sub agent of the Seller respectively to collect amounts from his account due under the Mortgage Loan by direct debit. Under the Receivables Proceeds Distribution Agreement the Seller has undertaken to direct all amounts of principal and interest to the Collection Foundation Account maintained by the Collection Foundation which is a bankruptcy remote foundation (*stichting*) and in addition the Servicer has undertaken the same. Furthermore, the Seller has under the Receivables Proceeds Distribution Agreement and the Mortgage Receivables Purchase Agreement undertaken towards the Issuer, the Security Trustee and, in respect of the undertaking contained in the Receivables Proceeds Distribution Agreement, the Collection Foundation not to amend the payment instructions and not to redirect cash flows to the Collection Foundation Account in respect of the Mortgage Receivables to another account, without prior approval of the Issuer and the Security Trustee. In addition, Vistra B.V. in its capacity as administrator for the Collection Foundation has undertaken in the Receivables Proceeds Distribution Agreement to disregard any instructions or orders from the Seller to cause the

transfer of amounts in respect of the Mortgage Receivables to be made to another account than the Collection Foundation Account without prior approval of the Issuer and the Security Trustee. The Seller is obliged to pay to the Issuer any amounts which were not paid to the Collection Foundation Account but to the Seller directly.

Payments made by Borrowers to and received by the Seller under the relevant Mortgage Receivables prior to notification of the Assignment, but after bankruptcy having been declared in respect of the Seller will be part of the Seller's bankruptcy estate. In respect of these payments, the Issuer will be a creditor of the estate (*boedelschuldeiser*) and will receive payment prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs (*algemene faillissementskosten*), which may be material.

After notification of the Assignment, a Borrower can only validly make payments to the Issuer. The Issuer can notify the Assignment at any time after an Assignment Notification Event has occurred, including following bankruptcy (*faillissement*) or suspension of payments (*surséance van betaling*) in respect of the Seller.

#### *Set-off by Borrowers*

Under Dutch law a debtor has a right of set-off if it has a claim that corresponds to its debt owed to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Subject to these requirements being met, each Borrower will prior to notification of the Assignment be entitled to set off amounts due by the Seller to it (if any) with amounts it owes in respect of the Mortgage Receivable. As a result of the set-off of amounts due and payable by the Seller to the Borrower with amounts the Borrower owes in respect of the Mortgage Receivable, the Mortgage Receivable will, partially or fully, be extinguished (*gaat teniet*) without the Issuer actually having received a cash payment in respect thereof which it could use towards satisfaction of its obligations under, *inter alia*, the Notes. The legal requirements for set-off prior to notification of the Assignment are met in respect of the Construction Deposits. Also such claim of a Borrower could, *inter alia*, result from services rendered by the Seller to a Borrower or for which it is responsible or held liable. In the Mortgage Receivables Purchase Agreement, the Seller represents that none of the Borrowers holds a savings account, current account or term deposit with the Seller, other than a Construction Deposit. It is noted that the Seller does not hold a license to hold current accounts or deposits.

The Mortgage Conditions applicable to the Mortgage Loans provide that the Borrower is not authorised (*bevoegd*) to set-off amounts the Borrower owes in respect of the Mortgage Receivable with amounts due and payable by the Seller to the Borrower. Under Dutch law it is uncertain whether such provision will be valid. A provision in general conditions (such as the applicable mortgage conditions) is voidable (*vernietigbaar*) if the provision is deemed to be unreasonably onerous (*onredelijk bezwarend*) for the party against whom the general conditions are used. A clause containing a waiver of set-off rights is, subject to proof to the contrary, assumed to be unreasonably onerous if the party, against which the general conditions are used, does not act in the conduct of its profession or trade (i.e. a consumer). Should such waiver be invalid, the Borrowers will have the set-off rights described in this paragraph.

After notification of the Assignment, the Borrower will also have set-off rights vis-à-vis the Seller, provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower against the Seller results from the same legal relationship as the relevant Mortgage Receivable or (ii) the counterclaim of the Borrower against the Seller has been originated (*opgekomen*) and

has become due and payable (*opeisbaar*) prior to notification of the Assignment to the relevant Borrower. The question whether a court will come to the conclusion that the Mortgage Receivable and the claim of the Borrower against the Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has been originated (*opgekomen*) and become due and payable (*opeisbaar*) prior to notification of the Assignment and, further, provided that all other requirements for set-off have been met (see above). The Construction Deposits result from the same legal relationship as the relevant Mortgage Receivables and, therefore, the legal requirements for the relevant Borrower being able to invoke set-off rights against the Issuer in respect of such Construction Deposits will be met.

If notification of the Assignment is made after the bankruptcy or suspension of payments of the Seller having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the Assignment, continue to have the broader set-off rights afforded to it in the Dutch Bankruptcy Act (*Faillissementswet*). Under the Dutch Bankruptcy Act (*Faillissementswet*) a person which is both debtor and creditor of the bankrupt entity can set off its debt with its claim, if each claim (i) came into existence prior to the moment at which the bankruptcy became effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of suspension of payments.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it would otherwise have been entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between (i) the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and (ii) the amount actually received by the Issuer in respect of such Mortgage Receivable.

### *Construction Deposits*

Pursuant to the Mortgage Conditions, part of the Mortgage Loan may be applied towards renovations or improvements to the Mortgaged Asset. In that case part of the monies drawn down under the Mortgage Loan is placed on deposit with the Seller. The Seller has undertaken to pay out deposits in connection with a Construction Deposit to the Borrower to pay for such construction or improvement if certain conditions are met. If the Seller is unable to pay the relevant Construction Deposit to the Borrower, such Borrower may invoke defences or set-off such amount with its payment obligation under the Mortgage Loan. This is mitigated as follows. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the relevant Purchase Price for such Mortgage Receivables an amount equal to the Aggregate Construction Deposit Amount. Such amount will be deposited by the Issuer in the Construction Deposit Account. On each Business Day, if applicable the Issuer will release from the Construction Deposit Account such part of the relevant Purchase Price for the Mortgage Receivables which equals the difference between the balance standing to the credit of the Construction Deposit Account and the Aggregate Construction Deposit Amount and pay such amount to the Seller, except if and to the extent the Borrower has invoked set-off or defences.

Upon termination of the Construction Deposit the remaining amount, if any, of the Construction Deposit will be applied by the Seller in redemption of the Mortgage Loan, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the relevant Purchase Price, and consequently any remaining part of the amounts in the relevant Construction Deposit Account will form part of the



Available Principal Funds. If an Assignment Notification Event set out under (d) (see Section 7.1 (*Purchase, repurchase and sale*)) has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the relevant Purchase Price to the Seller.

Provided certain conditions are met under the relevant Mortgage Loans, the Borrower has the right to require the Seller to pay out the Construction Deposit to or on behalf of such Borrower. Under Dutch law a creditor is entitled to dissolve (*ontbinden*) an agreement and/or demand payment of damages if its debtor defaults in the performance of its obligations under such agreement. A possible bankruptcy involving the Seller in itself would not be grounds for the Borrower to dissolve the agreements under which the Mortgage Loans arise, unless the parties have agreed otherwise. Should the Seller in that case make the Construction Deposits available to the Borrower in the manner agreed between the Seller and such Borrower, such Borrower will in turn have to perform its obligations to the Seller under the Mortgage Receivables (including in respect of the amounts placed on the Construction Deposit). Upon a bankruptcy or suspension of payments involving the Seller, the Borrower is entitled to require the Seller's bankruptcy trustee or the Seller and the administrator, respectively, to confirm within a reasonable term whether it will perform the Seller's obligations under the relevant Mortgage Loan, i.e. making available to the Borrower the Construction Deposit. The Borrower can request that the Seller's bankruptcy trustee provides or the Seller and the administrator, respectively, provide in these circumstances security for the performance of its obligations. If the Seller's bankruptcy trustee or the Seller and the administrator fail to provide such confirmation the Seller's bankruptcy trustee or the Seller and the administrator (and possibly also the Issuer and/or the Security Trustee) will lose its/their right to demand performance by the Borrower of his obligations to the extent relating to the relevant Construction Deposit. The Borrower, however, will not be released from his payment obligations in respect of the amounts that it has received under the relevant Mortgage Loan from the Seller by a payment out of the relevant Construction Deposit.

Under Dutch law the distinction between 'existing' receivables and 'future' receivables is relevant in connection with Construction Deposits. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or has had a suspension of payments granted to it. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor. Whether such part of a Mortgage Receivable relating to a Construction Deposit should be considered as an existing or future receivable is difficult to establish on the basis of the applicable terms and conditions of the relevant Mortgage Loans and as such has not been addressed conclusively in case law or legal literature. If the full Mortgage Receivable is considered to be drawn down under the Mortgage Loan when the Construction Deposit is created, the part of the Mortgage Receivable relating to the Construction Deposit will be deemed to be existing as from the creation of the Construction Deposit. However, it is also conceivable that such part of the Mortgage Loan concerned is considered drawn down only when and to the extent the Construction Deposit is paid out to or on behalf of the Borrower in which case such part of the Mortgage Receivable is deemed to be a future receivable until the Construction Deposit is paid out. If the part of the Mortgage Receivable relating to the Construction Deposit is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Deposit is paid out on or after the date on which the Seller is declared bankrupt or granted a suspension of payments. In that case, the part of the Mortgage Receivable that is not subject to the assignment or pledge will no longer be available to the Issuer. In such a situation, the Issuer will have no further obligation to pay out to the relevant Seller the remaining of the Purchase Price.

### *Bridge Loan Parts*

Under circumstances, a bridge loan (*overbruggingshypotheek*) is granted by the Seller to a Borrower. Upon origination of a Mortgage Loan which includes a Bridge Loan Part the Seller has been granted (i) a second ranking right of mortgage over the old property of the relevant Borrower and (ii) a first ranking right of mortgage over the new property of the relevant Borrower. Upon assignment of Mortgage Receivables (other than the Bridge Loan Parts) resulting from a Mortgage Loan which also contains Bridge Loan Parts (i.e. the Closing Date Bridge Loan Parts), the Seller has agreed to release its first ranking right of mortgage over the new property in relation to the Closing Date Bridge Loan Parts, to prevent the first ranking All Moneys Mortgage over the new property being co-held by the Seller and the Issuer. The second ranking All Moneys Mortgage over the old property shall be co-held by the Seller and the Issuer. See further paragraph *All Moneys Security Rights* below.

### *All Moneys Security Rights*

The mortgage deeds relating to the Mortgage Receivables to be sold to the Issuer provide for All Moneys Mortgages, meaning that the mortgage rights created pursuant to such mortgage deeds, not only secure the loan granted by the Seller to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller. The Mortgage Conditions also provide for All Moneys Pledges granted in favour of the Seller.

Under Dutch law a mortgage right is an accessory right (*afhankelijk recht*) which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law.

Based upon case law, the prevailing view has been for a long time that an all moneys mortgage right will only follow the receivable which it secures if the relationship between the bank and a borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the borrower. However, in recent legal literature this view is generally disputed and it is argued, in particular where the mortgage deed indicates that the parties intended this to happen, that the all moneys mortgage right will (partially) follow the receivable to the extent that it has been assigned, irrespective of whether the banking relationship between the bank and the borrower has terminated.

In the Mortgage Receivables Purchase Agreement the Seller represents and warrants that, upon creation of the Mortgages securing the Mortgage Receivables, the Mortgage Conditions contained a provision to the effect that, upon assignment of the relevant receivable, in whole or in part, the Mortgage will pro rata follow such receivable as an ancillary right. This provision is a clear indication of the intention of the parties in respect of assignment (and pledge) of the receivable. In the determination of whether an All Moneys Mortgage follows the receivable to which it is connected, the wording of the Mortgage Conditions in the relevant mortgage deed is an all important factor. The inclusion of this provision in the Mortgage Conditions therefore provides strong support for the view that, in this case, the Mortgage will follow the Mortgage Receivable on a pro rata basis upon assignment (or pledge) as an ancillary right, albeit that there is no conclusive case law which supports this view.

The uncertainty as to the All Moneys Mortgages following the Mortgage Receivables upon their assignment applies equally to the All Moneys Pledges.

If the All Moneys Security Rights would (*pro rata*) have followed the Mortgage Receivables upon assignment, this would imply that the All Moneys Security Rights will be co-held by the Seller and the Issuer and will secure both the Mortgage Receivables held by the Issuer and any Other Claims and the Closing Date Bridge Loan Parts of the Seller. The Dutch Civil Code provides for various mandatory rules applying to co-ownership (*gemeenschap*). Pursuant to the Dutch Civil Code co-owners may make arrangements with respect to the day-to-day management of the co-owned assets. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee, as the case may be, will manage and administer any co-held All Moneys Security Rights. It is uncertain whether the foreclosure of the All Moneys Security Rights will be considered as day-to-day management, and, consequently whether, upon the Seller being declared bankrupt or being granted a suspension of payments, the consent of the Seller's bankruptcy trustee or administrator may be required for such foreclosure.

The Seller, the Issuer and the Security Trustee will agree in the Mortgage Receivables Purchase Agreement that in case of foreclosure the share (*aandeel*) in each co-held Mortgage of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of the Seller, it shall compensate the Issuer and/or the Security Trustee, as the case may be, forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee, as the case may be, incurs as a result thereof.

### *Beneficiary Rights*

The Seller has been appointed as beneficiary under the Risk Insurance Policies up to the amount owed by the Borrowers to the Seller, except for cases where another beneficiary has been appointed who will rank ahead of the Seller. In such cases such beneficiary has provided a Borrower Insurance Proceeds Instruction. It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables as ancillary rights upon assignment or pledge thereof to the Issuer or the Security Trustee, except that in the Mortgage Conditions applicable to the Mortgage Loans any successor in title (*rechtsopvolger*) in (part of) the Mortgage Receivables is also appointed as beneficiary, which may, subject to the legal requirements for a valid assignment and subject to any requirements stipulated by the Risk Insurance Policy include the Issuer upon the assignment. The Beneficiary Rights will, to the extent legally possible, be assigned by the Seller to the Issuer and will be pledged by the Issuer to the Security Trustee (see section 4.7 (*Security*)), but it is noted that such assignment and pledge will only be completed upon notification to the Insurance Company (which is not expected to occur prior to the occurrence of an Assignment Notification Event) and it is uncertain whether this assignment and pledge will be effective. Because of the uncertainty as to whether the Issuer will acquire the Beneficiary Rights and whether the pledge of the Beneficiary Rights is effective, the Issuer will enter into the Beneficiary Waiver Agreement with the Seller and the Security Trustee. In the Beneficiary Waiver Agreement the Seller, subject to the condition precedent of the occurrence of an Assignment Notification Event, waives its rights as beneficiary under the Risk Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event. It is, however, uncertain whether such waiver and appointment will be effective. In view of this, the Seller will undertake to use its best efforts following an Assignment Notification Event to obtain

the cooperation of all relevant parties to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Risk Insurance Policies. It is uncertain whether such co-operation will be forthcoming. In the event that a Borrower Insurance Proceeds Instruction exists, the Seller will undertake in the Beneficiary Waiver Agreement, following an Assignment Notification Event, to use its best efforts to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event. A change of the payment instruction however requires the cooperation of the relevant beneficiary. It is uncertain whether such cooperation will be forthcoming. If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Risk Insurance Policies and the assignment, pledge and waiver of the Beneficiary Rights are not effective, any proceeds under the Risk Insurance Policies will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy or suspension of payments of the Seller or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Risk Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller.

## 6 PORTFOLIO INFORMATION

### 6.1 Stratification tables

The Mortgage Loans have been selected according to the Seller's underwriting criteria and the criteria of Stichting WEW (see Section 6.3 (*Origination and servicing*)). All the Mortgage Loans have been originated in accordance with the ordinary course of Tulpenhuis' origination business as set forth in Section 6.3.1 (*Tulpenhuis' Origination Process*). After the Cut-Off Date immediately preceding the Closing Date, the portfolio of Mortgage Loans will change from time to time as a result of repayment, prepayment, the purchase of Further Advances and the repurchase of Mortgage Receivables. For a description of the representations and warranties given by the Seller reference is made to Section 7.1 (*Purchase, repurchase and sale*).

In the view of the Issuer (as SSPE) and the Seller (as originator) the pool satisfies the homogeneous conditions of article 20(8) of the Securitisation Regulation and the regulatory technical standards as contained in article 1(a), (b), (c) and (d) of the RTS Homogeneity. The Mortgage Loans (i) have been underwritten in accordance with standards that apply similar approaches for assessing the credit risk associated with the Mortgage Loans and without prejudice to Article 9(1) of the Securitisation Regulation (ii) are serviced in accordance with similar procedures for monitoring, collecting and administering Mortgage Receivables from the Mortgage Loans, (iii) fall within the same asset category of residential loans secured with one or more mortgages on residential immovable property and (iv) in accordance with the homogeneity factors set forth in article 20(8) of the Securitisation Regulation and article 2(1)(a), (b) and (c) of the RTS Homogeneity (a) are secured by a first priority Mortgage or, in the case of Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, first and sequentially lower priority rights of mortgage over (I) real estate (*onroerende zaak*), (II) an apartment right (*appartementsrecht*) or (III) a long lease (*erfpacht*), in each case situated in the Netherlands and (b) (I) pursuant to the applicable Mortgage Conditions, (x) the Mortgaged Asset may not be the subject of residential letting at the time of origination, (y) the Mortgaged Asset is for residential use and has to be occupied by the relevant Borrower at and after the time of origination (except that in exceptional circumstances the Seller may in accordance with its internal guidelines allow a Borrower to let the Mortgaged Asset under specific conditions and for a limited period of time) and (II) no consent for residential letting of the Mortgaged Asset has been given by the Seller. The criteria set out in (i) up to and including (iv) are derived from article 20(8) Securitisation Regulation and the RTS Homogeneity. The RTS Homogeneity has been adopted by the European Commission on 28 May 2019 and has entered into force on 26 November 2019.

The numerical information set out below relates to the portfolio of the Mortgage Receivables which the Seller will offer for sale to the Issuer on the Signing Date. Not all of the information set out below in relation to the portfolio may necessarily correspond to the details of the Mortgage Receivables as of the Signing Date. Furthermore, after the Signing Date, the portfolio will change from time to time as a result of the repayment, prepayment, amendment and repurchase of Mortgage Receivables as well as the purchase of Further Advance Receivables.

The Mortgage Receivables represented in the Stratification Tables have been selected in accordance with the Mortgage Loan Criteria. However, there can be no assurance that any Further Advance Receivables acquired by the Issuer after the Signing Date will have the exact same characteristics as represented in the Stratification Tables.

The portfolio has been subject to an agreed upon procedures review on a sample of loans selected from the provisional portfolio conducted by a third-party and completed on or about 23 October with respect to the provisional portfolio in existence as of 31 August 2020. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate. The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein.

## 1. Key Characteristics

Key Characteristics	
Total original principal balance (€)	224,642,360
Total outstanding principal balance (€)	220,384,692
Number of borrowers	596
Number of loan parts	1,251
Average outstanding principal balance excl. construction deposits (borrower level) (€)	366,838
Construction deposits (€)	1,749,062
Outstanding principal balance excl. construction deposits (€)	218,635,630
Weighted average interest rate (%)	2.01%
Fixed interest rate with future periodic resets	100.00%
Interest-only loans (%)	15.28%
Weighted average maturity (years)	28.95
Weighted average Seasoning (years)	0.58
Weighted average remaining term to interest reset (years)	22.08
Weighted average OLTOMV (%)	95.02%
Weighted average CLTOMV (%)	93.27%
Weighted average CLTIMV (%)	89.42%
Weighted average loan to income ratio	4.35x
NHG-guaranteed loans (€)	859,096
NHG-guaranteed loans (%)	0.39%

## 2. Redemption type

Redemption Type	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
Annuity mortgage loans	175,126,554	79.46%	927	74.10%	1.99%	28.89	94.16%
Linear mortgage loans	11,579,523	5.25%	70	5.60%	2.01%	28.80	92.83%
Interest-only mortgage loans	33,678,615	15.28%	254	20.30%	2.07%	29.34	88.82%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

## 3. Outstanding principal balance

Outstanding Principal Balance	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
< 250,000	8,113,100	3.68%	43	7.21%	1.85%	28.79	74.81%
250,000 to 275,000	2,920,098	1.33%	11	1.85%	1.92%	29.22	84.80%
275,000 to 300,000	11,657,970	5.29%	40	6.71%	2.05%	28.31	88.75%
300,000 to 325,000	32,661,101	14.82%	104	17.45%	2.02%	28.86	93.67%
325,000 to 350,000	32,363,175	14.68%	96	16.11%	1.98%	29.17	94.01%
350,000 to 375,000	31,052,242	14.09%	86	14.43%	2.01%	28.87	95.34%
375,000 to 400,000	18,621,429	8.45%	48	8.05%	2.00%	29.09	96.76%
400,000 to 425,000	16,912,604	7.67%	41	6.88%	2.05%	29.08	94.70%
425,000 to 450,000	13,102,578	5.95%	30	5.03%	2.02%	29.07	94.03%
450,000 to 475,000	7,414,280	3.36%	16	2.68%	2.08%	28.84	94.36%
475,000 to 500,000	12,610,354	5.72%	26	4.36%	2.05%	29.07	93.26%
500,000 to 525,000	4,089,167	1.86%	8	1.34%	1.97%	29.02	95.31%
525,000 to 550,000	5,378,380	2.44%	10	1.68%	1.93%	29.14	95.89%
550,000 to 575,000	3,927,296	1.78%	7	1.17%	2.05%	28.95	95.12%
575,000 to 600,000	2,923,015	1.33%	5	0.84%	2.06%	29.34	96.02%
600,000 to 625,000	3,710,340	1.68%	6	1.01%	2.09%	28.96	91.07%
625,000 to 650,000	5,111,700	2.32%	8	1.34%	1.94%	28.95	93.60%
>= 650,000	7,815,863	3.55%	11	1.85%	2.00%	28.58	91.83%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Average	369,773						
Minimum	78,553						
Maximum	794,469						

#### 4. Original principal balance

Original Balance	Principal	Outstanding principal balance		By number of loans		Weighted average		
		Amount (€)	%	Loans	%	Coupon	Maturity	CLTOM V
< 250,000		7,376,002	3.35%	40	6.71%	1.84%	28.76	73.92%
250,000 to 275,000		2,050,523	0.93%	8	1.34%	1.87%	29.27	89.98%
275,000 to 300,000		7,119,104	3.23%	25	4.19%	2.02%	28.85	88.86%
300,000 to 325,000		26,765,555	12.14%	87	14.60%	2.04%	28.69	91.97%
325,000 to 350,000		34,191,974	15.51%	104	17.45%	1.99%	29.11	94.69%
350,000 to 375,000		31,535,623	14.31%	89	14.93%	1.99%	29.00	95.16%
375,000 to 400,000		20,959,216	9.51%	56	9.40%	2.03%	28.81	95.07%
400,000 to 425,000		18,425,047	8.36%	46	7.72%	2.02%	29.14	94.74%
425,000 to 450,000		15,008,283	6.81%	35	5.87%	2.02%	29.01	94.10%
450,000 to 475,000		8,161,493	3.70%	18	3.02%	2.04%	29.08	95.17%
475,000 to 500,000		12,002,772	5.45%	25	4.19%	2.07%	29.17	93.55%
500,000 to 525,000		4,882,157	2.22%	10	1.68%	2.05%	28.22	92.80%
525,000 to 550,000		5,702,416	2.59%	11	1.85%	1.91%	29.18	95.48%
550,000 to 575,000		4,950,637	2.25%	9	1.51%	1.96%	29.38	95.45%
575,000 to 600,000		4,024,519	1.83%	7	1.17%	2.14%	28.82	95.48%
600,000 to 625,000		1,203,914	0.55%	2	0.34%	2.09%	29.26	94.80%
625,000 to 650,000		4,383,097	1.99%	7	1.17%	2.03%	29.15	93.29%
>= 650,000		11,642,360	5.28%	17	2.85%	1.98%	28.62	91.61%
<b>Total</b>		<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Average		376,917						
Minimum		80,000						
Maximum		800,000						



5. Geographical distribution (by province)

Geographical Distribution Province)	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
Groningen	939,725	0.43%	4	0.67%	2.10%	28.88	78.36%
Friesland	2,064,109	0.94%	5	0.84%	2.11%	28.68	93.71%
Drenthe	3,052,387	1.39%	9	1.51%	2.10%	28.73	95.51%
Overijssel	8,451,572	3.83%	24	4.03%	1.95%	29.11	91.27%
Gelderland	22,223,493	10.08%	62	10.40%	2.01%	28.91	92.71%
Flevoland	6,000,099	2.72%	16	2.68%	2.05%	28.93	93.98%
Utrecht	34,863,537	15.82%	90	15.10%	2.03%	29.04	93.76%
North Holland	42,801,270	19.42%	114	19.13%	1.96%	29.24	93.17%
South Holland	49,186,345	22.32%	137	22.99%	1.98%	28.95	92.85%
Zeeland	892,247	0.40%	3	0.50%	1.88%	28.82	87.24%
North Brabant	35,981,230	16.33%	93	15.60%	2.04%	28.60	93.98%
Limburg	13,638,005	6.19%	38	6.38%	2.07%	28.88	94.65%
No Data	290,672	0.13%	1	0.17%	1.86%	26.38	95.30%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

## 6. Geographical distribution (by economic region)

Geographical Distribution (by Economic Region)	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
NL111 - East Groningen	287,621	0.13%	2	0.34%	1.79%	29.71	72.71%
NL113 - Rest of Groningen	652,104	0.30%	2	0.34%	2.23%	28.51	80.85%
NL121 - North Friesland	991,071	0.45%	2	0.34%	2.45%	29.38	93.12%
NL122 - South West Friesland	823,803	0.37%	2	0.34%	1.74%	28.04	93.10%
NL123 - South East Friesland	249,235	0.11%	1	0.17%	1.98%	28.05	98.12%
NL131 - North Drenthe	1,504,930	0.68%	4	0.67%	2.01%	28.61	95.64%
NL132 - South East Drenthe	1,247,808	0.57%	4	0.67%	2.10%	28.80	94.71%
NL133 - South West Drenthe	299,649	0.14%	1	0.17%	2.51%	29.02	98.25%
NL211 - North Overijssel	3,103,760	1.41%	9	1.51%	1.87%	29.09	94.39%
NL212 - South West Overijssel	1,027,904	0.47%	3	0.50%	1.71%	29.06	88.38%
NL213 - Twente	4,319,907	1.96%	12	2.01%	2.06%	29.13	89.72%
NL221 - Veluwe	7,455,243	3.38%	21	3.52%	2.01%	28.71	95.16%
NL224 - South West Gelderland	3,615,952	1.64%	10	1.68%	2.16%	28.81	95.09%
NL225 - Achterhoek	3,168,978	1.44%	9	1.51%	1.89%	29.34	94.33%
NL226 - Arnhem and Nijmegen	7,983,320	3.62%	22	3.69%	2.00%	28.97	88.70%
NL230 - Flevoland	6,000,099	2.72%	16	2.68%	2.05%	28.93	93.98%
NL310 - Utrecht	34,863,537	15.82%	90	15.10%	2.03%	29.04	93.76%
NL321 - Kop van North Holland	3,161,911	1.43%	8	1.34%	2.05%	29.44	97.28%
NL322 - Alkmaar and surroundings	2,288,944	1.04%	7	1.17%	1.99%	28.81	92.73%
NL323 - IJmond	6,092,348	2.76%	19	3.19%	2.06%	29.22	90.45%
NL324 - Haarlem agglomeration	8,358,185	3.79%	19	3.19%	1.94%	29.13	92.13%
NL325 - Zaanstreek	2,954,843	1.34%	9	1.51%	1.98%	29.33	96.68%
NL326 - Greater Amsterdam	17,442,848	7.91%	46	7.72%	1.89%	29.35	92.74%
NL327 - Het Gooi and Vechtstreek	2,502,190	1.14%	6	1.01%	2.12%	28.93	97.40%
NL331 - Leiden and Bollenstreek	11,856,010	5.38%	31	5.20%	2.00%	28.91	93.47%
NL332 - The Hague	11,082,519	5.03%	32	5.37%	1.92%	28.81	90.91%
NL333 - Delft and Westland	1,654,330	0.75%	5	0.84%	2.20%	29.18	90.91%
NL334 - East South Holland	4,333,605	1.97%	13	2.18%	2.01%	29.10	93.76%
NL335 - Rijnmond	18,209,946	8.26%	50	8.39%	1.96%	29.02	94.99%
NL336 - South South Holland	2,049,934	0.93%	6	1.01%	2.17%	28.89	80.45%
NL341 - Zeelandic Flanders	596,971	0.27%	2	0.34%	1.90%	29.54	84.25%
NL342 - Other Zeeland	295,276	0.13%	1	0.17%	1.86%	27.37	93.29%
NL411 - West North Brabant	5,907,054	2.68%	16	2.68%	2.11%	28.25	94.10%
NL412 - Mid North Brabant	7,571,610	3.44%	20	3.36%	2.09%	28.03	93.56%
NL413 - North-East North Brabant	8,789,489	3.99%	23	3.86%	1.96%	29.10	94.02%
NL414 - South-East North Brabant	13,713,078	6.22%	34	5.70%	2.04%	28.75	94.15%
NL421 - North Limburg	4,130,870	1.87%	11	1.85%	1.94%	28.62	94.02%

NL422 - Mid Limburg	3,569,196	1.62%	11	1.85%	2.13%	28.83	95.81%
NL423 - South Limburg	5,937,939	2.69%	16	2.68%	2.13%	29.08	94.38%
No Data	290,672	0.13%	1	0.17%	1.86%	26.38	95.30%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

#### 7. Loan Part coupon (interest rate bucket)

Loan Part Coupon (Interest Rate Bucket)	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
< 1.00%	-	0.00%	0	0.00%	-	-	-
1.00% to 2.00%	125,540,962	56.96%	740	59.15%	1.84%	28.84	92.32%
2.00% to 2.25%	66,810,250	30.32%	352	28.14%	2.12%	29.21	95.07%
2.25% to 2.75%	25,844,533	11.73%	147	11.75%	2.44%	28.81	93.20%
2.75% to 3.25%	2,188,947	0.99%	12	0.96%	2.80%	29.11	93.99%
3.25% to 3.75%	-	0.00%	0	0.00%	-	-	-
>= 3.75%	-	0.00%	0	0.00%	-	-	-
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	2.01%						
Minimum	1.28%						
Maximum	2.92%						

#### 8. Interest payment type

Interest Payment Type	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
Fixed with future periodic resets	220,384,692	100.00%	1,251	100.00%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

#### 9. Original Loan to Original Market Value

Original Loan to Original Market Value	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
< 80.00%	13,967,870	6.34%	50	8.39%	1.90%	28.96	64.56%
80.00% to 85.00%	6,341,951	2.88%	18	3.02%	1.90%	29.06	81.45%
85.00% to 90.00%	16,078,494	7.30%	43	7.21%	1.98%	28.56	85.87%
90.00% to 95.00%	24,266,483	11.01%	65	10.91%	1.98%	28.64	91.10%
95.00% to 100.00%	85,151,838	38.64%	220	36.91%	2.04%	28.89	96.49%
>= 100.00% *	74,578,056	33.84%	200	33.56%	2.02%	29.19	98.29%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	95.02%						
Minimum	29.85%						
Maximum	100.48%						

\* One loan has an OLTOMV of 100.48%. All other loans in this bucket have an OLTOMV of 100.00%.

#### 10. Current Loan to Original Market Value Ratio

Current Loan to Original Market Value	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
< 80.00%	16,974,801.41	7.70%	59	9.90%	1.89%	28.91	66.80%
80.00% to 85.00%	10,150,431	4.61%	29	4.87%	1.98%	28.44	83.36%
85.00% to 90.00%	19,399,475	8.80%	52	8.72%	1.99%	28.39	87.65%
90.00% to 95.00%	32,761,507	14.87%	87	14.60%	1.98%	28.63	92.89%
95.00% to 100.00%	141,098,477	64.02%	369	61.91%	2.03%	29.15	98.04%
>= 100.00%	-	0.00%	0	0.00%	-	-	-
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	93.27%						
Minimum	29.31%						
Maximum	99.80%						

#### 11. Current Loan to Indexed Market Value

Current Loan to Indexed Market Value	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
< 80.00%	23,219,525.81	10.54%	77	12.92%	1.94%	28.74	71.21%
80.00% to 85.00%	16,351,948	7.42%	45	7.55%	1.99%	28.57	86.29%
85.00% to 90.00%	35,389,151	16.06%	91	15.27%	2.06%	28.45	92.37%
90.00% to 95.00%	101,315,077	45.97%	269	45.13%	2.01%	29.06	97.31%
95.00% to 100.00%	44,108,991	20.01%	114	19.13%	1.99%	29.36	98.94%
>= 100.00%	-	0.00%	0	0.00%	-	-	-
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	89.42%						
Minimum	28.19%						
Maximum	99.80%						

#### 12. Origination date (quarter) (based on Loan Part start date)

Origination (Quarter)	Date	Outstanding principal balance		By number of loan parts		Weighted average		
		Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
2019 Q2		623,713	0.28%	2	0.16%	2.54%	28.77	77.48%
2019 Q3		5,902,659	2.68%	46	3.68%	2.53%	28.22	92.10%
2019 Q4		72,162,079	32.74%	377	30.14%	2.09%	28.82	93.43%
2020 Q1		66,523,677	30.19%	369	29.50%	1.97%	28.84	94.80%
2020 Q2		55,771,674	25.31%	337	26.94%	1.92%	29.21	93.02%
2020 Q3		19,400,888	8.80%	120	9.59%	1.92%	29.31	89.06%
<b>Total</b>		<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

13. Seasoning (years) (based on Loan Part start date)

Seasoning (Years)	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
< 0.50	75,172,563	34.11%	457	36.53%	1.92%	29.24	92.00%
0.50 to 1.00	138,685,757	62.93%	746	59.63%	2.03%	28.83	94.09%
1.00 to 1.50	6,526,373	2.96%	48	3.84%	2.53%	28.27	90.70%
>= 1.50	-	0.00%	0	0.00%	-	-	-
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	0.58						

14. Remaining term to maturity (years)

Remaining Term to Maturity (Years)	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
< 24	5,425,186	2.46%	52	4.16%	1.90%	21.73	88.21%
24 to 25	4,491,891	2.04%	37	2.96%	1.92%	24.50	91.80%
25 to 26	5,065,275	2.30%	37	2.96%	2.00%	25.41	90.21%
26 to 27	4,765,804	2.16%	36	2.88%	1.91%	26.43	91.88%
27 to 28	2,679,152	1.22%	23	1.84%	1.92%	27.41	94.14%
28 to 29	3,120,166	1.42%	18	1.44%	2.16%	28.59	88.46%
29 to 30	193,644,672	87.87%	1038	82.97%	2.01%	29.43	93.65%
>= 30	1,192,546	0.54%	10	0.80%	2.18%	30.02	89.41%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	28.95						

15. Year of final maturity date

Year of Final Maturity Date	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
2025	19,395	0.01%	1	0.08%	1.40%	5.17	88.72%
2026	-	0.00%	0	0.00%	-	-	-
2027	18,284	0.01%	1	0.08%	1.55%	7.09	96.96%
2028	-	0.00%	0	0.00%	-	-	-
2029	13,140	0.01%	1	0.08%	1.85%	9.09	98.12%
2030	-	0.00%	0	0.00%	-	-	-
2031	-	0.00%	0	0.00%	-	-	-
2032	-	0.00%	0	0.00%	-	-	-
2033	-	0.00%	0	0.00%	-	-	-
2034	208,364	0.09%	1	0.08%	2.00%	14.09	89.97%
2035	-	0.00%	0	0.00%	-	-	-
2036	-	0.00%	0	0.00%	-	-	-
2037	77,781	0.04%	2	0.16%	1.81%	16.84	84.79%
2038	-	0.00%	0	0.00%	-	-	-
2039	191,937	0.09%	4	0.32%	1.95%	18.84	93.85%
2040	777,065	0.35%	6	0.48%	1.83%	19.57	87.23%
2041	461,794	0.21%	5	0.40%	1.86%	20.78	83.12%
2042	200,000	0.09%	1	0.08%	2.38%	22.10	58.69%
2043	2,012,845	0.91%	16	1.28%	1.92%	22.97	90.50%
2044	2,458,636	1.12%	23	1.84%	1.93%	23.90	91.29%
2045	5,656,110	2.57%	43	3.44%	1.94%	24.78	90.49%
2046	4,605,689	2.09%	37	2.96%	1.99%	25.84	92.28%
2047	4,142,972	1.88%	32	2.56%	1.91%	26.73	90.80%
2048	2,520,567	1.14%	16	1.28%	1.82%	27.79	95.38%
2049	72,675,854	32.98%	374	29.90%	2.12%	29.16	93.43%
2050	124,344,260	56.42%	688	55.00%	1.95%	29.59	93.61%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

16. Interest reset year

Interest Reset Year	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
2024	868,196	0.39%	22	1.76%	1.68%	28.67	96.63%
2025	232,304	0.11%	12	0.96%	1.42%	27.62	94.87%
2026	-	0.00%	0	0.00%	-	-	-
2027	-	0.00%	0	0.00%	-	-	-
2028	-	0.00%	0	0.00%	-	-	-
2029	4,266,465	1.94%	25	2.00%	1.77%	28.89	93.82%
2030	3,109,036	1.41%	18	1.44%	1.60%	29.50	88.14%
2031	-	0.00%	0	0.00%	-	-	-
2032	-	0.00%	0	0.00%	-	-	-
2033	-	0.00%	0	0.00%	-	-	-
2034	1,290,680	0.59%	8	0.64%	2.37%	25.90	95.08%
2035	82,758	0.04%	3	0.24%	1.89%	21.92	90.83%
2036	-	0.00%	0	0.00%	-	-	-
2037	-	0.00%	0	0.00%	-	-	-
2038	-	0.00%	0	0.00%	-	-	-
2039	72,095,997	32.71%	391	31.25%	2.01%	28.69	93.42%
2040	65,399,272	29.68%	383	30.62%	1.83%	28.91	92.16%
2041	-	0.00%	0	0.00%	-	-	-
2042	-	0.00%	0	0.00%	-	-	-
2043	-	0.00%	0	0.00%	-	-	-
2044	2,956,004	1.34%	22	1.76%	2.39%	27.02	89.83%
2045	3,116,078	1.41%	24	1.92%	2.11%	27.03	94.97%
2046	-	0.00%	0	0.00%	-	-	-
2047	-	0.00%	0	0.00%	-	-	-
2048	-	0.00%	0	0.00%	-	-	-
2049	23,784,107	10.79%	120	9.59%	2.31%	29.24	93.38%
2050	43,183,797	19.59%	223	17.83%	2.12%	29.65	94.96%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

17. Remaining term to interest reset (years)

Remaining Term to Interest Reset (Years)	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
< 5	1,100,499	0.50%	34	2.72%	1.62%	28.45	96.26%
5 to 6	-	0.00%	0	0.00%	-	-	-
6 to 7	-	0.00%	0	0.00%	-	-	-
7 to 8	-	0.00%	0	0.00%	-	-	-
8 to 9	-	0.00%	0	0.00%	-	-	-
9 to 10	7,375,501	3.35%	43	3.44%	1.70%	29.15	91.43%
10 to 11	-	0.00%	0	0.00%	-	-	-
11 to 12	-	0.00%	0	0.00%	-	-	-
12 to 13	-	0.00%	0	0.00%	-	-	-
13 to 14	666,722	0.30%	4	0.32%	2.50%	29.02	97.14%
14 to 15	706,716	0.32%	7	0.56%	2.20%	22.49	92.63%
15 to 16	-	0.00%	0	0.00%	-	-	-
16 to 17	-	0.00%	0	0.00%	-	-	-
17 to 18	-	0.00%	0	0.00%	-	-	-
18 to 19	4,234,640	1.92%	30	2.40%	2.50%	28.03	89.02%
19 to 20	133,260,628	60.47%	744	59.47%	1.91%	28.82	92.94%
20 to 21	-	0.00%	0	0.00%	-	-	-
21 to 22	-	0.00%	0	0.00%	-	-	-
22 to 23	-	0.00%	0	0.00%	-	-	-
23 to 24	649,760	0.29%	5	0.40%	2.55%	26.83	90.19%
24 to 25	5,422,322	2.46%	41	3.28%	2.21%	27.04	92.74%
25 to 26	-	0.00%	0	0.00%	-	-	-
26 to 27	-	0.00%	0	0.00%	-	-	-
27 to 28	-	0.00%	0	0.00%	-	-	-
28 to 29	952,222	0.43%	6	0.48%	2.74%	29.02	94.21%
29 to 30	66,015,681	29.95%	337	26.94%	2.18%	29.51	94.40%
>= 30	-	0.00%	0	0.00%	-	-	-
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	22.08						
Minimum	3.84						
Maximum	29.94						



18. Guarantee type

Guarantee Type	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
NHG	859,096	0.39%	8	0.64%	1.91%	29.58	94.21%
No Guarantor	219,525,596	99.61%	1,243	99.36%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

19. Account status

Account Status	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
Performing	220,384,692	100.00%	596	100.00%	2.01%	28.95	93.27%
0 to 1 months	-	0.00%	-	0.00%	-	-	-
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

20. Property description

Property Description	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
Residential (house, detached or semi-detached)	200,418,039	90.94%	534	89.60%	2.02%	28.92	93.33%
Residential (flat/apartment)	19,966,653	9.06%	62	10.40%	1.90%	29.24	92.74%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

21. Occupancy type

Occupancy Type	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
Owner-occupied	220,384,692	100.00%	596	100.00%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

22. Employment status (primary borrower)

Employment Status (Primary Borrower)	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
Employed	184,003,681	83.49%	1,030	82.33%	2.02%	28.91	94.04%
Unemployed	894,668	0.41%	5	0.40%	1.78%	29.58	79.84%
Self-employed	30,990,415	14.06%	171	13.67%	1.97%	29.17	91.05%
Pensioner	2,419,062	1.10%	32	2.56%	1.81%	29.36	71.18%
Other	2,076,866	0.94%	13	1.04%	1.96%	28.99	90.13%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

### 23. Loan to income ratio

Loan to Income Ratio *	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
< 2.00 x	295,414	0.13%	1	0.17%	1.83%	26.34	76.73%
2.00 to 2.50 x	1,028,085	0.47%	5	0.84%	1.78%	26.37	80.52%
2.50 to 3.00 x	5,163,743	2.34%	16	2.68%	1.96%	28.22	90.10%
3.00 to 3.50 x	15,812,913	7.18%	49	8.22%	1.99%	28.10	88.83%
3.50 to 4.00 x	40,319,560	18.30%	117	19.63%	2.01%	28.90	93.14%
4.00 to 4.50 x	61,369,665	27.85%	169	28.36%	2.01%	29.07	93.82%
4.50 to 5.00 x	65,475,228	29.71%	171	28.69%	2.02%	29.05	94.90%
5.00 to 5.50 x	23,176,005	10.52%	51	8.56%	2.01%	29.25	93.77%
>= 5.50 x	7,744,080	3.51%	17	2.85%	1.88%	29.24	88.03%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	4.35	0	0	0	0	0	0
Minimum	1.89	0	0	0	0	0	0
Maximum	14.34	0	0	0	0	0	0

\* Outstanding principal balance to gross annual combined income (primary and secondary).

### 24. Debt Service to Income Ratio

Debt Service to Income Ratio *	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
< 10.00%	4,484,560	2.03%	18	3.02%	1.91%	28.73	76.54%
10.00% to 15.00%	34,678,331	15.74%	100	16.78%	1.97%	28.96	89.15%
15.00% to 20.00%	105,512,965	47.88%	281	47.15%	2.00%	28.95	94.06%
20.00% to 25.00%	71,805,053	32.58%	189	31.71%	2.04%	28.96	95.20%
25.00% to 30.00%	3,411,306	1.55%	7	1.17%	1.97%	29.14	91.94%
30.00% to 35.00%	492,478	0.22%	1	0.17%	2.60%	29.10	95.63%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>
Weighted Average	18.26%						
Minimum	3.36%						
Maximum	31.34%						

\* Monthly mortgage payment to gross monthly combined income (primary and secondary).

### 25. Payment Frequency

Payment Frequency	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
Monthly	220,384,692	100.00%	1,251	100.00%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

## 26. Originator

Originator	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
Tulpenhuis 1 B.V.	220,384,692	100.00%	1,251	100.00%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

## 27. Delegate sub-servicer

Delegate Sub-Servicer	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
Stater	220,384,692	100.00%	1,251	100.00%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

## 28. Valuation type

Valuation Type	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
Full	220,234,692	99.93%	595	99.83%	2.01%	28.95	93.31%
AVM*	150,000	0.07%	1	0.17%	1.74%	29.77	38.96%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

\* The one loan for which an AVM was undertaken has an OLTOMV of 38.96%.

## 29. Construction deposits (as % of outstanding principal balance)

Construction Deposits (as % of Outstanding Principal Balance)	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
0.00%	193,176,575	87.65%	528	88.59%	2.01%	28.94	93.57%
0.00% to 10.00%	21,192,510	9.62%	53	8.89%	1.95%	29.09	91.62%
10.00% to 20.00%	4,916,558	2.23%	13	2.18%	1.97%	28.76	92.95%
20.00% to 30.00%	406,000	0.18%	1	0.17%	2.17%	29.07	99.02%
>= 30.00% *	693,050	0.31%	1	0.17%	1.90%	29.85	60.70%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

\* One loan has a construction deposit equal to 30% of its outstanding principal balance.

### 30. Energy label

Energy Label	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
A	55,314,294	25.10%	146	24.50%	2.01%	28.88	92.52%
B	35,435,600	16.08%	91	15.27%	2.02%	29.05	94.27%
C	50,365,470	22.85%	147	24.66%	2.01%	28.94	93.98%
D	24,334,508	11.04%	65	10.91%	2.01%	28.91	94.18%
E	18,120,265	8.22%	46	7.72%	2.01%	29.09	94.45%
F	17,842,768	8.10%	49	8.22%	1.95%	28.86	92.20%
G	18,971,787	8.61%	52	8.72%	2.02%	29.00	90.49%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

### 31. Length of payment holiday

Length of Payment Holiday	Outstanding principal balance		By number of loan parts		Weighted average		
	Amount (€)	%	Loan parts	%	Coupon	Maturity	CLTOMV
None	220,384,692	100.00%	1,251	100.00%	2.01%	28.95	93.27%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>1,251</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

### 32. Purpose

Purpose	Outstanding principal balance		By number of loans		Weighted average		
	Amount (€)	%	Loans	%	Coupon	Maturity	CLTOMV
Purchase	201,851,102	91.59%	536	89.93%	2.02%	29.02	94.09%
Remortgage	18,533,590	8.41%	60	10.07%	1.89%	28.21	84.37%
<b>Total</b>	<b>220,384,692</b>	<b>100.00%</b>	<b>596</b>	<b>100.00%</b>	<b>2.01%</b>	<b>28.95</b>	<b>93.27%</b>

## PERFORMANCE TABLES OF SIMILAR MORTGAGE RECEIVABLES

### Data on static and dynamic historical default and loss performance of mortgage receivables similar to the Mortgage Receivables

The tables set forth below present the historical performance data compiled by the European DataWarehouse for a portfolio of mortgage loans which have been securitised in other prime Dutch RMBS transactions which are deemed substantially similar to those being securitised by means of the securitisation transaction described in this Prospectus, based on solely the criteria set out below. The

performance of the mortgage loans have been tracked by the European DataWarehouse for at least five (5) years prior to the Cut-Off Date immediately preceding the Closing Date.

The underlying portfolios of these reference transactions are deemed substantially similar to the portfolio of Mortgage Loans securitised in this transaction and the sample was selected by the European DataWarehouse based on the following criteria:

- the mortgage loans have been originated from 1 August 2011 under the Code of Conduct;
- the mortgage loans are fixed-rate loans without a compulsory switch to floating;
- the mortgage loans are non-NHG mortgage loans granted to owner occupied borrowers for the purpose of acquiring a residential property in the Netherlands; and
- the mortgage receivables resulting therefrom have been securitised in a prime Dutch RMBS transaction between 2011 and 2019.

The information included in the tables below does not relate to the Mortgage Receivables and has not been audited by any auditor.

Past performance is not necessarily an indicator of future result or performance. Opinions and estimates (including statements or forecasts) constitute judgement as of the date indicated, are subject to change without notice and involve a number of assumptions which may not prove valid.

## PERFORMANCE TABLES

5+ years of historical arrears of a sample of substantially similar mortgage receivables (source: European DataWarehouse)

Quarter	Not Delinquent	0 – 30 days	30 – 60 days	60 – 90 days	90 – 120 days	120 – 150 days	150 – 180 days	180+ days	Balance of New loans added
2014-Q1	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
2014-Q2	98,59%	0,99%	0,21%	0,04%	0,16%	0,00%	0,00%	0,00%	0,00%
2014-Q3	98,67%	0,88%	0,27%	0,00%	0,13%	0,05%	0,00%	0,00%	0,00%
2014-Q4	98,25%	1,59%	0,03%	0,05%	0,05%	0,03%	0,00%	0,00%	0,00%
2015-Q1	98,14%	1,57%	0,17%	0,03%	0,00%	0,02%	0,08%	0,00%	0,00%
2015-Q2	99,17%	0,62%	0,14%	0,00%	0,02%	0,01%	0,01%	0,04%	53,73%
2015-Q3	99,10%	0,41%	0,20%	0,21%	0,05%	0,00%	0,00%	0,03%	0,00%
2015-Q4	98,97%	0,43%	0,38%	0,00%	0,08%	0,09%	0,00%	0,05%	0,00%
2016-Q1	98,66%	0,78%	0,41%	0,03%	0,03%	0,00%	0,00%	0,08%	0,00%
2016-Q2	99,74%	0,11%	0,09%	0,01%	0,01%	0,00%	0,02%	0,02%	76,13%
2016-Q3	99,49%	0,31%	0,11%	0,00%	0,03%	0,00%	0,01%	0,04%	9,13%
2016-Q4	99,64%	0,21%	0,09%	0,03%	0,02%	0,00%	0,00%	0,01%	26,36%
2017-Q1	99,62%	0,25%	0,09%	0,01%	0,01%	0,01%	0,01%	0,01%	0,00%
2017-Q2	99,61%	0,22%	0,05%	0,03%	0,05%	0,02%	0,01%	0,01%	9,69%
2017-Q3	99,52%	0,30%	0,09%	0,01%	0,03%	0,00%	0,02%	0,02%	0,00%
2017-Q4	99,45%	0,38%	0,07%	0,01%	0,03%	0,03%	0,01%	0,03%	0,00%
2018-Q1	99,62%	0,20%	0,08%	0,03%	0,01%	0,01%	0,02%	0,03%	12,63%
2018-Q2	99,55%	0,29%	0,11%	0,00%	0,00%	0,02%	0,01%	0,03%	2,85%
2018-Q3	99,54%	0,32%	0,08%	0,01%	0,03%	0,00%	0,01%	0,02%	0,00%
2018-Q4	99,58%	0,29%	0,04%	0,02%	0,04%	0,01%	0,00%	0,01%	5,51%
2019-Q1	99,65%	0,24%	0,08%	0,01%	0,01%	0,01%	0,00%	0,01%	17,44%
2019-Q2	99,71%	0,19%	0,05%	0,03%	0,02%	0,00%	0,00%	0,01%	24,53%
2019-Q3	99,66%	0,22%	0,07%	0,01%	0,02%	0,01%	0,00%	0,01%	0,00%
2019-Q4	99,64%	0,25%	0,04%	0,03%	0,01%	0,00%	0,01%	0,01%	0,00%
2020-Q1	99,57%	0,30%	0,06%	0,02%	0,03%	0,00%	0,00%	0,03%	0,00%
2020-Q2	99,26%	0,36%	0,24%	0,01%	0,09%	0,02%	0,01%	0,02%	0,00%

5+ years of historical dynamic annualised defaults of a sample of substantially similar mortgage receivables (source: European DataWarehouse)

Quarter	Constant Default Rate (3+ months definition)	Constant Default Rate (Transaction definition)
2014-Q1		
2014-Q2	0,72%	0,54%
2014-Q3	0,21%	0,00%
2014-Q4	0,18%	0,00%
2015-Q1	0,12%	0,00%
2015-Q2	0,00%	0,00%
2015-Q3	0,95%	0,37%
2015-Q4	0,23%	0,07%
2016-Q1	0,00%	0,00%
2016-Q2	0,14%	0,08%
2016-Q3	0,04%	0,00%
2016-Q4	0,44%	0,20%
2017-Q1	0,07%	0,11%
2017-Q2	0,19%	0,11%
2017-Q3	0,08%	0,06%
2017-Q4	0,20%	0,10%
2018-Q1	0,15%	0,12%
2018-Q2	0,08%	0,04%
2018-Q3	0,06%	0,07%
2018-Q4	0,08%	0,00%
2019-Q1	0,03%	0,02%
2019-Q2	0,13%	0,06%
2019-Q3	0,08%	0,03%
2019-Q4	0,11%	0,02%
2020-Q1	0,11%	0,05%
2020-Q2	0,45%	0,02%

$$\text{Constant default rate} = 1 - \left( 1 - \left( \frac{\text{Cumulative volume of new defaults over the quarter}}{\text{Non - defaulted pool balance at the start of the quarter}} \right) \right)^4$$

**5+ years of historical cumulative static defaults and losses of a sample of substantially similar mortgage receivables (source: European DataWarehouse)**

Cumulative Default Rates (3+ months definition)						
	Year of Securitisation					
Quarters after securitisation	2014	2015	2016	2017	2018	2019
0 (Q0)						
1	0,18%	0,00%	0,00%	0,00%	0,00%	0,00%
2	0,23%	0,00%	0,03%	0,00%	0,00%	0,00%
3	0,27%	0,00%	0,05%	0,00%	0,04%	0,00%
4	0,30%	0,00%	0,11%	0,02%	0,05%	0,02%
5	0,30%	0,02%	0,12%	0,04%	0,05%	0,02%
6	0,78%	0,17%	0,17%	0,04%	0,16%	
7	0,90%	0,17%	0,20%	0,06%	0,22%	
8	0,90%	0,22%	0,22%	0,10%	0,22%	
9	0,96%	0,22%	0,24%	0,10%	0,28%	
10	1,02%	0,22%	0,25%	0,18%		
11	1,65%	0,22%	0,25%	0,20%		
12	1,82%	0,22%	0,28%	0,25%		
13	1,82%	0,22%	0,31%			
14	1,87%	0,32%	0,32%			
15	1,93%	0,32%	0,35%			
16	2,08%	0,32%	0,45%			
17	2,14%	0,32%				
18	2,15%	0,48%				
19	2,20%	0,48%				
20	2,20%	0,51%				
21	2,20%	0,55%				
22	2,20%					
23	2,28%					



Cumulative Default Rates (transaction definition)						
	Year of Securitisation					
Quarters after securitisation 0 (Q0)	2014	2015	2016	2017	2018	2019
1	0,14%	0,00%	0,00%	0,00%	0,00%	0,00%
2	0,14%	0,00%	0,02%	0,00%	0,00%	0,00%
3	0,14%	0,00%	0,04%	0,00%	0,00%	0,00%
4	0,14%	0,00%	0,07%	0,00%	0,02%	0,00%
5	0,14%	0,00%	0,08%	0,00%	0,02%	0,00%
6	0,32%	0,00%	0,12%	0,00%	0,02%	
7	0,36%	0,00%	0,15%	0,00%	0,07%	
8	0,36%	0,00%	0,17%	0,00%	0,07%	
9	0,40%	0,00%	0,20%	0,00%	0,07%	
10	0,40%	0,00%	0,20%	0,00%		
11	0,67%	0,04%	0,20%	0,00%		
12	0,80%	0,04%	0,23%	0,00%		
13	0,86%	0,04%	0,26%			
14	0,97%	0,04%	0,27%			
15	0,97%	0,04%	0,30%			
16	1,01%	0,04%	0,31%			
17	1,01%	0,04%				
18	1,01%	0,04%				
19	1,01%	0,04%				
20	1,07%	0,04%				
21	1,07%	0,04%				
22	1,07%					
23	1,07%					

Cumulative Loss Rates (transaction definition)						
	Year of Securitisation					
Quarters after securitisation	2014	2015	2016	2017	2018	2019
0 (Q0)						
1	0,005%	0,000%	0,000%	0,000%	0,000%	0,000%
2	0,005%	0,000%	0,000%	0,000%	0,000%	0,000%
3	0,005%	0,000%	0,000%	0,000%	0,000%	0,000%
4	0,005%	0,000%	0,000%	0,000%	0,000%	0,000%
5	0,005%	0,000%	0,000%	0,000%	0,000%	0,000%
6	0,062%	0,000%	0,000%	0,000%	0,000%	
7	0,062%	0,000%	0,000%	0,000%	0,000%	
8	0,062%	0,000%	0,003%	0,000%	0,000%	
9	0,062%	0,000%	0,004%	0,000%	0,000%	
10	0,062%	0,000%	0,004%	0,000%		
11	0,105%	0,003%	0,004%	0,000%		
12	0,135%	0,003%	0,004%	0,000%		
13	0,135%	0,003%	0,004%			
14	0,136%	0,003%	0,004%			
15	0,136%	0,003%	0,004%			
16	0,136%	0,003%	0,004%			
17	0,136%	0,003%				
18	0,136%	0,003%				
19	0,136%	0,003%				
20	0,136%	0,003%				
21	0,136%	0,003%				
22	0,136%					
23	0,136%					

Please note that the defaulted loans that are still active and their recovery process has not yet been completed, would not have any reported losses.

Loss severity can also significantly rise in case house prices deteriorate.

## WEIGHTED AVERAGE LIFE

The average life of the Notes refers to the average amount of time that will elapse from the Closing Date to the date of payment of the relevant Noteholders in reduction of the Principal Amount Outstanding of such Notes and gives a sense of the behaviour of principal cash flows.

The average lives of the Notes will be influenced by, among other things, the actual rates of repayment and prepayment of the Mortgage Loans. The average lives of the Notes are subject to factors largely outside the control of the Issuer. However, calculations of the possible average lives of the Notes can be made based on certain assumptions.

The tables under the header weighted average life tables below were prepared based on the characteristics of the Mortgage Loans and the following additional assumptions:

- (a) the columns labeled “Notes are called on FORD (years)” table describes the scenario in which a Call Option is exercised on the First Optional Redemption Date and the columns labeled “No call option exercised (years)” describes the scenario in which no Call Option is exercised;
- (b) the Mortgage Loans are subject to a CPR of between 0 per cent. and 15 per cent. per annum as shown in the following tables;
- (c) there is no redemption of the Notes for tax reasons;
- (d) the Mortgage Loans continue to be fully performing and there are no arrears or foreclosures, i.e. no Realised Losses;
- (e) no Mortgage Receivable is sold by the Issuer;
- (f) the portfolio mix of loan characteristics remain the same throughout the life of the Notes and 100 per cent. of the Mortgage Receivables are purchased on the Closing Date;
- (g) there is no debit balance on the Principal Deficiency Ledger on any Notes Payment Date;
- (h) the Seller is not in breach of the terms of the Mortgage Receivables Purchase Agreement;
- (i) no Mortgage Receivable is required to be repurchased by the Seller;
- (j) no Further Advances;
- (k) there is collateral of EUR 219,565,567 on the Closing Date;
- (l) at the Closing Date, the Class A Notes represent approximately 91.75 per cent. of the Mortgage Receivables as of the initial Cut-Off Date;
- (m) at the Closing Date, the Class B Notes represent approximately 2.75 per cent. of the Mortgage Receivables as of the initial Cut-Off Date;
- (n) at the Closing Date, the Class C Notes represent approximately 2.10 per cent. of the Mortgage Receivables as of the initial Cut-Off Date;
- (o) at the Closing Date, the Class Z1 Notes represent approximately 3.40 per cent. of the Mortgage Receivables as of the initial Cut-Off Date;
- (p) the Notes are issued on 16 November 2020;
- (q) all the payments on the Notes are received on the 18th day of January, April, July and October commencing from the first Notes Payment Date.
- (r) Euribor remains constant at 0 per cent
- (s) the interest rate of Mortgage Receivables is assumed to be equal to their current interest rate (as of the Cut-Off Date) until their maturity;
- (t) the Final Maturity Date of the Notes is the Notes Payment Date falling in January 2058;
- (u) the weighted average lives have been calculated on a 30/360 basis;

- (v) the weighted average lives have been modelled on the Outstanding Principal Amount of the Mortgage Receivables including any Construction Deposits (i.e. it is assumed that the Construction Deposits are drawn on the Cut-Off Date);
- (w) Mortgage Loans which are repaid in full are assumed to be repaid on the first day of the Mortgage Calculation Period;
- (x) the Notes will be redeemed in accordance with the Conditions;
- (y) no Security has been enforced;
- (z) no Enforcement Notice has been served and no Event of Default has occurred;
- (aa) no Mortgage Receivable has or will be in breach of any Mortgage Loan Criteria;
- (bb) the structure incorporates senior and servicing fees of EUR 150,000 plus 0,18 per cent. (per annum) of the Outstanding Principal Amount of the Mortgage Receivables at close of business on the immediately preceding Notes Payment Date;
- (cc) the structure incorporates a Swap Fixed Rate of 0.60 per cent. (per annum);
- (dd) certain assumptions were made in relation to the Interest Rate payable on the Notes; and
- (ee) the first Interest Period for the Notes will include two months of Principal and Revenue Collections from the Mortgage Pool.

The actual characteristics and performance of the Mortgage Loans are likely to differ from the assumptions.

### Weighted Average Life Tables

The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Mortgage Loans will prepay at a constant rate until maturity, that all of the Mortgage Loans will prepay at the same rate or that there will be no defaults or delinquencies on the Mortgage Loans. Moreover, the diverse remaining terms to maturity and mortgage rates of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified. Any difference between such assumptions and the actual characteristics and performance of the Mortgage Loans, or actual prepayment or loss experience, will affect the percentage of the initial amount outstanding of the Notes which are outstanding over time and cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage CPR.

Hypothetical weighted average lives of the Notes (in years) – With early redemption on the First Optional Redemption Date and without early redemption

	Class A Notes		Class B Notes		Class C Notes	
	Notes are called on	No call option exercised	Notes are called on	No call option exercised	Notes are called on	No call option exercised
CPR	FORD (years)	(years)	FORD (years)	(years)	FORD (years)	(years)
0.0%	3.74	16.76	3.92	29.45	3.92	29.67
1.0%	3.67	14.78	3.92	29.38	3.92	29.53
3.0%	3.53	11.62	3.92	28.80	3.92	29.28

5.0%	3.39	9.32	3.92	26.10	3.92	28.25
10.0%	3.06	5.94	3.92	18.95	3.92	21.43
15.0%	2.75	4.24	3.92	13.97	3.92	16.05

## 6.2 Description of Mortgage Loans

The Mortgage Loans (or in case of Mortgage Loans consisting of more than one loan part (*leningdelen*), the aggregate of such loan parts) are secured by a first-ranking or, as the case may be, a first and sequentially lower ranking, mortgage right evidenced by notarial mortgage deeds. The mortgage rights secure the relevant Mortgage Loans and are vested over property situated in the Netherlands. The Mortgage Loans and the mortgage rights securing the liabilities arising therefrom are governed by Dutch law. See Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer in Section 1 (*Risk factors*).

### Mortgage Loan Types

The Mortgage Loans (or any loan parts comprising a Mortgage Loan) may consist of any of the following types of redemption:

- (a) Linear Mortgage Loans (*lineaire hypotheken*);
- (b) Annuity Mortgage Loans (*annuïteiten hypotheken*); and
- (c) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*).

For a description of the representations and warranties given by the Seller, reference is made to Section 7.2 (*Representations and warranties*).

On the Closing Date, 5 Mortgage Loans contain a Bridge Loan Part amounting in total to EUR 2,780,907.23, which Bridge Loan Parts amounting in total to EUR 558,220 will not be sold and assigned to the Issuer and will remain with the Seller. The Seller shall release its first ranking right of mortgage over the (new) Mortgaged Asset in relation to such Bridge Loan Parts, see further Section 5.9 (*Legal framework as to the assignment of the Mortgage Receivables*).

### Construction deposits

Pursuant to the Mortgage Conditions, in respect of certain Mortgage Loans, the Borrower has the right to request that part of the mortgage loan will be applied towards construction of, or improvements to, the relevant Mortgaged Asset. In that case the Borrower has placed part of the monies drawn down under the Mortgage Loan on deposit with the Seller, and the Seller has committed to pay out such deposits to or on behalf of the relevant Borrowers in order to enable them to pay for construction of, or improvements to, the relevant Mortgaged Asset, provided certain conditions are met (such mortgages are called construction mortgages (*bouwhypotheeken*)). The aggregate amount of the deposits placed with the Seller in connection with these construction mortgages may not exceed 30 per cent. of the original amount outstanding under such Mortgage Loan and needs to be paid out in full within six (6) months from the start date of the relevant Mortgage Loan, provided that the Seller may agree to an extension of this period with six (6) months. After such period the remaining amount of the deposit will be set off against the relevant Mortgage Receivable up to the amount of such deposit.

<b>Mortgage Loan Type</b>	<b>Description</b>
<b>Linear Mortgage Loans:</b>	A portion of the Mortgage Loans will be in the form of Linear Mortgage Loans. Under a Linear Mortgage Loan the Borrower redeems a fixed amount on each instalment, such that at maturity the entire loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under such Mortgage Loan declines over time.
<b>Annuity Mortgage Loans:</b>	A portion of the Mortgage Loans will be in the form of Annuity Mortgage Loans. Under an Annuity Mortgage Loan the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that such Mortgage Loan will be fully redeemed at the end of its term.
<b>Interest-only Mortgage Loans:</b>	A portion of the Mortgage Loans will be in the form of Interest-only Mortgage Loans. Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof). Interest-only Mortgage Loans may have been granted up to an amount equal to 50 per cent. of the Market Value of the Mortgaged Asset at origination.

## **Interest rates**

Tulpenhuis 1 B.V. offers the following options to the borrowers regarding the payment of interest (other than in respect of a bridge mortgage loans, which are not included in the transaction):

The borrowers pay a fixed rate of interest on each loan part, subject to resets from time to time (5, 10, 15, 20, 25 or 30 years). On an interest only part, the client pays 0.1% extra for the 5, 10 and 15 years fixed interest period and either 0,10% or 0,15% extra for mortgages with a fixed interest period of 20, 25 and 30 years.

## **6.3 Origination and servicing**

### **6.3.1 Origination process**

This section gives an overview of the entire current origination process for loans with a guarantee of Stichting WEW as well as loans without such a guarantee, starting from the distribution of the loans through intermediaries up to the time when the mortgage loan becomes active. Furthermore, the section provides insight into the division of tasks currently between the intermediaries and Tulpenhuis in the origination process, the servicing of the mortgage loans by Tulp and the supporting role of Stater and Hypocasso in respect of the servicing and its mortgage information system in the origination and arrears management process.

#### *Experience*

Tulpenhuis has delegated all administrative activities regarding the origination for mortgages to Tulp. Tulp has a very experienced origination and underwriting team. Tulp has 4 underwriters and each of them has

more than 20 years of experience in underwriting. Also, senior management and the board of directors each have an extensive background (20+ years of experience) in mortgage underwriting, servicing and securitisation. The underwriters of Tulp always give the final approval. A very small part of the portfolio is underwritten (also the final approval) by Stater, which has its own (final) underwriting team. Each month, Tulp checks the mortgages which are underwritten by Stater on a sample basis.

### *Underwriting*

The underwriting criteria of Tulp Hypotheken are laid down in an underwriting policy which is fully in accordance with all relevant laws and regulations. The Stater business rule engine captures all borrower and loan data and after that performs background credit checks. Finally, this engine also checks whether applications meet all the underwriting criteria.

### *Final approval and senior staff*

The final approval is the responsibility of the Tulp underwriters who check all documents and data fields in the Stater system again. Where necessary, corrective action is taken. The senior underwriting staff of Tulp consists of three highly experienced employees:

- Mr. D. de Man Lapidoth has 25 years of experience as a loan officer and underwriter for several Dutch insurance companies, a mortgage packaging company and Dutch banks.
- Mr. M. Nagtegaal has been active for more than 20 years in originating Dutch residential loans and also established a mortgage department for a Dutch life insurance company where he was the manager for eight (8) years.
- Mrs. J. Muller is a senior underwriter. The last 20 years she has held various positions as an underwriter for a Dutch life insurance company, a mortgage packager and an audit firm.
- Mrs. R. Khemai – Ragghoe is a senior mortgage underwriter with 15 years of experience gained as mortgage underwriter at one of the biggest mortgage service providers in the Netherlands.

The underwriters are supervised by Mr. P. Hooiveld, a credit quality manager who has more than 25 years of experience in various management positions in the Dutch mortgage industry. In his capacity as a consultant and project manager this credit quality manager in the last ten (10) years also has helped implementing five mortgage loan origination platforms for a life insurance company, a mortgage packager and a mortgage platform (a so called “*regiepartij*”).

### *Changes to Mortgage Conditions*

On 15 February 2019, Tulpenhuis amended the mortgage conditions to be more in line with its competitors. The main adjustment was the inclusion of interest only mortgages. Some minor adjustments were: adjustment of the portability option by introducing a transfer period of three (3) months between sale of the old house and request for a mortgage on the new house and the maturity of a new loan part was amended to a maximum of 30 years, instead of a maximum maturity of the existing loan.

On 16 December 2019, Tulpenhuis amended the mortgage conditions to be more in line with its competitors. The main changes to the mortgage conditions related to:

- changing the validity period of the interest rate offer from 3 to 4 months;
- removing the possibility to extend the validity period of the interest rate offer with 3 months;
- some changes to the wording of the mortgage conditions; and
- allow a Calcasa valuation for low LTV smaller refinance mortgages.

### **6.3.2 Independent intermediaries**

Tulpenhuis distributes its mortgage loans exclusively through professional (Dutch) intermediaries, which operate independently and for their own account (*eigen rekening*). The intermediaries are real estate brokers, insurance brokers or mortgage financial advisors. These parties can either be part of an organised network (franchise) or operate as a separate entity. Tulpenhuis cooperates with a total of approximately 4,500 intermediaries throughout the Netherlands.

The directors of Tulpenhuis are responsible for the selection of and the relationship with the intermediaries. All intermediaries selected by Tulpenhuis have to be licensed according to the Wft and will have a registration in the licence register held with the AFM. Tulpenhuis will evaluate the cooperation with each intermediary periodically to ensure a stable and highly qualified level of service from the intermediary to the customers of Tulpenhuis. No commission fees are paid by Tulpenhuis to any of the intermediaries.

### **6.3.3 Mid-offices**

Tulpenhuis has a wide distribution network and has engaged several mid-office service providers, including DAK Faciliteiten B.V., part of the DAK Group, Flexfront and Romeo Servicing B.V., part of the Romeo Financiële Diensten Group. All these entities have a license under the Wft to operate under Dutch law. Their services will be limited to mid-office services (i.e. drafting the offer, completing the file and first approval).

The mid-office service providers perform the loan offering and the completion of the file to grant first approval on the loan file after which the loan file is transferred to the underwriters of Tulp for final approval. This always takes place based on a “four-eye-principle”. The person involved in the loan offering has no involvement in the underwriting process that leads to the first approval of the loan file. Each mid-office service provider has a team of people that are dedicated to Tulp.

The underwriters of the mid-office service provider are qualified and certified according to the Wft.

These mid-office service providers are supported by Tulp in their operational processes for Tulp. On a weekly basis, the dedicated teams of the mid-office service providers are visited by one of the Tulp underwriters to discuss active loan files and optimise the collaboration between Tulp and the mid-office service providers. This way Tulp maintains a close relationship with the mid-office service provider. Furthermore, on a quarterly basis there is a management level discussion to optimise the relationship between Tulp and the mid-office service provider.

### **6.3.4 Stater Nederland B.V.**

Stater Nederland B.V. (**Stater**) is the leading service provider for the Dutch mortgage market. In fulfilling this role, Stater focuses on support for mortgage funders in the sale, handling and financing of mortgage portfolios.



After starting life as part of Bouwfonds Hypotheken, Stater started its activities in January 1997 as an independent service provider in the mortgage market. Stater has since grown to become an international force in the market.

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 264 billion and 1,312,572 mortgage loans. In the Netherlands, Stater has a market share of about 37 per cent at 30 June 2019.

The activities are provided in a completely automated and paperless electronic format. Stater has pioneered the use of technology through its e-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

Stater provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each product. A credit-scoring model and a fraud detection system form part of automated underwriting.

In July 2019, credit rating agency Fitch Ratings again assigned Stater a Residential Primary Servicer Rating of 'RPS1-'. With this rating, which Stater received for its role as "primary servicer", Stater is the top scoring service provider in Europe for mortgage services. Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking.

In 2019 Ernst & Young, the company's external auditor, issued an ISAE 3402 Type II assurance report on internal processes at Stater. For the purpose of this report, Stater requested Ernst & Young to test the design, existence and functioning of the defined control measures for the January 1<sup>st</sup> to 31 October 2019 reporting period. With this report, Stater aims to provide its clients and their internal and external auditors transparent insight into its services and procedures.

The head office is located at Podium 1, 3826 PA, Amersfoort, the Netherlands.

Stater is a 100 per cent. subsidiary of Stater N.V., of which 75% of the shares are held by Infosys Consulting Pte. Ltd. and 25% of the shares are held by ABN AMRO Bank N.V.

### **6.3.5 Tulpenhuis, Tulp and Stater Nederland B.V.**

Tulpenhuis (for the avoidance of doubt, the original lender) and Tulp are both part of the Tulp Hypotheken Group. All entities within the Tulp Hypotheken Group have the same management board: Paul Wessels and Pierre de Vos. Both directors have 20+ years of experience in the setting up and management of mortgage platforms and servicing (inhouse and outsourced) and securitisation.

Tulpenhuis can avail itself of the very experienced team of Tulp, which is appointed as its agent whereby all the origination and servicing activities are outsourced to Tulp. Tulp's senior management and the board of directors each have an extensive back ground (20+ years of experience) in, among others, origination, servicing and securitisation. Reference is made to Section 6.3.1 (*Origination process*).

Tulpenhuis has a servicing agreement with Tulp which in its turn has delegated / outsourced the servicing to Stater and Hypocasso. Stater does most of the servicing of the loans, including client contacts, changes and information on the mortgages, collection of the monthly payments (interest and repayment) and delivering the basic reporting and loan by loan data to Tulp, which serves as input for Hypoport, which is responsible for the monthly/ quarterly reporting. The collection of monthly payments falls within the services

rendered by Stater, which is authorised to use the account of the Collection Foundation for these collection activities. Stater is also responsible for giving the civil law notary instructions and settling outgoing payments including arranging that the mortgage deed for the loan being extended is drawn up in the name of and for the account and risk of Tulpenhuis. The service level agreement with Stater is managed by 2 senior managers who both have 15+ years of experience in the mortgage business, including servicing, origination and underwriting. Tulpenhuis has also outsourced its arrears and default management and client file management to Hypocasso, which is a 100% subsidiary of Stater N.V. Subject to termination of the Servicing Agreement with the Servicer, the Delegate Sub-Servicers (as back-up servicers) shall provide to the Issuer the Mortgage Loan Services in respect of the relevant Mortgage Receivables in accordance with the Delegate Sub-Servicing Letters.

Tulpenhuis and Tulp are also responsible for marketing and sales support. The advisory role lies with the intermediary while Tulpenhuis, Tulp and the intermediaries have a joined responsibility to avoid excessive lending to the customer.

#### **6.3.6 Mortgage offering process**

All mortgage loan offers will be requested by intermediaries on behalf of the customers. The mortgage loan offer will be drafted and sent by either Stater (for those intermediaries that Tulp has contracted directly) or by other sub-servicers (for those intermediaries that are part of an organised network).

A request for an offer directed to Stater digitally through the mortgage data network (*Hypotheeken Data Network*, HDN) system will be handled by the mid office of Stater, which will also complete the file and check the required documents for compliance with the underwriting criteria. Stater will conduct a first and final approval of the request for the mortgage loan on the underwriting criteria and will subsequently inform the notary after which the notarial deed will be drafted. Each month, Tulp checks the mortgages which are underwritten by Stater on a sample basis.

A request for an offer directed to the other sub-servicers digitally through the HDN system will be handled by the mid office of the sub-servicer, which will also complete the file and check the required documents for compliance with the underwriting criteria. This sub-servicer will conduct a first approval of the request for the mortgage loan on the underwriting criteria and will subsequently hand the file over to Tulp. Tulp (acting on behalf of Tulpenhuis) will conduct the final approval of the request and will update Stater's system with the outcome. Via this system the notary and related parties will be informed automatically, after which the notarial deed will be drafted. All offers and related files are documented in the Stater system.

#### **6.3.7 Underwriting criteria**

The underwriting criteria for a Tulpenhuis mortgage loan are clearly stated in the Tulp Mortgage Guide (*Hypotheekgids*) which is distributed to all intermediaries. The primary underwriting criteria are included in several business rules, which are built into the information systems of the intermediaries, Stater and other sub-servicers.

In case of doubt, any request will be transferred to Tulp (acting on behalf of Tulpenhuis) and handled as an overrule situation. In any overrule situation, only Tulp (acting on behalf of Tulpenhuis) will decide the outcome.

#### **6.3.8 Code of Conduct and the Mortgage Credit Directive**

The mortgage Code of Conduct (*Gedragscode Hypothecaire Financieringen*) by the Dutch Association of Banks (*Nederlandse Vereniging van Banken*) is applicable for all mortgage loans originated by Tulpenhuis. The Code of Conduct is updated from time to time (the last update was implemented as per 1 August 2020). As per 1 January 2013 the Dutch Government introduced a temporary mortgage loan act (*Tijdelijke Regeling Hypothecair Krediet*). In case of conflicts with the provisions of the Code of Conduct of August 2011, as amended from time to time, this regulation will supersede the Code of Conduct. An important aspect of the temporary mortgage loan act is that the maximum loan to market value allowance has decreased to 100 per cent. from 106 per cent. within six (6) years whereby the first decrease became applicable on 1 January 2013 (105 per cent.) and the last became applicable on 1 January 2018 (100 per cent.).

Other important changes to regulation that affects mortgages as per 1 January 2013 are that for new mortgage loans originated after this date interest deductibility from taxable income is only available if the mortgage loan amortises over 30 years or less on at least an annuity basis.

The Mortgage Credit Directive (**MCD**) has entered into force on 21 March 2014 and has been implemented in the Netherlands in the Wft and the Dutch Civil Code with effect from 14 July 2016. The objectives of the MCD are to achieve a more consistent mortgage credit underwriting procedure within Europe and to enhance consumer protection. The mandatory pre-contractual information to be included in the European Standard Information Sheet (ESIS) replaces pre-contractual information leaflets that were required to be made available based on previous laws and regulations. The ESIS presents pre-contractual information about mortgage credits in a standardised way, to enable consumers to compare different offers of mortgage loan providers, which – in respect of credit agreements concluded after 30 June 2018 – also contains information on the benchmark as defined in the Benchmark Regulation (being Euribor) and contains reference to the registration of the administrator of the benchmark and the potential implications for the consumer. Euribor is currently administered by EMMI. As at the date of this Prospectus EMMI, in respect of EURIBOR, appears in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation. Furthermore, the creditworthiness assessment of the consumer takes place before the binding offer is made to the consumer. Pursuant to Dutch law offers made to consumers will remain to be binding to the offeror for a minimum period of 14 calendar days. The provisions of Title 2b of the Dutch Civil Code implementing the MCD apply for any mortgage credits entered into from 14 July 2016 and do not impact agreements entered into prior to that date. Part of the provisions included in the Wft implementing the MCD may also apply to mortgage credit agreements concluded prior to 14 July 2016, this is subject of debate in Dutch legal proceedings.

#### **6.3.9 The collateral**

The collateral must in all cases meet (among others) the following requirements:

- it is located in The Netherlands;
- it has an exclusive destination as residential property; property that is (partially) destined as commercial property will not be accepted;
- it is owned by the borrower at the time of finalisation of the mortgage deed by the notary and it will be free of any rights, with the exception of the rights that are connected with the collateral (*beperkt zakelijk recht*);
- it is usable for permanent habitation by the borrower;

- it has a minimal initial value of EUR 100,000, based on the valuation by an independent qualified valuer or surveyor. Such valuation may not be older than six (6) months on the date of the binding loan offer; and
- each valuation is validated by one of the 4 validation institutes, they perform an extra check on the work of the independent valuer and make sure every valuation is foreseen of the required documents and standards.

Depending on the specific circumstances regarding the collateral, added requirements may have to be met.

#### **6.3.10 Borrower**

Any borrower must meet the following requirements:

- a borrower can only be a natural person, with a minimum age of 18 years old;
- a borrower has the Dutch nationality or the nationality of another EU state, Switzerland, Norway, Iceland or Liechtenstein. If the borrower has a nationality which is not among the aforementioned, then Tulpenhuis requires that the borrower has an official Dutch permanent residence permit (*verblijfsvergunning*); and
- a borrower is, at the time of origination, a resident of The Netherlands.

The income must be of a continuous nature (gross wage or salary, 13th month and holiday allowance, other structural emoluments), must be received by the borrower in Euro's and may not be subject to garnishment at the time of origination. Distinction is made between permanent and flexible employment. In the latter case, the income is determined as the average income over the past three (3) years and the applicable income is maximised to the income received during the last year.

From 1 January 2019, if a borrower who is self-employed applies for a loan with NHG Guarantee the applicable income is determined by external experts accredited by Stichting WEW. If the borrower applies for a loan without guarantee, up to 1 July 2019 the borrower can choose either to have the applicable income determined by an accredited external expert or to have Tulp on behalf of Tulpenhuis determine the applicable income. As from 1 July 2019 the determination of the applicable income of self-employed borrowers will be outsourced to accredited external experts for all applications (with and without NHG Guarantee). To enable Tulpenhuis to determine the income of a borrower who is self-employed, the borrower must provide Tulpenhuis with balance sheet, profit and loss accounts and income tax statements over the past three (3) years. Furthermore, an extract of the Trade Register showing the registration of such borrower is required from this type of borrowers. Instead of a financial statement, Tulpenhuis may also use a labour market scan and a perspective statement in the income assessment of a self-employed borrower. Applications of self-employed borrowers are assessed by underwriters specialised in this type of borrowers. The underwriter can on a case by case basis ask for additional information and documents.

The loan amount is calculated on the basis of the so-called 'income ratio', which is the percentage of (gross) annual income available for mortgage loan expenses. The income ratio is proposed every year by NIBUD (*Nationaal Instituut voor Budgetvoorlichting*) and set as part of the temporary mortgage loan act by the government. The income ratio is applicable for all mortgage loans, including non-NHG mortgage loans. Taking the relevant mortgage interest rate (for interest fixation periods < ten (10) years a minimum interest rate is applicable) and the relevant income into account, this is then converted into the maximum loan amount. As per 1 January 2018 the ratio, applicable for borrowers with an age of up to Dutch retirement age (*AOW leeftijd*), ranged from 10.5 per cent. for the lowest income category (< EUR 20,500) to 36.5 per

cent. for the highest income category (> EUR 110,000). From 1 January 2019 the ratio, applicable for borrowers up to Dutch retirement age, changed to 12.0% for the lowest income category (< EUR 21,000) and to 37.0 per cent. for the highest income category (> EUR 110,000). In the case of double-income households, the income of both partners can be counted in full but the applicable ratio is limited to the ratio for the highest income plus part of the lowest income. The part for which the lower income is taken into account is 70% in 2018 and 2019, and will gradually increase to 100% in 2023.

Another criterion is that the potential borrower has a sound credit history. A check on credit history is always carried out through the BKR. The standard policy of Tulpenhuis is to deny an application if the BKR check shows that the potential borrower is in arrear on any of the financial obligations that are monitored by the BKR.

In addition Tulpenhuis also checks whether the identification documents of the customer are reported as missing or stolen through the identity verification system (*Verificatie Informatie Systeem*; VIS) of the BKR and will perform a customer due diligence.

The mortgage loan documentation relating to the Mortgage Receivables contain obligations that are contractually binding and enforceable with full recourse to the relevant Borrower (and, where applicable, any guarantor of such Borrower (other than Stichting WEW)), subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally.

The assessment of the borrower's creditworthiness is done in accordance with the Seller's underwriting criteria and meets the requirements set out in paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of article 18 of Directive 2014/17/EU or of Article 8 of Directive 2008/48/EC or, where applicable, equivalent requirements in third countries.

#### **6.3.11 Mortgage Loan amount**

The mortgage loan amount will generally meet the following requirements (among others):

- the minimal amount of the mortgage loan will be EUR 65,000;
- the maximum amount of the mortgage loan will be EUR 1,000,000; and
- an increase of an existing mortgage loan will be at least to the amount of EUR 15,000.

The maximum loan amount is currently 100 per cent. of the market value of the collateral.

For NHG Mortgage Loans the maximum percentage of Interest-only Mortgage Loans is 50% of the market value ratio of the property. For Mortgage Loans without an NHG guarantee, since 1 August 2011, the maximum percentage of Interest-only Mortgage Loans is 50% of the market value ratio of the property. For Mortgage Loans without an NHG guarantee originated prior to this date a maximum percentage Interest-only Mortgage Loans of 100% of foreclosure value was applied.

Since the introduction of interest only in February 2019, a risk surcharge of 0.10% for the fixed interest periods up to 20 years and 0.10% or 0.15 % for the fixed interest periods of 25 and 30 years on the mortgage base rate is applicable for mortgage loans other than Linear Mortgage Loans or Annuity Mortgage Loans.

In the case of a further advance, the new loan component is added to the existing loan. The new loan component is subject to the current interest rate. An applicable rate differentiation is applied to the entire loan, unless all the loan components are guaranteed by an NHG Guarantee. The current general terms and

conditions and underwriting criteria applicable in respect of mortgage loans originated by Tulpenhuis are applicable to both the new loan component and all existing loan components

### **6.3.12 Documents to be provided by the borrower**

Each borrower will be required to present at least the following documentation. Specific circumstances may lead to the request for additional information or documents.

General documentation:

- duly signed offer documentation, including all annexes, clearly stating that the borrower allows Tulp to check its credentials with several institutions;
- a true copy of a valid identification, clearly stating that the identity of the borrower (and the partner as stipulated in Section 1:88 of the Dutch Civil Code, as applicable) was verified by the intermediary.

Income:

- A declaration by the employer (*werkgeversverklaring*) of the borrower, clearly stating the specific details of the employment situation of the borrower, resembling the standard format used in The Netherlands;
- a true copy of a recent pay check (not older than three (3) months);
- a true copy of a bank account statement showing the receipt of salary corresponding with the pay check;
- a copy of the employment contract, if the employment started recently (less than two (2) months); and
- in case the borrower has an employment contract for a specified period: an intention of the employer to prolong the employment.

Collateral:

- a copy of a duly signed purchase agreement regarding the collateral;
- a recent valuation report (not older than six (6) months on the date of the binding loan offer) by an independent qualified valuer or surveyor, validated by an institute certified by NRVt (*Stichting Nederlands Register Vastgoed Taxateurs*); and
- relevant information from The Netherlands' Cadastre, Land Registry and Mapping Agency (*Kadaster*).

### **6.3.13 Collection and servicing processes**

The payment of the monthly instalments and interest is serviced by Stater. Stater collects the required payment each month on behalf of Tulpenhuis. The collection is based on a standard SEPA authorisation which each customer will sign with the offer documentation.

The Tulp Hypotheken Group has set up an independent collection foundation (*Stichting Tulpenhuis Ontvangsten*), to whom all mortgage loan related payments by the borrowers will be made and who will distribute the amounts so received to the persons who are the legal owner of (or otherwise entitled to collect (*innen*) the payments under) the mortgage receivables, typical of the Dutch market. The Tulp Hypotheken Group has no direct responsibility for or authority over the foundation. The foundation is set up as an independent, bankruptcy remote, entity which is directed by Vistra B.V.

#### **6.3.14 Tulpenhuis' arrears and default management**

The arrears and default management will be conducted by Hypocasso, in close cooperation with Tulp (acting on behalf of Tulpenhuis).

Hypocasso was founded in 2009 as a result of a joint venture between Stater and Solveon Incasso B.V. and is an independent mortgage collection agency in the Netherlands. In the fall of 2012, Stater acquired the remaining interest of Solveon Incasso B.V. and Hypocasso is since then a wholly owned subsidiary of Stater. Hypocasso has its own ISAE 3402 certificate and in July 2019, it has received a Fitch Special Servicing Rating 2.

##### *Arrears management process*

The AFM has published several statements in which it stipulates that mortgage credit providers should take the position and specific circumstances of a customer into account with its arrears management process. The AFM expects mortgage credit providers to seek a custom made solution to ensure the best possible outcome for both the mortgage credit provider and the customer.

Tulp has instructed Hypocasso to act in accordance with the guidelines of the AFM in its arrears management procedures.

##### *Regular payments via direct debit*

Approximately the 22nd day of each month, Stater Nederland B.V. delivers direct debit instructions via Secure FTP to Equens, after which the amount payable is debited from the borrower's account 2 business days before the end of the month. The monthly processing of the direct debits in iSHS by Stater Nederland B.V. takes place no later than the first weekend of the subsequent month.

#### **6.3.15 Foreclosure process and management of deficits after foreclosure**

##### *Introduction*

The Seller and Hypocasso retain a manual providing clear and consistent terms detailing the remedies and actions relating to delinquency and default of mortgage loans, debt restructuring, debt forgiveness, forbearance, payment postponements, losses, charge offs, recoveries and other asset performance remedies. All the services of Hypocasso are clustered in four phases: Early, Late, Loss Reductions and Shortfalls. In each of these phases Hypocasso adheres to the following principles:

- (i) immediate client contact after a missed payment;
- (ii) focus on client relation;
- (iii) strict and firm follow up;
- (iv) use all means of communication and contact;
- (v) use personal visits and budget counselling; and
- (vi) secure collateral.

##### *Early (daily)*

In case of any scheduled payment or collection reported missing or failed, Hypocasso (on behalf of the Seller) will contact the borrower (by mail, e-mail or call) to remind the borrower of the payment due. Furthermore, after a specified number of days after a scheduled payment or collection is reported missing or failed, Hypocasso (on behalf of the Seller) will send a formal collection letter.

Hypocasso will also make service calls to discuss missed payments with borrowers. Payment arrangements can also be made with the borrower if necessary. After this service call, Hypocasso will make an initial assessment on the missed payment depending on the risk category of the mortgage account. If the borrower does not answer the service calls a message (if possible) will be left and a text message will be sent with a request for contact.

If the borrower does not respond after the first contact, Hypocasso will continue to make service calls or if necessary, by sending letters (or e-mails or text messages). In addition, Hypocasso will use other means to try to reach the borrower including searching on the internet for information (social media and housing websites), consulting the registries of the Chamber of Commerce and the Land Registry and, ultimately, paying visits to borrowers.

#### *Late*

30 calendar days after the arrears have come into existence, Hypocasso will assess the situation and – if applicable qualify the borrower and the due payments as being late. Being 'late' means that the payment is 30 or more days in arrears. Hypocasso will attempt to create a good contact with the borrower, to be well informed about his (financial) situation and to conclude a payment scheme or any other treatment which Hypocasso deems fit for the borrower and acceptable to the Seller. Hypocasso will aim to preserve the ownership by the borrower of the property. If preservation of ownership is not possible the objective will be to limit losses as much as possible.

If preservation of ownership by the borrower is no longer feasible and a sale of the property is inevitable, the borrower will be requested to cooperate and to grant a power of attorney to the relevant civil law notary for a private sale of the property. Hypocasso will assist with the sale of the property and will achieve that the power of attorney will be granted by the borrower in an earliest possible stage. In addition, Hypocasso will have a real estate agent value the property. Hypocasso will, together with the Seller, consider and determine the sale price. Should the power of attorney not be granted and/or a private sale of the property appears not to be feasible, the property will be sold by public auction. Hypocasso will lead and observe both the public and the private sale of the property.

#### *Loss Reduction and Foreclosures*

As the Seller has, as a first-ranking or, as the case may be, a first and sequentially lower ranking, mortgagee, an 'executorial title' (*executoriale titel*), it does not have to obtain permission from the court prior to foreclosure if the borrower fails to fulfil his/her obligations and no other solutions are reached. Hypocasso can, on behalf of the Seller, sell the property either through a public sale (auction) or private sale (where it has been provided with a mandate by the borrower). If the proceeds do not fully cover the Seller's claims, the outstanding amount still has to be paid by the borrower.

#### *Outstanding Amounts*

If amounts are still outstanding after the sale of the property has been completed, Hypocasso, on behalf of the Seller, continues to manage the remaining receivables if it considers it likely that it will be able to recover such losses. These amounts still have to be repaid by the borrower. If possible a settlement agreement will be entered into between the borrower and Hypocasso, on behalf of the Seller. If the



borrower does not comply with the settlement agreement or does not wish to cooperate with Hypocasso on finding a solution to repay the unpaid amounts, other measures can be taken, such as attachments on assets of the debtor.

## **6.4 Dutch residential mortgage market**

This Section 6.4 is derived from the overview which is available at the website of the Dutch Securitisation Association (<https://www.dutchsecuritisation.nl/dutch-mortgage-and-consumer-loan-markets>) regarding the Dutch residential mortgage market over the period until September 2020. The Issuer believes that this source is reliable and as far as the Issuer is aware and is able to ascertain from the information published by the Dutch Securitisation Association, no facts have been omitted which would render the information in this section 6.4 (*Dutch residential mortgage market*) inaccurate or misleading.

The Dutch residential mortgage debt stock is relatively sizeable, especially when compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage loans, financial deregulation and increased competition among originators. Moreover, Loan-to-Value (LTV) ratios have been relatively high, as the Dutch tax system implicitly discouraged amortisation, due to the tax deductibility of mortgage interest payments. After a brief decline between 2012 and 2015, mortgage debt reached a new peak of EUR 738 billion in Q1 2020<sup>2</sup>. This represents a rise of EUR 11.7 billion compared to Q1 2019.

### **Tax system**

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

A further reform of the tax system was enforced on 1 January 2013. Since this date, all new mortgage loans have to be repaid in full in 30 years, at least on an annuity basis, in order to be eligible for tax relief (linear mortgage loans are also eligible). The tax benefits on mortgage loans, of which the underlying property was bought before 1 January 2013, have remained unchanged and are grandfathered, even in case of refinancing and relocation. As such, new mortgage originations still include older loan products, including interest-only. However, any additional loan on top of the borrower's grandfathered product structure, has to meet the mandatory full redemption standards to allow for tax deductibility.

Another reform imposed in 2013 to reduce the tax deductibility is to lower the maximum deduction percentage. This used to be equal to the highest marginal tax bracket (52%), but since 2013 the maximum deduction is lowered by 0.5% per annum (2020: 46%). In the coming years, the new government coalition will reduce the maximum deduction percentage by 3.0% per annum. In 2023, the maximum deduction percentage will be 37%, which will then be equal to the second highest marginal income tax rate.

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<sup>2</sup> Statistics Netherlands, household data.

There are several housing-related taxes which are linked to the fiscal appraisal value (“WOZ”) of the house, both imposed on national and local level. Moreover, a transfer tax (stamp duty) of 2% is applied when a house changes hands. Although these taxes partially unwind the benefits of tax deductibility of interest payments, and several restrictions to this tax deductibility have been applied, tax relief on mortgage loans is still substantial.

## **Loan products**

The Dutch residential mortgage market is characterised by a wide range of mortgage loan products. In general, three types of mortgage loans can be distinguished.

Firstly, the “classical” Dutch mortgage product is an annuity loan. Annuity mortgage loans used to be the norm until the beginning of the 1990s, but they have returned as the most popular mortgage product in recent years. Reason for this return of annuity mortgage loans is the tax system. Since 2013, tax deductibility of interest payments on new loans is conditional on full amortisation of the loan within 30 years, for which only (full) annuity and linear mortgage loans qualify.

Secondly, there is a relatively big presence of interest-only mortgage loans in the Dutch market. Full interest-only mortgage loans were popular in the late nineties and in the early years of this century. Mortgage loans including an interest-only loan part were the norm until 2013, and even today, grandfathering of older tax benefits still results in a considerable amount of interest-only loan origination.

Thirdly, there is still a big stock of mortgage products including deferred principal repayment vehicles. In such products, capital is accumulated over time (in a tax-friendly manner) in a linked account in order to take care of a bullet principal repayment at maturity of the loan. The principal repayment vehicle is either an insurance product or a bank savings account. The latter structure has been allowed from 2008 and was very popular until 2013. Mortgage loan products with insurance-linked principal repayment vehicles used to be the norm prior to 2008 and there is a wide range of products present in this segment of the market. Most structures combine a life-insurance product with capital accumulation and can be relatively complex. In general, however, the capital accumulation either occurs through a savings-like product (with guaranteed returns), or an investment-based product (with non-guaranteed returns).

A typical Dutch mortgage loan consists of multiple loan parts, e.g. a bank savings loan part that is combined with an interest-only loan part. Newer mortgage loans, in particular those for first-time buyers after 2013, are full annuity and often consists of only one loan part. Nonetheless, tax grandfathering of older mortgage loan product structures still results in the origination of mortgage loans including multiple loan parts.

Most interest rates on Dutch mortgage loans are not fixed for the full duration of the loan, but they are typically fixed for a period between 5 and 15 years. Rate term fixings differ by vintage, however. More recently, there has been a bias to longer term fixings (10-20 years). Most borrowers remain subject to interest rate risk, but compared to countries in which floating rates are the norm, Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.

## **Underwriting criteria**

Most of the Dutch underwriting standards follow from special underwriting legislation (“Tijdelijke regeling hypothecair krediet”). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100% (including all costs such as stamp duties). The

new government coalition has indicated not to lower the maximum LTV further. LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the consumer budget advisory organisation “NIBUD” and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

Prior to the underwriting legislation, the underwriting criteria followed from the Code of Conduct for Mortgage Lending, which is the industry standard. This code, which limits the risk of over crediting, has been tightened several times in the past decade. The 2007 version of the code included a major overhaul and resulted in tighter lending standards, but deviation in this version was still possible under the “explain” clause<sup>3</sup>. In 2011, another revised and stricter version of the Code of Conduct was introduced. Moreover, adherence to the “comply” option was increasingly mandated by the Financial Markets Authority (AFM). Although the Code of Conduct is currently largely overruled by the underwriting legislation, it is still in force. The major restriction it currently regulates, in addition to the criteria in the underwriting legislation, is the cap of interest-only loan parts to 50% of the market value of the residence. This cap was introduced in 2011 and is in principle applicable to all new mortgage contracts. A mortgage lender may however diverge from the cap limitation if certain conditions have been met.

### **Recent developments in the Dutch housing market**

The Dutch housing market has shown clear signs of recovery since the second half of 2013. Important factors are among others the economic recovery, high consumer confidence and low mortgage rates. Due to Corona pandemic, consumer confidence has deteriorated significantly over the last months however.

Existing house prices (PBK-index) in Q2 2020 rose by 2.0% compared to Q1 2020. Compared to Q2 2019 this increase was 7.6%. A new high was reached this quarter. The average house price level was 16.5% above the previous peak of 2008. One reason for the further rise in prices is the fall in mortgage interest rates in Q1 2020. In addition, the number of homes for sale has been falling for several years, bringing with it less choice for potential buyers. This was reflected in the fall in sales during the first half of 2019. We saw a rebound in the second half of 2019, which has continued in H1 2020. So far, the Coronacrisis has not noticeably impacted the Dutch Housing Market due to the government support measures in place but also because of a delay of around three (3) months (between sale and registration) in the official figures. The Q2 figures are thus largely reflecting the state of the housing market pre-corona. However, in July 2020, which does cover part of the corona period, the number of existing home sales increased by 7.3% year-on-year, with a total of 22,571 transactions. Hence, even in the July figures there was no corona impact visible.

### **Forced sales**

Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates<sup>4</sup>. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn in recent years is increasingly also a reason for payment problems. The ultimate attempt to loss recovery to a defaulted mortgage borrower is the forced sale of the underlying property.

For a long time, mortgage servicers opted to perform this forced sale by an auction process. The advantage of this auction process is the high speed of execution, but the drawback is a discount on the selling price.

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<sup>3</sup> Under the “explain” clause it is in exceptional cases possible to deviate from the loan-to-income and loan-to-value rules set forth in the Code of Conduct.

<sup>4</sup> Comparison of S&P RMBS index delinquency data.

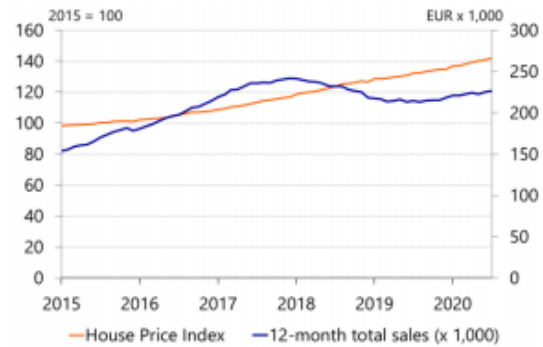
The Land Registry recorded 50 forced sales by auction in Q2 2020 (0.09% of total number of sales).

Chart 1: Total mortgage debt



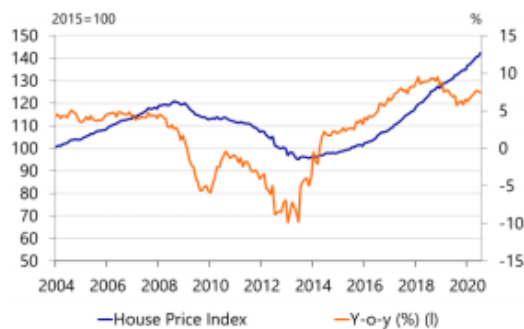
Source: Statistics Netherlands, Rabobank

Chart 2: Sales



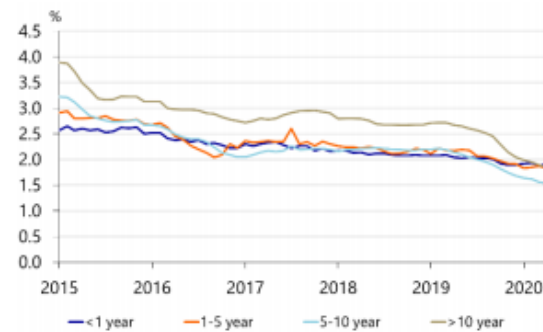
Source: Dutch Land Registry (Kadaster), Statistics Netherlands (CBS)

Chart 3: Price index development



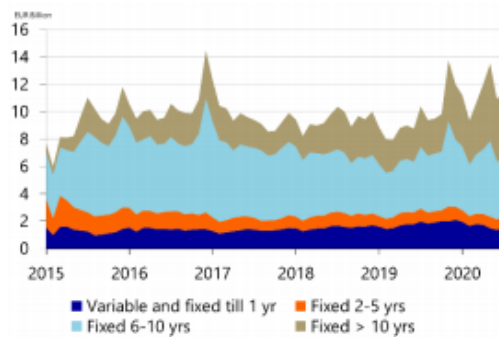
Source: Statistics Netherlands, Rabobank

Chart 4: Interest rate on new mortgage loans



Source: Dutch Central Bank

Chart 5: New mortgages by interest type



Source: Dutch Central Bank

Chart 6: Confidence



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

## 6.5 NHG guarantee programme

### NHG Guarantee

In 1960, the Dutch government introduced the 'municipal government participation scheme', an open ended scheme in which both the Dutch State and the municipalities guaranteed, according to a set of defined criteria, residential mortgage loans made by authorised lenders to eligible borrowers to purchase a primary family residence. The municipalities and the Dutch State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the municipality guarantee, the Dutch State would make an interest free loan to the municipality to cover its obligations. The aim was to promote house ownership among the lower income groups.

Since 1 January 1995 Stichting WEW, a central privatised entity, is responsible for the administration and granting of the NHG Guarantees, under a set of uniform rules. An NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, an NHG Guarantee reduces on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were being repaid on a thirty year annuity basis (from January 2013, all new mortgage loans should be repaid on a thirty year annuity or linear basis.). On 17 June 2018 Stichting WEW introduced more lenient criteria for the granting of NHG Guarantees to citizens entitled to old-age pensions. More Information on Stichting WEW and the NHG Guarantee can be found on [www.nhg.nl](http://www.nhg.nl).

### Financing of Stichting WEW

Stichting WEW finances itself, *inter alia*, by a one-off charge (*borgtochtprovisie*) to the borrower of 1.00 per cent. (since 1 January 2014) of the principal amount of the mortgage loan. From 1 January 2019 the one-off charge to the borrower is 0.9 per cent. (down from 1.0 per cent.) and from 1 January 2020 the one-off charge to the borrower is 0.7 per cent. Between 1 January 2010 and 31 December 2011 this was 0.55 per cent., between 1 January 2012 and 30 October 2012 this was 0.70 per cent. and between 1 November 2012 and 31 December 2013 this was 0.85 per cent. Besides this, the NHG scheme provides for liquidity support to Stichting WEW from the Dutch State and, in respect of guarantees issued prior to 1 January 2011, from the participating municipalities. Should Stichting WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to 50 per cent. and, only in respect of guarantees issued as from 1 January 2011, 100 per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level. In respect of guarantees issued prior to 1 January 2011 the municipalities participating in the NHG scheme will provide subordinated interest free loans to Stichting WEW of the other 50 per cent. of the above mentioned difference. Both the "keep well" agreement (*achtervangovereenkomst*) between the Dutch State and Stichting WEW and the "keep well" agreements between the municipalities and Stichting WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable Stichting WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of Stichting WEW) to meet its obligations under guarantees issued.

### The NHG Conditions

Under the NHG scheme, the lender is responsible for ensuring that the guarantee application meets the NHG Conditions. If the application qualifies, various reports are produced that are used in the processing of the application, including the form that will eventually be signed by the relevant lender and forwarded to

Stichting WEW to register the mortgage and establish the guarantee. Stichting WEW has, however, no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the NHG Conditions, which were applicable at the date of origination of the mortgage loan, unless such non-payment is unreasonable towards the lender.

In respect of mortgage loans offered from 1 January 2014, the NHG Conditions stipulate that in determining the loss incurred by a lender after a private or a forced sale of the mortgaged property, an amount of ten (10) per cent. will be deducted from such loss and thus from the payment to be made by Stichting WEW to the lender. The lender will subsequently not be entitled to recover the remaining amount due under the mortgage loan from the borrower, unless the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender to the extent possible.

The specific terms and conditions for the granting of the NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents that will be subject to change from time to time (available on [www.nhg.nl](http://www.nhg.nl)).

The NHG Conditions stipulate that an NHG Guarantee of Stichting WEW will terminate upon expiry of a period of 30 years after the establishment of such NHG Guarantee.

The NHG Conditions stipulate that the amount guaranteed by Stichting WEW under an NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were to be repaid on a 30 year annuity basis. The actual redemption structure of a Mortgage Loan can be different (see Section 6.2 (*Description of Mortgage Loans*)), although it is noted that from 1 January 2013 the NHG Conditions stipulate that for new borrowers the redemption types are limited to Annuity Mortgage Loans and Linear Mortgage Loans with a maximum term of 30 years.

The NHG scheme has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the BKR.

To qualify for an NHG Guarantee various conditions relating to valuation of the property must be met. In addition, *inter alia*, the mortgage loan must be secured by a first priority mortgage right and/or a first priority right of pledge (or a second priority mortgage right and/or a second priority right of pledge in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full reinstatement value thereof. To the extent applicable, the borrower is also required to create a first priority right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a first priority right of pledge in favour of the lender on the proceeds of the investment funds or the balance standing to the credit of the bank savings account associated with a bank savings mortgage loan (*Spaarrekening(en) Eigen Woning*). NHG Conditions dating prior to 17 June 2018 also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property for at least the amount equal to the amount of the mortgage loan that exceeds 80 per cent. of the value of the property.

The mortgage conditions applicable to each mortgage loan should include certain provisions, among which the provision that any proceeds of foreclosure on the Mortgage and the right of pledge on the life insurance policy, the investment funds or the balance standing to the credit of the bank savings account associated with a bank savings mortgage loan (*Spaarrekening(en) Eigen Woning*) shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

Furthermore, according to the NHG Conditions interest-only mortgage loans are allowed, provided that the interest-only part does not exceed 50 per cent. of the value of the property.

An NHG Guarantee could be issued up to a maximum amount of EUR 350,000 (from 17 September 2009 up to 30 June 2012). From 1 July 2012 up to 30 June 2013 the maximum amount of an NHG Guarantee for mortgage loans issued from 1 July 2012, was EUR 320,000. From 1 July 2013 the maximum amount decreased. As a result the maximum amount of an NHG Guarantee for mortgage loans issued from 1 July 2013, was EUR 290,000. From 1 July 2014 up to 30 June 2015 the maximum amount of an NHG Guarantee for mortgage loans issued from 1 July 2014, was EUR 265,000. From 1 July 2015 such maximum amount has further decreased to EUR 245,000.

From 1 January 2017 the maximum amount of an NHG Guarantee for mortgage loans is determined on the basis of the average purchase price of residential properties in the Netherlands and the applicable LTV. For 2017 the average purchase price is set at EUR 245,000 on the basis of the average purchase price of residential properties in the Netherlands. The purchase price relating to the residential property may not exceed such average purchase price of EUR 245,000. From January 2018 that amount is EUR 265,000 for loans without energy saving improvements and EUR 280,900 for loans with energy saving improvements. From 1 January 2019 that amount is EUR 290,000 for loans without energy saving improvements and EUR 307,400 for loans with energy saving improvements, from 1 January 2020 that amount is EUR 310,000 for loans without energy saving improvements and EUR 328,600 for loans with energy saving improvements, from 1 January 2021 that amount is EUR 325,000 for loans without energy saving improvements and EUR 344,500 for loans with energy saving improvements.

### **Claiming under the NHG Guarantees**

When a borrower is in arrears with payments under the mortgage loan, the property is subject to an attachment, a forced sale is threatening and/or there are calamities, the lender informs Stichting WEW of the occurrence of any such event. Stichting WEW may approach the lender and/or the borrower in order to attempt to solve the problem or to obtain the highest possible proceeds out of the enforcement of the security. If an agreement cannot be reached, the lender reviews the situation to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Permission should be obtained from Stichting WEW in case of a private sale. Irrespective of its cause, a forced sale of the mortgaged property is only allowed with the prior written permission of Stichting WEW.

Within one (1) month after the receipt of proceeds in relation to the private or forced sale of the property, the lender must make a formal request to Stichting WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original mortgage loan and the NHG Guarantee. After receipt of the claim and all the supporting details, Stichting WEW must make payment within two (2) months. If the payment is late, provided the request is valid, Stichting WEW must pay statutory interest (*wettelijke rente*) for the late payment period.



In the event that a borrower fails to meet its obligation to repay the mortgage loan and no payment or no full payment is made to the lender under the NHG Guarantee by Stichting WEW because of the lender's culpable negligence, the lender must act vis-à-vis the borrower as if Stichting WEW were still guaranteeing the repayment of the mortgage loan during the remainder of the term of the mortgage loan. In addition, the lender is not entitled to recover any amounts due under the mortgage loan from the borrower in such case. This is only different if the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender to the extent possible.

### **Woonlastenfaciliteit**

Furthermore, the NHG Conditions contain provisions pursuant to which a borrower who is in arrears with payments under the existing mortgage loan may have the right to request the lender for a so-called *woonlastenfaciliteit* as provided for in the NHG Conditions. The aim of the *woonlastenfaciliteit* is to avoid a forced sale by means of a bridging facility (*overbruggingsfaciliteit*) to be granted by the relevant lender. The bridging facility is guaranteed by Stichting WEW. The relevant borrower needs to meet certain conditions, including, *inter alia*, the fact that the payment arrears are caused by a divorce, unemployment, disability or death of the partner.

### **NHG underwriting criteria (*Normen*) as of 1 January 2020 (*Normen 2020-1*)**

With respect to a borrower, the underwriting criteria include, but are not limited to, the following:

- the lender must perform a BKR check. Only under certain circumstances are registrations allowed;
- as a valid source of income the following qualifies: indefinite contract of employment, temporary contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, a three (3) year history of income statements for workers with flexible working arrangements or during a probational period (*proeftijd*). Self-employed workers need to provide an income statement (*Inkomensverklaring Ondernemer*) which is approved by Stichting WEW. This income statement may not be older than six (6) months on the date of the binding offer of a mortgage loan;
- the maximum loan based on the income of the borrowers is based on the '*financieringslast acceptatiecriteria*' tables as determined by the National budgeting institute (Nibud) and an annuity style redemption (even if the actual loan is (partially) interest only). The mortgage lender shall calculate the borrowing capacity of a borrower of a mortgage loan with a fixed interest term of less than ten (10) years on the basis of a percentage determined and published by the AFM, or, in case of a mortgage loan with a fixed interest term of ten (10) years or longer or if the mortgage loan is redeemed within the fixed interest term of less than ten (10) years, on the basis of the binding offer.

With respect to the mortgage loan, the underwriting criteria include, but are not limited to, the following:

- as of 1 January 2013, for new loans and further advances the redemption types are limited to Annuity Mortgage Loans and Linear Mortgage Loans with a maximal term of 30 years;
- as of 1 January 2019, the maximum amount of the mortgage loan is dependent on the average house price level in the Netherlands (based on the information available from the Land Registry

(Kadaster)) multiplied with the statutory loan to value, which is 100 per cent. if there are no energy saving improvements and 106 per cent. if there are energy saving improvements. As a consequence, there are two maximum loan amounts:

- a. EUR 310,000 for loans without energy saving improvements (as of 1 January 2020), EUR 325,000 for loans without energy saving improvements (as of 1 January 2021); and
- b. EUR 328,600 for loans with energy saving improvements (as of 1 January 2020), EUR 344,500 for loans with energy saving improvements (as of 1 January 2021).

The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:

- for the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of improvements and (iii) an amount up to 6 per cent. of the amount under (i) plus (ii). In case an existing property can be bought without paying transfer taxes (vrij op naam), the purchase amount under (i) is multiplied by 97 per cent.;
- for the purchase of new-build properties, the maximum loan amount is broadly based on the sum of (i) the purchase price and/or construction costs, increased with a number of costs such as interest and loss of interest during the construction period (to the extent not already included in the purchase price or construction costs) and (ii) an amount up to 6 per cent. of the amount under (i) in case of energy saving improvements.

The one-off charge to the borrower of 0.90 per cent. (as of 1 January 2019) of the principal amount of the mortgage loan at origination has been reduced to 0.70 per cent. as of 1 January 2020.

### **Changes to the NHG underwriting criteria (*Normen*) as of 1 June 2020 (*Normen 2020-2*)**

On 31 March 2020, the new NHG underwriting criteria were published, which entered into force on 1 June 2020. In these new NHG underwriting criteria changes have been made in order for the NHG Guarantee to meet the requirements for a guarantee to qualify as eligible credit protection for banks under the CRR. In particular, the ability to receive an advance payment of the expected loss is introduced. Lenders can make use of this option immediately after publication, both for existing and new loans with an NHG Guarantee.

Under the new underwriting criteria, as stated above, Stichting WEW will offer lenders the opportunity to receive an advance payment of expected loss, subject to certain conditions being met, including foreclosure procedures not having been completed 21 months after default of the NHG mortgage loan (the **NHG Advance Right**).

The NHG Advance Right is a separate right and it is not part of the surety by NHG. Unlike the surety, this NHG Advance Right therefore does not automatically transfer upon the transfer of the mortgage receivable. If a mortgage receivable has been transferred to a third party (including in the context of special purpose vehicle transactions), the NHG Advance Right may be transferred simultaneously or at a later moment in time, for example when the transferee wishes to exercise the NHG Advance Right. This transfer is necessary if the transferee of the mortgage receivable wants to make use of this NHG Advance Right. However, if the transferee does not wish to exercise the NHG Advance Right, no transfer is necessary. After a transfer of the Mortgage Receivable, the transferor can no longer exercise the NHG Advance Right,

regardless of whether the NHG Advance Right is transferred to the transferee. This prevents the NHG Advance Right payment being made to a party other than the transferee of the mortgage receivable. However, at the request of the transferee the transferor can on its behalf exercise the right to an NHG Advance Right.

The underwriting criteria include a repayment obligation by the person that exercises the NHG Advance Right in case the payment exceeded the amount payable by Stichting WEW under the surety as actual loss eligible for compensation. This would for example be the case if the proceeds of the enforcement were higher than estimated, but also if the borrower in arrears resumes payment under the Mortgage Loan. In case the Servicer (on behalf of the Issuer) exercises its NHG Advance Right, it may subsequently be legally obliged to repay an amount to Stichting WEW if, and to the extent, the amount received under the NHG Advance Right exceeds the amount payable at such time by Stichting WEW under the NHG Guarantee.

## 7 PORTFOLIO DOCUMENTATION

### 7.1 Purchase, repurchase and sale

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the Mortgage Receivables, NHG Advance Rights and the Beneficiary Rights relating thereto (which Beneficiary Rights entitle the Seller to receive final payment under the relevant Risk Insurance Policies, which payment is to be applied towards redemption of the Mortgage Receivables) by means of a (registered or notarial) Deed of Assignment and Pledge as a result of which legal title to the Mortgage Receivables, NHG Advance Rights and the Beneficiary Rights relating thereto is transferred to the Issuer (the **Assignment**). The Assignment will not be notified to the Borrowers and the relevant Insurance Companies, except in special events as further described hereunder (**Assignment Notification Events**). Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the Seller. The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables following the Closing Date and to all amounts of principal and interest in respect of the Mortgage Loans, which were received by the Seller between the Cut-Off Date immediately preceding the Closing Date and the Closing Date. The Issuer and the Seller have agreed that the Issuer shall not make use of the NHG Advance Rights unless the Issuer is directed to do so by the Security Trustee.

#### **House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR**

Prior to the Assignment, the Seller has sold and assigned the Mortgage Receivables to House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR, being the **Previous Transaction SPV**, as part of the Seller's warehouse transaction under a warehouse mortgage receivables purchase agreement and multiple deeds of sale and assignment and registration of such deeds of sale and assignment with the Dutch tax authorities as a result of which legal title to the Mortgage Receivables was transferred from the Seller to the Previous Transaction SPV. Prior to the Assignment, the Seller has repurchased and accepted reassignment of the Mortgage Receivables from the Previous Transaction SPV by means of a deed of repurchase and reassignment between the Previous Transaction SPV and the Seller, which will be executed as a notarial deed on or before the Closing Date as a result of which legal title to the relevant Mortgage Receivables was retransferred from the Previous Transaction SPV to the Seller on or before the Closing Date.

#### **Purchase Price**

The Purchase Price for the Mortgage Receivables shall be payable on the Closing Date or, in case of Further Advance Receivables on the relevant Purchase Date. The Purchase Price is equal to the aggregate Outstanding Principal Amount of the Mortgage Receivables on the relevant Cut-Off Date. The Purchase Price in respect of the Mortgage Receivables purchased on the Signing Date will be EUR 224,644,129.70.

The part of the Purchase Price equaling the Aggregate Construction Deposit Amount will be withheld by the Issuer and will be deposited in the Construction Deposit Account.

#### **Further Advance Receivables**

The Mortgage Receivables Purchase Agreement will provide that the Seller shall offer for sale and assignment in advance (*bij voorbaat*) Further Advance Receivables resulting from Further Advances to be granted by the Seller on any Business Day and the Issuer shall apply the Further Advance Available Funds towards the purchase of any such Further Advance Receivables, any NHG Advance Right and the Beneficiary Rights, subject to the Additional Purchase Conditions being met, on any Purchase Date until

(but excluding) the First Optional Redemption Date. If the Additional Purchase Conditions are not met or the Further Advance is granted on or after the First Optional Redemption Date, the Seller has undertaken to repurchase the Mortgage Receivable which results from the Mortgage Loan to which the Further Advance relates.

### **Breach of Key Representations and Non-Key Representations**

If any of the Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date proves to have been untrue or incorrect in any material respect on the Closing Date or such Purchase Date and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach within a 14 calendar days remedy period, or such matter is not capable of being remedied within the said period of 14 calendar days, the Seller shall repurchase the relevant Mortgage Receivable in accordance with the provisions of the Mortgage Receivables Purchase Agreement as set forth in the subparagraph (*Repurchase*), item (i) below.

If any of the Non-Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date proves to have been untrue or incorrect in any material respect on the Closing Date or such Purchase Date and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach within a 14 calendar days remedy period, or such matter is not capable of being remedied within the said period of 14 calendar days, the Seller is obligated to either repurchase the relevant Mortgage Receivable in accordance with the provisions of the Mortgage Receivables Purchase Agreement as set forth in the subparagraph (*Repurchase*), item (ii) below or send a Compensation Notice to the Issuer and the Security Trustee in accordance with the provisions of the Mortgage Receivables Purchase Agreement as set forth in the subparagraph (*Indemnification*) below.

### **Repurchase**

In the Mortgage Receivables Purchase Agreement, the Seller has undertaken to repurchase and accept reassignment of a Mortgage Receivable (together with the NHG Advance Rights and the Beneficiary Rights relating thereto):

- (i) either (a) on the Mortgage Collection Payment Date immediately following the expiration of the 14 calendar days remedy period (as provided for in the Mortgage Receivables Purchase Agreement) if any of the Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date, proves to have been untrue or incorrect in any material respect on the Closing Date or such Purchase Date and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach, or (b), if such matter is not capable of being remedied within the said period of 14 calendar days, on the immediately following Mortgage Collection Payment Date; or
- (ii) either (a) on the Mortgage Collection Payment Date immediately following the expiration of the 14 calendar days remedy period (as provided for in the Mortgage Receivables Purchase Agreement) if any of the Non-Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date, proves to have been untrue or incorrect in any material respect on the

Closing Date or such Purchase Date and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach, or (b), if such matter is not capable of being remedied within the said period of 14 calendar days, on the immediately following Mortgage Collection Payment Date, unless the Seller has sent a Compensation Notice in relation to such matter to the Issuer and the Security Trustee; or

- (iii) on the Mortgage Collection Payment Date immediately following the date on which (a) the Seller agrees with a Borrower to grant a Further Advance and the relevant Further Advance Receivable is not purchased by the Issuer on any Purchase Date falling ultimately on the immediately succeeding Mortgage Collection Payment Date or (b) the Seller obtains an Other Claim; or
- (iv) on the Mortgage Collection Payment Date immediately following the date on which the Seller agrees with a Borrower to any amendment or alteration that (i) is not consistent with the practice of a reasonably prudent servicer of residential mortgage loans in the Netherlands, (ii) entails an extension of the term of the relevant Mortgage Loan beyond October 2055 or (iii) entails a Non-Permitted Mortgage Loan Amendment, provided that any amendment or alteration that entails a Non-Permitted Mortgage Loan Amendment is initiated by the relevant Borrower; or
- (v) on the Mortgage Collection Payment Date immediately following the date on which the Seller becomes aware that an NHG Mortgage Loan Part forming part of the relevant Mortgage Loan no longer has the benefit of an NHG Guarantee for the full amount of such NHG Mortgage Loan Part as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by the Seller or the Servicer; or
- (vi) on the Mortgage Collection Payment Date immediately following the date on which the Seller has notified the Issuer that, while it is entitled to make a claim under the NHG Guarantee, it will not make such claim.

The purchase price for the Mortgage Receivable in such event shall be the Outstanding Principal Amount of the relevant Mortgage Receivable together with (i) any unpaid interest accrued (up to but excluding the relevant cut-off date of the sale and assignment of the Mortgage Receivable) and (ii) reasonable costs (including any costs incurred by the Issuer in effecting and completing such purchase and assignment).

Other than in the events set out above and in relation to any of the Call Options set out below, the Seller will not be obliged to repurchase any Mortgage Receivables from the Issuer.

Also, the Transaction Documents do not allow for the active selection of the Mortgage Loans or Mortgage Receivables on a discretionary basis including management of the pool for speculative purposes aiming to achieve better performance, increased investor yield, overall financial returns or other purely financial or economic benefit.

In relation to the ability of the Seller to repurchase, reference is made to *Risk that the Seller fails to repurchase the Mortgage Receivables* in Section 1 (*Risk factors*) above.

## **Indemnification**

If (A) any of the Non-Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date proves to have been untrue or incorrect in any material respect on the Closing Date or such Purchase Date and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach within the relevant remedy period, or such matter is not capable of being remedied within such period, and (B) the Seller chooses not to repurchase the relevant Mortgage Receivable in accordance with the provisions of the Mortgage Receivables Purchase Agreement as set forth in the subparagraph (*Repurchase*), item (ii) above, the Seller shall send a Compensation Notice to the Issuer and the Security Trustee either (a) on the Mortgage Collection Payment Date immediately following the expiration of the 14 calendar days remedy period (as provided for in the Mortgage Receivables Purchase Agreement) that the Non-Key Representations given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables on the Closing Date or the relevant Purchase Date, proves to have been untrue or incorrect in any material respect on the Closing Date or such Purchase Date and the Seller has not remedied the breach or procured the remedy of the matter giving rise to such breach, or (b), if such matter is not capable of being remedied within the said period of 14 calendar days, on the immediately following Mortgage Collection Payment Date. If the Seller sends the Issuer and the Security Trustee a Compensation Notice, it shall have to pay on each Notes Calculation Date following the relevant Compensation Notice, the Pre-agreed Compensation Amount.

## **Call Options**

### *Tax Call Option*

Pursuant to the Trust Deed, the Issuer has the right to sell and assign all but not some of the Mortgage Receivables if the Tax Call Option (in accordance with Condition 6(g) (*Redemption for tax reasons*)) is exercised, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, at their Principal Amount Outstanding, together with interest and Subordinated Step-Up Consideration accrued up to and including the date of redemption and to pay other amounts due ranking higher or equal to the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed.

If the Issuer exercises the Tax Call Option, the Issuer will notify the Seller of such decision by written notice at least 67 calendar days prior to the scheduled date of redemption and will first offer such Mortgage Receivables to the Seller. The Seller shall within a period of 14 calendar days after receipt of such notice inform the Issuer whether it wishes to repurchase the Mortgage Receivables. After such period of 14 calendar days, if the Seller has not indicated that it wishes to repurchase the Mortgage Receivables and if the Issuer finds a third party that is willing to purchase the Mortgage Receivables, the Issuer will notify the Seller of the terms of such third party's offer by written notice at least 39 calendar days prior to the scheduled date of such sale. After having received the written notice as set forth in the foregoing sentence, the Seller will have the right, but not the obligation, to repurchase all the Mortgage Receivables (but not some only) on the same terms of such third party's offer to purchase the Mortgage Receivables on the scheduled date of such sale, provided that the Seller shall within a period of 7 calendar days after receipt of such notice inform the Issuer that it wishes to repurchase all the Mortgage Receivables (but not some only) on the scheduled date of such sale. The absence of such timely notice by the Seller will entitle the Issuer to sell the Mortgage Receivables to such third party.

#### *Clean-Up Call Option*

If on any Notes Payment Date, the aggregate Outstanding Principal Amount of the Mortgage Receivables is equal to or less than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only), by delivery of a notice to the Issuer at least 30 calendar days before the relevant Notes Payment Date.

If the Seller exercises the Clean-Up Call Option, the Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion. If the Seller exercises the Clean-Up Call Option, the Issuer shall be required to apply the proceeds of such sale to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed.

#### *Class R Call Option*

Unless previously redeemed in full, on each Optional Redemption Date, the Class R Noteholders (acting jointly) have the option (but not the obligation) to instruct the Issuer to redeem all (but not some only) of the Notes, by delivery of a notice to the Issuer at least 60 calendar days before the relevant Optional Redemption Date.

If the Class R Noteholders (acting jointly) exercise the Class R Call Option, the Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the party appointed by the Class R Noteholders at its sole discretion. If the Class R Noteholders exercise the Class R Call Option, the Issuer shall be required to apply the proceeds of such sale to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed.

#### *Seller Call Option*

Subject to Condition 6(f) (*Seller Call Option*) and certain conditions being met, the Seller has the right (but not the obligation) to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding. The Seller shall notify the Issuer its wish to exercise the Seller Call Option at least 75 calendar days before the relevant Optional Redemption Date.

If the Seller exercises the Seller Call Option, the Issuer has undertaking in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller and shall thereafter apply the proceeds of such sale to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed.

#### *Risk Retention Regulatory Change Call Option*

On any Notes Payment Date following the occurrence of a Risk Retention Regulatory Change Event, the Seller has the option (but not the obligation) to repurchase all the Mortgage Receivables (but not some only) from the Issuer, by delivery of a notice to the Issuer at least 60 calendar days before the relevant Notes Payment Date informing the Issuer that it will exercise the Risk Retention Regulatory Change Call Option. For the avoidance of doubt, if the Risk Retention Regulatory Change Call Option is not exercised for whatever reason by the Seller, this does not affect the obligation of the Seller in any way to retain, on



an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 6 of the Securitisation Regulation for which the Seller shall remain responsible.

*Purchase Price in case of Clean-Up Call Option, Class R Call Option, the Risk Retention Regulatory Change Call Option or the Tax Call Option*

If the Seller exercises the Seller Call Option, the Clean-Up Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders exercise the Class R Call Option or the Issuer exercises the Tax Call Option, the Issuer has undertaken in the Mortgage Receivables Purchase Agreement, to sell and assign all but not some of the Mortgage Receivables on the relevant Notes Payment Date to the Seller or any third party appointed by the Seller (at its sole discretion) or as the case may be, by the Class R Noteholders (at their sole discretion).

The Issuer shall be required to apply the proceeds of such sale of the relevant Mortgage Receivables to redeem the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes, in accordance with Condition 6(b) (*Mandatory redemption of the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes*), at their respective Principal Amount Outstanding together with unpaid interest and Subordinated Step-up Consideration accrued up to and including the date of redemption and to pay other amounts due ranking higher or equal to the Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes in accordance with the Post-Enforcement and Call Option Exercise Priority of Payments and the Trust Deed.

On the relevant Notes Payment Date on which all amounts of interest and principal due in respect of all Rated Notes have been or will be paid, the Reserve Account First Target Level and the Reserve Account Second Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on such Notes Payment Date form part of the Available Revenue Funds and be applied in accordance with the Conditions subject to the relevant Priority of Payments.

The purchase price of each Mortgage Receivable in the event of a sale by the Issuer as a result of the Seller exercising the Seller Call Option, the Clean-Up Call Option or the Risk Retention Regulatory Change Call Option or the Class R Noteholders exercising the Class R Call Option or the Issuer exercising the Tax Call Option shall be equal to at least the relevant Required Call Amount.

**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 the Seller under the Mortgage Receivables Purchase Agreement or under any other Transaction Document to which it is a party and such failure is not remedied within 15 Business Days after having knowledge of such failure or default or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails in any material respect to duly perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any other Transaction Documents to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 30 Business Days after having knowledge of such failure or default or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or

- (c) any representation, warranty or statement made or deemed to be made by the Seller under the Mortgage Receivables Purchase Agreement, other than the representations and warranties contained in clause 5.1 thereof, or under any of the other Transaction Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Transaction Document, untrue or incorrect in any material respect; or
- (d) 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 (preliminary) suspension of payments ((*voorlopige*) *surseance van betaling*), or for bankruptcy (**faillissement**) or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) 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 dissolution (*ontbinding*) and liquidation (*vereffening*) or being converted in a foreign entity (*omzetting*) or legal demerger (*juridische splitsing*) or its assets are placed under administration (*onder bewind gesteld*); or
- (f) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into of the Mortgage Receivables Purchase Agreement and/or any of the other Transaction Documents; or
- (g) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under the Mortgage Receivables Purchase Agreement or under any other Transaction Document to which it is a party; or
- (h) a Pledge Notification Event has occurred, or
- (i) the Collection Foundation has been declared bankrupt (*failliet verklaard*) or been subjected to suspension of payments (*surseance van betaling*) or analogous insolvency procedures under any applicable law,

(any event which is or may become (with the lapse of time and/or the giving of notice and/or the making of any determination) one of these events, an **Assignment Notification Event**) occurs, then (x) the Seller shall notify the Issuer and the Security Trustee thereof and (y) unless (i) in the event of the occurrence of an Assignment Notification Event referred to under (a) or (b), such failure, if capable of being remedied is so remedied to the satisfaction of the Issuer and the Security Trustee within a period of ten (10) Business Days after notice thereof, or (ii) in the event of the occurrence of any other Assignment Notification Event, the Security Trustee delivers an Assignment Notification Stop Instruction, the Seller shall forthwith:

- (i) notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee are notified of the Assignment, or, at its option, the Issuer shall be entitled to make such notifications itself, for which notification the Seller will grant an irrevocable power of attorney (with the right of substitution) to the Issuer and the Security Trustee;
- (ii) the Issuer shall, if so requested by the Security Trustee, forthwith make the appropriate entries in the Land Registry relating to the Assignment, also on behalf of the Issuer, or, at

its option, the Security Trustee shall be entitled to make such entries itself, for which entries the Seller will grant an irrevocable power of attorney (with the right of substitution) to the Issuer and the Security Trustee;

- (iii) notify Stichting WEW of the assignment of the NHG Advance Rights; and
- (iv) instruct the data trustee (as appointed from time to time by the parties to the Servicing Agreement to, *inter alia*, hold and, in certain circumstances, release the current escrow list of loans) to release the current escrow list of loans to the Issuer and the Security Trustee,

(such actions together the **Assignment Actions**).

Upon the occurrence of an Assignment Notification Event, the Security Trustee shall, after having notified the Credit Rating Agencies, be entitled to deliver an Assignment Notification Stop Instruction to the Seller.

**Assignment Notification Stop Instruction** means that upon the occurrence of an Assignment Notification Event, the Security Trustee shall, after having notified the Credit Rating Agencies, be entitled to deliver a written notice to the Seller (with a copy to the Issuer) instructing the Seller not to undertake the Assignment Actions or to take any actions other than the Assignment Actions.

#### **Personal Data**

In connection with the General Data Protection Regulation, the list of loans attached to the Mortgage Receivables Purchase Agreement and any Deed of Assignment and Pledge exclude, *inter alia*, the names and addresses of the Borrowers under the Mortgage Receivables. In accordance with the Servicing Agreement, the data trustee shall agree to release the list of loans including such personal data to the Issuer and the Security Trustee if a Notification Event has occurred and notification of the Assignment will be made to the Borrowers.

#### **Set-off by Borrowers**

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable.

#### **Jointly-held Security Interests**

In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer any jointly-held security interests. Furthermore, the Seller, the Issuer and/or the Security Trustee will agree that, in the event of a foreclosure in respect of any of the Mortgage Receivables, the share (*aandeel*) in each jointly-held security interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount in respect of the relevant Mortgage Receivables, increased by interest and costs, if any, and the share of the Seller will be equal the Net Foreclosure Proceeds less the Outstanding Principal Amount of the relevant Mortgage Receivable and less the accrued but unpaid interest and costs, if any.

It will be agreed in the Mortgage Receivable Purchase Agreement that the waiver to request division of the co-owned security interests shall be valid for a period of five (5) years (such five (5) year period, the **Waiver**

**Period**) commencing on the date the Issuer and/or the Security Trustee and the Seller become co-holder of any security interests. Upon termination of a Waiver Period, such Waiver Period will be automatically renewed for a period of five (5) years. In as far as required the Seller shall confirm such renewal on the Notes Payment Date immediately preceding the date whereon a Waiver Period terminates. The Seller shall grant a power of attorney to the Issuer and the Security Trustee to confirm such renewal.

In addition, it will be agreed in the Mortgage Receivables Purchase Agreement that following a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof during any Mortgage Calculation Period. Such compensation will have to be paid by the Seller forthwith.

### **No active portfolio management on a discretionary basis**

Only Mortgage Receivables resulting from Mortgage Loans which satisfy the Mortgage Loan Criteria, the Additional Purchase Conditions and the representations and warranties made by the Seller in the Mortgage Receivables Purchase Agreement and as set out in Section 7.2 (*Representations and Warranties*) will be purchased by the Issuer.

A repurchase and reassignment by the Seller of Mortgage Receivables from the Issuer shall only occur in the circumstances set out in this Section 7.1 (*Purchase, Repurchase and Sale*).

Also, the Transaction Documents do not allow for the active selection of the Mortgage Loans or Mortgage Receivables on a discretionary basis including management of the pool for speculative purposes aiming to achieve better performance or increased investor yield.

Accordingly, in confirmation of compliance with article 20(7) of the Securitisation Regulation and the EBA STS Guidelines Non-ABCP Securitisations, the Issuer is of the view that the Transaction Documents do not allow for active portfolio management of the Mortgage Loans comprising the pool on a discretionary basis

## **7.2 Representations and warranties**

The Seller will represent and warrant to the Issuer and the Security Trustee that (i) on the Signing Date and the Closing Date with respect to the Mortgage Loans and the Mortgage Receivables and (ii) on the relevant Purchase Date with respect to the Further Advance Receivables sold and assigned by it on such Purchase Date and the Mortgage Loans from which they result, *inter alia*:

- (a) the Mortgage Receivables and the Beneficiary Rights relating thereto are validly existing and are not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date or, in respect of Further Advance Receivables, on the relevant Purchase Date;
- (b) it has, at the time of the sale and assignment to the Issuer, full right and title to the Mortgage Receivables and, to the extent applicable, the NHG Advance Rights relating thereto, and no restrictions on the sale and transfer of the Mortgage Receivables and, to the extent applicable, the NHG Advance Rights relating thereto, are in effect and the Mortgage Receivables and, to the

extent applicable, the NHG Advance Rights relating thereto, are capable of being transferred and pledged and the assignment of the Mortgage Receivables shall be valid, provided that the assignment procedures as set forth in the Mortgage Receivables Purchase Agreement have been duly observed;

- (c) it has, at the time of the sale and assignment to the Issuer, power (*beschikkingsbevoegdheid*) to sell and assign the Mortgage Receivables and, to the extent applicable, the NHG Advance Rights relating thereto, and to the best of its knowledge, the Mortgage Receivables and, to the extent applicable, the NHG Advance Rights relating thereto, are not in a condition that can be foreseen to adversely affect the enforceability of the assignment;
- (d) the Mortgage Receivables and, to the extent applicable, the NHG Advance Rights relating thereto, are, at the time of the sale and assignment to the Issuer, free and clear of any rights of pledge or other similar rights (*beperkte rechten*), encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Mortgage Receivables, other than pursuant to the Transaction Documents, except for, on the Signing Date, the rights of pledge on the Mortgage Receivables in favour of Stichting Security Trustee Tulpenhuis 2019-1 which rights of pledge will be released before closing on or before the Closing Date;
- (e) each NHG Mortgage Loan Part has the benefit of an NHG Guarantee and each such NHG Guarantee connected to the relevant NHG Mortgage Loan Part (i) is granted for the full amount of the relevant NHG Mortgage Loan Part, provided that in determining the loss incurred after foreclosure of the relevant mortgaged property, an amount of ten (10) per cent. will be deducted from such loss in accordance with the NHG Conditions (ii) to the best of the Seller's knowledge and belief (having taken all reasonable care to ensure that such is the case), constitutes legal, valid and binding obligations of Stichting WEW, enforceable in accordance with their terms, (iii) all NHG Conditions applicable to the NHG Guarantee at the time of origination of the NHG Mortgage Loan Part were complied with and (iv) the Seller is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under the NHG Guarantee in respect of the NHG Mortgage Loan Part should not be met in full and in a timely manner (subject to any set-off against prior payments in respect of an NHG Advance Right);
- (f) each Mortgaged Asset was valued by an independent qualified valuer or surveyor when the application for the relevant Mortgage Loan was made and no such valuations were older than six (6) months on the date of the binding loan offer made to the relevant Borrower and was made in accordance with the then prevailing guidelines of the Seller and in accordance with the then prevailing Code of Conduct, except that no such valuation is required if the market value of the Mortgaged Asset is demonstrated by a Calcasa report, provided that in such case (A) the Calcasa report has a minimum reliability of 'High' and (B) the relevant Mortgage Loan (i) is used for refinancing purposes only, (ii) does not exceed 90 per cent. of the value in the Calcasa report, and (iii) does not exceed EUR 400,000;
- (g) upon creation of each Mortgage securing the relevant Mortgage Loan, the Mortgage Conditions contained a provision to the effect that, upon assignment or pledge of the Mortgage Receivables resulting from such Mortgage Loan, in whole or in part, the Mortgage will pro rata follow such Mortgage Receivables as an ancillary right;

- (h) each Mortgage Loan, Mortgage Receivable, and each Mortgage and Borrower Pledge, if any, securing such receivable, constitutes and contains legal, valid, binding and enforceable obligations of the Borrower (and, where applicable, any guarantor of such Borrower (other than Stichting WEW)) and with full recourse to such Borrower vis-à-vis the Seller, or, where applicable, a guarantor, which are not subject to annulment (*vernietiging*) as a result of circumstances which have occurred prior to or on the Closing Date or the relevant Purchase Date, subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally;
- (i) each Mortgage Loan was originated by the Seller in its ordinary course of business;
- (j) each Mortgage Receivable is: (i) secured by a first-ranking Mortgage (*eerste recht van hypotheek*) or, in the case of Mortgage Loans (including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower ranking Mortgages over real estate (*onroerende zaak*), an apartment right (*appartementsrecht*), or a long lease (*erfpachtsrecht*) situated in the Netherlands; (ii) governed by Dutch law; and (iii) originated in the Netherlands;
- (k) all Mortgages and rights of pledge granted to secure the Mortgage Receivables (i) constitute valid Mortgages (*hypotheekrechten*) and rights of pledge (*pandrechten*), respectively, on the assets which are the subject of such Mortgages and rights of pledge and, to the extent relating to the Mortgages, have been entered into the appropriate public register, (ii) have first priority, or are first and sequentially lower priority Mortgages and (iii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the relevant Mortgage Loan when originated, increased with an amount in respect of interest, penalties and costs, up to an amount equal to 40 per cent. of such principal sum, therefore in total up to a maximum amount equal to 140 per cent. of at least the outstanding principal amount upon origination of the relevant Mortgage Receivables;
- (l) the particulars of each Mortgage Loan (or part thereof) as set out in schedule 1 to the relevant Deed of Assignment and Pledge are complete, true and accurate in all material respects;
- (m) each of the Mortgage Loans meets the Mortgage Loan Criteria (to the extent applicable to the relevant loan type as specified in the Mortgage Loan Criteria);
- (n) each Borrower is instructed to pay to the Collection Foundation Account;
- (o) the Mortgage Conditions do not contravene any applicable law, rule or regulation prevailing at the time of origination in all material respect, each of the Mortgage Loans has been granted in accordance with all applicable legal requirements and meets the Code of Conduct and the Seller's underwriting policy and procedures prevailing at that time and is subject to terms and conditions customary in the Dutch mortgage market at the time of origination and not materially different or less stringent from the terms and conditions applied by (i) a prudent lender of Dutch residential mortgage loans and (ii) the Seller in respect of mortgage loans granted by it not being sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
- (p) it has not been notified and is not aware of anything affecting its title to the Mortgage Receivables at the time of the sale and assignment to the Issuer;

- (q) it has no Other Claim vis-a-vis the Borrowers other than the claims resulting from the relevant Mortgage Loans;
- (r) pursuant to Mortgage Conditions the Seller only pays out monies under a Construction Deposit (if any) to or on behalf of a Borrower after having received the relevant invoice from the relevant Borrower relating to the construction;
- (s) the notarial mortgage deeds (*minuten*) relating to the Mortgage Loans are held by a civil law notary (*notaris*) in the Netherlands, while scanned copies of such deeds and of the other mortgage documents are held by the Servicer and/or its sub-contractor (if any);
- (t) as at the relevant Cut-Off Date, it does, to the best of its knowledge, not classify any Borrower pursuant to and in accordance with its internal policies as (i) a borrower that is unlikely to pay its credit obligations to it or (ii) a borrower having a credit assessment or credit score indicating that the risk that such borrower is unlikely to pay its credit obligations to it is significantly higher than for mortgage receivables originated by the Seller that are not sold and assigned pursuant to the Mortgage Receivables Purchase Agreement;
- (u) each Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the same Mortgage or, as the case may be, if a Further Advance is granted, by first and sequentially lower priority Mortgages on the same Mortgaged Asset and not merely one or more Loan Parts;
- (v) the Mortgage Conditions provide that each of the assets on which a Mortgage has been vested to secure the Mortgage Receivable should, at the time of origination of the relevant Mortgage Loan, have the benefit of buildings insurance (*opstalverzekering*) for the full reinstatement value (*herbouwwaarde*) satisfactory to the Seller;
- (w) as at the relevant Cut-Off Date, the Mortgage Conditions have not been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects the terms or the enforceability or collectability of the Mortgage Loans;
- (x) none of the Mortgage Loans are subject to any withholding tax in the Netherlands;
- (y) the Mortgage Conditions do not contain a confidentiality provision which restricts the Issuer's exercise of its rights as legal owner of the Mortgage Receivables;
- (z) if the Mortgage Receivables are secured by a right of mortgage on a long lease (*erfpacht*), the Mortgage Loan has a maturity that is equal to or shorter than the term of the long lease and/or, if the maturity date of the Mortgage Loan falls after the maturity date of the long lease, the acceptance conditions used by the Seller provide that certain provisions should be met, and the terms of the relevant Mortgage Conditions provide that the principal amount outstanding of the related Mortgage Loan, including interest, will become immediately due and payable if (a) the long lease terminates (whether or not as a result of (i) a material breach or cessation in the performance by the leaseholder of its payment obligations under the long lease (*canon*) or (ii) a breach by the leaseholder of any of the conditions of the long lease) and (b) if applicable, the associated right of the lender under the Mortgage Conditions to accelerate the Mortgage Loan on that basis is exercised;

- (aa) each receivable under a Mortgage Loan which is secured by the same Mortgage as the Mortgage Receivable is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
- (bb) the aggregate Outstanding Principal Amount of all Mortgage Receivables as at the Cut-Off Date immediately preceding the Closing Date is equal to EUR 224,644,129.70;
- (cc) the assessment of each Borrower's creditworthiness was done in accordance with the Seller's underwriting criteria and meets the requirements set out in paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of article 18 of Directive 2014/17/EU or of article 8 of Directive 2008/48/EC;
- (dd) it carried out a BKR check in respect of each Borrower and is not aware of a BKR check in respect of any Borrower, carried out at the time of origination of the relevant Mortgage Loan, showing that such Borrower has been in arrear on any of the financial obligations that are monitored by the BKR to such an extent that pursuant to and in accordance with its internal policies, such Borrower has an adverse credit history and should not have been granted a mortgage loan;
- (ee) as at the relevant Cut-Off Date, the Mortgage Receivable is not in default within the meaning of Article 178(1) of the CRR and to the best of its knowledge, the relevant Borrower is not a credit-impaired obligor or guarantor who has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three (3) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three (3) years prior to the relevant Cut-Off Date, or has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable mortgage receivables originated by it which are not sold and assigned to the Issuer under the Mortgage Receivables Purchase Agreement, within the meaning of article 20(11) of the Securitisation Regulation;
- (ff) each of the Mortgage Loans has been granted, and each of the Mortgages and Borrower Pledges has been vested, subject to the general terms and conditions and the form of mortgage deed materially in the form as provided in the Standard Loan Documents;
- (gg) other than any Construction Deposit, the principal sum was in case of each of the Mortgage Loans fully disbursed to the relevant Borrower whether or not through the relevant civil law notary and no amounts are held in deposit with respect to any premia and interest payments (*rente- en premiedepots*);
- (hh) notwithstanding any amount withheld by the Seller as a Construction Deposit, none of the Borrowers holds a savings account, current account or term deposit with the Seller, other than a Construction Deposit;
- (ii) no Mortgage Loan has been terminated or frustrated, nor has any event occurred which would make any Mortgage Loan subject to force majeure (*overmacht*) or any right of rescission and no right or entitlement of any kind for the non-payment of the full amount of each Mortgage Loan when due has been agreed with the Borrower;
- (jj) as far as it is aware, no Mortgage Loan has been entered into fraudulently by the Borrower;



- (kk) none of the Mortgage Loans includes any obligation on the Seller to make Further Advances or increase the outstanding loan amount;
- (ll) none of the Mortgage Loans are flexible and payment holidays are not permitted under the relevant Mortgage Conditions;
- (mm) it, or the Sub-Servicer on its behalf, has accounted for and distinguished between all interest and principal payments relating to the Mortgage Loans;
- (nn) each Borrower under a Mortgage Loan has made its first (interest) payment;
- (oo) it, to the best of its knowledge, is not aware of any Borrower being subject to bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*) on (i) in respect of Mortgage Receivables to be purchased on the Closing Date, the Cut-Off Date immediately preceding the Closing Date and (ii) in respect of Further Advance Receivables to be purchased on a Purchase Date, on the Cut-Off Date immediately preceding such Purchase Date;
- (pp) the Mortgage Receivables meet the conditions for being assigned a risk weight equal to or smaller than 40 per cent. on an exposure value weighted average for a portfolio of such Mortgage Receivables as set out and within the meaning of article 243(2)(b) of the CRR;
- (qq) it, to the best of its knowledge, is not aware of any Borrower in respect of whom a court had granted his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three (3) years prior to the date of origination of the relevant Mortgage Loan;
- (rr) the principal sum outstanding of the Mortgage Loan (or, in the case of Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, the aggregate principal sum outstanding of such Mortgage Loans and Further Advance) did not exceed 100 per cent. (or, in relation to Mortgage Loans also financing energy-saving facilities to the Mortgaged Asset only, 106 per cent.) of the market value (*vrije marktwaarde*) of the Mortgaged Asset upon origination of the Mortgage Loan (or in the case of Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, upon origination of each such Mortgage Loan and Further Advance);
- (ss) the aggregate principal sum outstanding under a Mortgage Loan (other than a Mortgage Loan having the benefit of an NHG Guarantee) upon origination is not less than EUR 65,000 and does not exceed EUR 1,000,000 and the aggregate principal sum outstanding under a Mortgage Loan having the benefit of an NHG Guarantee does not exceed the maximum guaranteed amount as was applicable pursuant to the NGH Conditions at the time of origination thereof; and
- (tt) the Mortgage Loan does not have a Current Loan to Indexed Market Value Ratio higher than 100 per cent. (or, if a different percentage is required or sufficient from time to time for the Notes to comply with article 243(2) of the CRR-Securitisation Amendment and the Seller wishes to apply such different percentage, then such different percentage).

### 7.3 Mortgage Loan Criteria

Each of the Mortgage Loans will meet the following criteria (the **Mortgage Loan Criteria**) on the relevant Cut-Off Date:

- (a) the Mortgage Loans are either in the form of:
  - (i) Annuity Mortgage Loan (*annuïteiten hypotheek*);
  - (ii) Linear Mortgage Loan (*lineaire hypotheek*); or
  - (iii) Interest-only Mortgage Loan (*aflossingsvrije hypotheek*);
- (b) there are no more than two (2) Borrowers under the relevant Mortgage Loan;
- (c) the Borrower is a natural person, a resident of the Netherlands and not an employee of the Seller;
- (d) the yearly income of the relevant Borrower(s) is, at the time of origination, higher than EUR 15,000 (in case of one Borrower) or EUR 20,000 (in case of two Borrowers);
- (e) the Mortgage Loan or part thereof does not qualify as a Self-Certified Mortgage Loan, or as a equity-release mortgage loan, or as a Bridge Mortgage Loan;
- (f) (i) pursuant to the terms and conditions applicable to the Mortgage Loan, (x) the Mortgaged Asset may not be the subject of residential letting at the time of origination, (y) the Mortgaged Asset is for residential use and has to be occupied by the relevant Borrower at and after the time of origination (except that in exceptional circumstances the Seller may in accordance with its internal guidelines allow a Borrower to let the Mortgaged Asset under specific conditions and for a limited period of time) and (ii) no consent for residential letting of the Mortgaged Asset has been given by the Seller;
- (g) the interest rate on the Mortgage Loan (or, if the Mortgage Loan consists of more than one Loan Part, on each Loan Part), is on a fixed rate basis, subject to an interest reset from time to time and having a fixed interest rate period of 5, 10, 15, 20, 25 or 30 years;
- (h) the Mortgage Loan (i) is fully disbursed or (ii) qualifies as a Mortgage Loan with a Construction Deposit connected to it, not exceeding 30 per cent. of the original amount outstanding under such Mortgage Loan;
- (i) payments on the Mortgage Loan are made in arrear and collected by means of direct debit on or about the next-to-last Business Day of each calendar month;
- (j) where compulsory under the applicable Mortgage Conditions, the Mortgage Loan has a Risk Insurance Policy attached to it;
- (k) the Mortgage Loan has not been modified, restructured, deferred or re-aged, other than permitted under or in accordance with the Transaction Documents;
- (l) each Mortgage Loan is denominated in euro and has a positive Outstanding Principal Amount;

- (m) the aggregate Outstanding Principal Amount of all Mortgage Loans entered into with a single Borrower shall not exceed 2.0 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables under or in connection with all Mortgage Loans;
- (n) the Mortgage Loan will not have a legal maturity beyond 30 years from its origination date;
- (o) in respect of Further Advance Receivables to be purchased on a Purchase Date, such Further Advance Receivables shall not have a legal maturity beyond October 2055;
- (p) the Mortgage Loan has been originated after 1 January 2019; and
- (q) (i) in respect of Mortgage Receivables to be purchased on the Closing Date, no amounts due under any of such Mortgage Receivables were unpaid on the Cut-Off Date immediately preceding the Closing Date and (ii) in respect of Further Advance Receivables to be purchased on a Purchase Date, no amounts due under any of such Further Advance Receivables were unpaid on the Cut-Off Date immediately preceding such Purchase Date.

In addition to the above, it is noted that from the Mortgage Loan Criteria it can be derived that:

- (a) no Mortgage Loan constitutes a transferable security, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council; and
- (b) no Mortgage Loan constitutes a securitisation position as defined in the Securitisation Regulation

#### **7.4 Portfolio conditions**

##### **Additional Purchase Conditions**

The purchase by the Issuer of Further Advance Receivables will be subject to a number of conditions (the **Additional Purchase Conditions**) which include, *inter alia*, the conditions that on the relevant Purchase Date (where applicable after completion of the sale and purchase on such date):

- (a) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to the Further Advance Receivables sold;
- (b) no Enforcement Notice has been delivered;
- (c) the amounts standing to the credit of the Reserve Account is at least equal to the Reserve Account Second Target Level;
- (d) no Event of Default has occurred which is continuing or is expected to occur on the relevant Purchase Date;
- (e) no Assignment Notification Event has occurred;
- (f) the Issuer has not received a termination notice under a Hedging Agreement;
- (g) the Issuer has not received a termination notice under the Servicing Agreement;

- (h) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase, nor has the Seller failed to pay any Pre-agreed Compensation Amount it agreed to pay in accordance with a Compensation Notice;
- (i) the Further Advance Available Funds is at least equal to the Purchase Price of such Further Advance Receivables;
- (j) after completion of the sale and purchase on such date, the aggregate Outstanding Principal Amount of all Further Advance Receivables purchased by the Issuer up to (and including) that day (including the Further Advance Receivables to be purchased by the Issuer on such day) does not exceed the Additional Purchase Cap; and
- (k) there is no balance standing to the debit of any Principal Deficiency Ledger.

Each of the Additional Purchase Conditions may be amended, supplemented or removed by the Issuer with the prior approval of the Security Trustee and subject to a Credit Rating Agency Confirmation being available.

## **7.5 Servicing Agreement**

In the Servicing Agreement the Servicer will (i) agree to provide management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables resulting from such Mortgage Loans, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of mortgage rights and any other collateral (see further *Origination and Servicing* above) and (ii) prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer as required by law, for submission to the relevant regulatory authorities. The Servicer will be obliged to administrate and service the Mortgage Loans and the Mortgage Receivables with 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 accordance with the Servicing Agreement, the Servicer has appointed the Sub-Servicer, who has in its turn appointed Stater Nederland B.V., as its Delegate Sub-Servicer and, subject to termination of the Servicing Agreement with the Servicer, it agreed to provide certain of the Mortgage Loan Services in respect of the relevant Mortgage Receivables in accordance with the relevant Delegate Sub-Servicing Letter. The Sub-Servicer has also outsourced its arrears and default management and client file management to Hypocasso as its Delegate Sub-Servicer. The Delegate Sub-Servicers have direct obligations vis-à-vis both the Issuer and the Security Trustee. In addition, if any fees due by the Sub-Servicer to any of the Delegate Sub-Servicers are not paid when due, the Issuer will pay to such Delegate Sub-Servicer the lower of the fee it is entitled to pursuant to the relevant Delegate Sub-Servicing Letter and the fee the Issuer has to pay under the Servicing Agreement to the Servicer. The remainder, if any, shall be paid by the Issuer to the Servicer.

The Servicing Agreement may be terminated by the Security Trustee or the Issuer upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its respective obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer, the Servicer being declared bankrupt or granted a suspension of payments or the Servicer no longer being an admitted institution of Tulpenhuis Holding B.V. In addition, the Servicing Agreement may be terminated

by the Servicer and by the Issuer or the Security Trustee on behalf of the Issuer upon the expiry of not less than 12 months' notice, subject to (*inter alia*) (i) in case of termination by the Issuer, the written approval of the Security Trustee, which approval may not be unreasonably withheld (ii) appointment of a substitute servicer and (iii) a Credit Rating Agency Confirmation. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute servicer is appointed.

Under each Delegate Sub-Servicing Letter, the relevant Delegate Sub-Servicer agrees to continue to provide the relevant services in case the Servicing Agreement is terminated, for example in case of insolvency of the Servicer. As a result, the performance of the Mortgage Loan Services is continued in such event to the extent performed by the Delegate Sub-Servicers, at least for a certain period of time, which enables the Issuer and the Security Trustee to agree a servicing agreement with each of the Delegate Sub-Servicers or to find another substitute servicer.

In the Servicing Agreement, the Servicer is instructed by the Issuer not to exercise any NHG Advance Rights unless the Issuer instructs the Servicer otherwise upon direction by the Security Trustee. Prior to any exercise, measures will be implemented to ensure the Issuer can repay any amount received from Stichting WEW by the Issuer upon the exercise of NHG Advance Rights which in accordance with the NHG Conditions have to be repaid if and to the extent, the amount received exceeded the amount to which the Issuer is entitled under the relevant NHG Guarantee.

## 8 GENERAL

- 1 The issue of the Notes has been authorised by a resolution of the board of directors of the Issuer passed on or about 12 November 2020.
- 2 Application has been made to list the Notes (other than the Class Z1 Notes and Class Z2 Notes) on or about the Closing Date on Euronext Amsterdam. The estimated total costs involved with such admission amount to EUR 81.250.
- 3 The Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494165 and ISIN: XS2244941659.
- 4 The Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494173 and ISIN XS2244941733.
- 5 The Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494181 and ISIN XS2244941816.
- 6 The Class Z1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494203 and ISIN XS2244942038.
- 7 The Class Z2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494220 and ISIN XS2244942202.
- 8 The Class X Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494238 and ISIN XS2244942384.
- 9 The Class R Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 224494246 and ISIN XS2244942467.
- 10 The addresses of the clearing systems are: Euroclear, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
- 11 There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 21 September 2020.
- 12 There are no legal, arbitration or governmental proceedings and neither the Issuer nor the Shareholder is aware of any such proceedings which may have, or have had, significant effects on the Issuer's or, as the case may be, the Shareholder's financial position or profitability nor, so far as the Issuer and/or the Shareholder is aware, are any such proceedings pending or threatened against the Issuer and the Shareholder, respectively, since the date of its incorporation.
- 13 As long as any of the Notes are outstanding, copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours and will be available either in physical or in electronic form, as the case may be, and can also be obtained on the website of European DataWarehouse (<https://editor.eurodw.eu/>), which website (a) includes a well-functioning data quality control system, (b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website, (c) is subject to appropriate

systems, controls and procedures that identify all relevant sources of operational risk, (d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information and (e) makes it possible to keep record of the information for at least five (5) years after the maturity date of the securitisation or any other website as selected by the Seller which fulfils the requirements set out in article 7(2) of the Securitisation Regulation, and, from the moment that a securitisation repository has been designated within the meaning of article 10 of the Securitisation Regulation which has been appointed for the transaction, through such securitisation repository, from a date falling at the latest 15 days after the Closing Date:

- (i) the deed of incorporation of the Issuer, including its articles of association;
- (ii) the Mortgage Receivables Purchase Agreement;
- (iii) the Deed of Assignment and Pledge;
- (iv) the Paying Agency Agreement;
- (v) the Trust Deed;
- (vi) the Secured Creditors Agreement;
- (vii) the Pledge Agreements;
- (viii) the Servicing Agreement;
- (ix) the Administration Agreement;
- (x) the Issuer Account Agreement;
- (xi) the Master Definitions Agreement;
- (xii) the NAMS Rebalancing Agreement;
- (xiii) the Swap Agreement;
- (xiv) the Beneficiary Waiver Agreement;
- (xv) the Transparency Reporting Agreement;
- (xvi) the Receivables Proceeds Distribution Agreement;
- (xvii) the deed of incorporation of the Security Trustee, including its articles of association; and
- (xviii) the audited annual financial statements of the Issuer, to the extent available.

The documents listed above are all the underlying documents that are essential for understanding the securitisation transaction described in this Prospectus and include, but are not limited to, each of the documents referred to in article 7(1) under point (b) of the Securitisation Regulation. These documents have not been scrutinised or approved by the competent authority.

14 A copy of the Prospectus (in print) will be available (free of charge) at the registered office of the Issuer, the Security Trustee and the Paying Agent and in electronic form on

<https://editor.eurodw.eu/> and on [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl) ultimately on a date falling 15 days after the Closing Date.

- 15 The Issuer has not yet commenced operations and as of the date of this Prospectus no financial statements have been produced. As long as any of the Notes are admitted to trading with Euronext Amsterdam, the most recent audited annual financial statements of the Issuer will be made available, free of charge from the specified office of the Security Trustee.

- 16 U.S. tax legend:

The Notes will bear a legend to the following effect: 'Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code'.

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

- 17 No content available via the website addresses contained in this Prospectus forms part of this Prospectus. This information has not been scrutinised or approved by the competent authority.

- 18 The Issuer, or the Issuer Administrator on its behalf, shall make available prior to the Closing Date, loan-by-loan information, which information can be obtained at the website of European DataWarehouse <https://editor.eurodw.eu/> and will be updated within one (1) month after each Notes Payment Date.

- 19 The Issuer and the Seller have amongst themselves designated the Seller for the purpose article 7(2) of the Securitisation Regulation. The Seller, or the Issuer or any other party on its behalf, will make available to Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors, on the website of European DataWarehouse (<https://editor.eurodw.eu/>), which website (a) includes a well-functioning data quality control system, (b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website, (c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk, (d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information and (e) makes it possible to keep record of the information for at least five (5) years after the maturity date of the securitisation or any other website as selected by the Seller which fulfils the requirements set out in article 7(2) of the Securitisation Regulation, and, from the moment that a securitisation repository has been designated within the meaning of article 10 of the Securitisation Regulation and appointed for the transaction described in this Prospectus, through such securitisation repository:

(i) from the Signing Date:

- (a) publish a quarterly investor report in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(e) of the Securitisation Regulation, which shall be



provided substantially in the form of the Transparency Investor Report by no later than the Notes Payment Date; and

- (b) publish on a quarterly basis certain loan-by-loan information in relation to the Mortgage Receivables in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(a) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the Notes Payment Date simultaneously with the quarterly investor report; and
- (c) as soon as it is technically able to source such information on the environmental performance of the Mortgage Receivables, publish on a quarterly basis information on the environmental performance of the Mortgage Receivables in accordance with the requirements stemming from article 22(4) of the Securitisation Regulation, which shall be provided substantially in the form of the Transparency Data Tape by no later than the relevant Notes Payment Date;
- (ii) without delay, in accordance with article 7(1)(f) of the Securitisation Regulation, any inside information relating to the transaction described in this Prospectus; and
- (iii) without delay, in accordance with article 7(1)(g) of the Securitisation Regulation, any significant event such as (a) a material breach of the obligations laid down in the Transaction Documents, (b) a change in the structural features that can materially impact the performance of the securitisation, (c) a change in the risk characteristics of the transaction described in this Prospectus or of the Mortgage Receivables that can materially impact the performance of the transaction described in this Prospectus, (d) if the securitisation transaction described in this Prospectus ceases to meet the STS requirements or if competent authorities have taken remedial or administrative actions and (e) any material amendments to the Transaction Document.

In addition, the Seller, or the Issuer or any other party on its behalf, has made available and will make available, as applicable, to the above mentioned parties:

- (i) before pricing of the Notes at least in draft or initial form and, at the latest 15 calendar days after the Closing Date, in final form, all underlying documents that are essential for the understanding of the transaction described in this Prospectus, which are listed in this Section 8 (*General*) under item 13 and item 14, as required by article 7(1)(b) of the Securitisation Regulation, on the aforementioned website;
- (ii) before pricing of the Notes at least in draft or initial form and on or around the Closing Date in final form, the STS notification referred to in article 27 of the Securitisation Regulation, on the aforementioned website, as required by article 7(1)(d) of the Securitisation Regulation;
- (iii) before pricing of the Notes, via Bloomberg and/or Intex, a liability cash flow model of the transaction described in this Prospectus which precisely represents the contractual relationship between the Mortgage Receivables and the payments flowing between the Seller, the Noteholders, other third parties and the Issuer, which shall remain to be made

available to Noteholders on an ongoing basis and to potential investors upon request, as required by article 22(3) of the Securitisation Regulation and if there are any significant changes to the cash flows, be updated such liability cash flow model accordingly; and

- (iv) before pricing of the Notes, information on the Mortgage Receivables.

The Seller is designated to be the first contact point within the meaning of article 27 of the Securitisation Regulation.

- 20 The Issuer, or the Issuer Administrator on its behalf, confirms that it will undertake that, provided that it has received such information from the Seller:

- (i) it will disclose in the first Notes and Cash Report the amount of the Notes:
  - (a) privately-placed with investors which are not the Seller or group companies of the Seller;
  - (b) retained by the Seller or group companies of the Seller; and
  - (c) publicly-placed with investors which are not the Seller or group companies of the Seller;
- (ii) in relation to any amount initially retained by the Seller or group companies of the Seller, but subsequently placed with investors which are not the Seller or group companies of the Seller, it will (to the extent permissible) disclose such placement in the next Notes and Cash Report.

- 21 Amounts payable under the Notes may be calculated by reference to EURIBOR, EURIBOR is an interest rate benchmark within the meaning of the Benchmark Regulation. EURIBOR is currently administered by EMMI. As at the date of the prospectus EMMI, in respect of EURIBOR, appears in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation. As a subsequent step, EMMI has started transitioning panel banks from the current Euribor methodology to the new hybrid methodology developed in connection with the reform. On 28 November 2019, EMMI confirmed it has completed the transitioning of the panel banks from the quote-based Euribor methodology to the hybrid methodology. If Euribor were to be discontinued or no longer remains to be available the Issuer is likely to be compelled to apply fall-back provisions as described in the Conditions.

- 22 An appropriate and independent party conducted an agreed-on procedures review on a sample of Mortgage Receivables selected from the portfolio of Mortgage Receivables which the Seller will offer for sale to the Issuer on the Signing Date. The review was completed on or about 23 October 2020 with respect to a representative portfolio in existence as of 31 August 2020. The agreed-upon procedure reviews included the review of (i) a sample of randomly selected loans from the portfolio to check loan characteristics which included but are not limited to the current loan amount, origination date, maturity date, original loan amount, amortisation type, payment frequency, interest rate type, interest reset date, interest rate/margin, borrower income, property value and valuation date and (ii) compliance with the Mortgage Loan Criteria based on the information included in the data tape regarding the Mortgage Loans from the portfolio. For the

review a confidence level of at least 99% was applied. In the review, there have been no significant adverse findings. This independent third party has also performed agreed upon procedures in order to verify that the data included in the stratification tables disclosed in respect of the Mortgage Receivables is accurate, in accordance with article 22(2) of the Securitisation Regulation. The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein.

## 23 Important information and responsibility statements

The Issuer is responsible for the information contained in this Prospectus. To the best of its knowledge the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third parties contained and specified as such in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party explicitly mentioned in this Prospectus, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts such responsibility accordingly.

For the information set forth in the following sections of this Prospectus: all paragraphs dealing with article 6 of the Securitisation Regulation, Section 1 (*Transaction overview*), Section 3.4 (*Seller*), Section 3.5 (*Servicer, Sub-Servicer and Delegate Sub-Servicers*), Section 3.8 (*Reporting Entity*), Section 4.4 (*Regulatory and industry compliance*), Section 6.1 (*Stratification Tables*), Section 6.2 (*Description of Mortgage Loans*), Section 6.3 (*Origination and servicing*), Section 6.4 (*Dutch residential mortgage market*), Section 6.5 (*NHG Guarantee programme*) and the paragraphs *Risk retention under the Securitisation Regulation* and *STS-securitisation* in Section 8 (*General*), the Issuer has relied on information from the Seller, for which the Seller is responsible. To the best of the Seller's knowledge the information contained in these paragraphs and sections, as applicable, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly. For Section 3.7 (*Swap Counterparty*), the Issuer has relied on information from the Swap Counterparty, for which the Swap Counterparty is responsible. To the best of the Swap Counterparty's knowledge the information contained in these paragraphs and sections, as applicable, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Swap Counterparty accepts responsibility accordingly. For Section 3.9 (*Issuer Account Bank*), the Issuer has relied on information from the Issuer Account Bank, for which the Issuer Account Bank is responsible. To the best of the Issuer Account Bank's knowledge the information contained in these paragraphs and sections, as applicable, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer Account Bank accepts responsibility accordingly. For the information set forth in Section 6.3.4 (*Stater Nederland B.V.*), the Issuer has relied on information from Stater Nederland B.V. Stater Nederland B.V. is responsible solely for the information set forth in Section 6.3.4 (*Stater Nederland B.V.*) of this Prospectus and not for information set forth in any other section and consequently, Stater Nederland B.V. does not assume any liability in respect of the information contained in any paragraph or section other than the paragraph Stater Nederland B.V. To the best of its knowledge, the information set forth in Section 6.3.4 (*Stater Nederland B.V.*) is in accordance with the facts

and does not omit anything likely to affect the import of such information. Stater Nederland B.V. accepts responsibility accordingly. The information in these sections and any other information from third parties set forth in and specified as such in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party explicitly mentioned in this Prospectus, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### *Eurosystem eligibility*

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the International Central Securities Depositories and/or Central Securities Depositories that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Class A Notes will be recognised as Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will depend, *inter alia*, upon satisfaction of the Eurosystem eligibility criteria, as amended from time to time. The Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes are not intended to be recognised as Eurosystem Eligible Collateral.

#### *Risk retention under the Securitisation Regulation*

The Seller has undertaken in the Senior Subscription Agreement to each of the Joint Lead Managers and in the Mortgage Receivables Purchase Agreement to the Issuer and the Security Trustee, to retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 6 of the Securitisation Regulation. On the Closing Date, such material net economic interest will be held in accordance with article 6 of the Securitisation Regulation and will comprise of the entire interest in the first loss tranche of the securitisation transaction described in this Prospectus (held through the Class Z1 Notes and the Class Z2 Notes) and, if necessary, other tranches or claims having the same or a more severe risk profile than those sold to investors.

The Senior Subscription Agreement and the Mortgage Receivables Purchase Agreement include a representation and warranty and undertaking of the Seller (as originator) as to its compliance with the requirements set forth in article 6(1) up to and including (3) and article 9 of the Securitisation Regulation. In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make available materially relevant information to investors so that investors are able to verify compliance with article 6 of the Securitisation Regulation in accordance with article 7 of the Securitisation Regulation.

Each prospective institutional investor (as such term is defined in the Securitisation Regulation) is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, Tulpenhuis (in its capacity as the Seller, the Servicer and the Reporting Entity), the Issuer Administrator nor the Arranger or the Joint Lead Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

#### *STS-securitisation*

Pursuant to article 18 of the Securitisation Regulation a number of requirements must be met if the originator, sponsor and/or the SSPE's wish to use the designation 'STS' or 'simple, transparent and standardised' for securitisation transactions initiated by them. The Seller will submit an STS notification to ESMA in accordance with article 27 of the Securitisation Regulation prior to or on the Closing Date, pursuant to which compliance with the requirements of articles 19 to 22 of the Securitisation Regulation will be notified with the intention that the securitisation transaction described in this Prospectus is to be included in the list administered by ESMA within the meaning of article 27 of the Securitisation Regulation (at the date of this Prospectus: <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>). The Seller, as originator, and the Issuer, as SSPE, have used the services of PCS, a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. However, none of the Issuer, Tulpenhuis (in its capacity as the Seller, the Servicer and the Reporting Entity), the Issuer Administrator, the Arranger and the Joint Lead Managers gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of article 27 of the Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the Securitisation Regulation and (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of article 18 of the Securitisation Regulation after the date of this Prospectus.

The verification by PCS does not affect the liability of the Seller, as originator and the Issuer, as SSPE in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by PCS shall not affect the obligations imposed on institutional investors as set out in article 5 of the Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with articles 19 to 22 of the Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. A verification does not remove the obligation placed on investors to assess whether a securitisation labeled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria. Investors must not solely or mechanistically rely on any STS notification or PCS' verification to this extent.

The Seller, as originator, will include in its notification pursuant to article 27(1) of the Securitisation Regulation, a statement that compliance of the securitisation described in this Prospectus with articles 19 to 22 of the Securitisation Regulation has been verified by PCS. Should the securitisation transaction described in this Prospectus cease to meet the STS requirements or if competent authorities have taken remedial or administrative measures, the Reporting Entity shall make such information available pursuant to and in accordance with article 7(1)(g)(iv) of the Securitisation Regulation.

The designation of the securitisation transaction described in this Prospectus as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the securitisation transaction described in this Prospectus as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes.

*Non-consistent information*

No person has been authorised to give any information or to make any representation which is not contained in or consistent with this Prospectus or any other information supplied in connection with the offering 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 Joint Lead Managers.

*No offer to sell or solicitation on an offer to buy*

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus is set out in Section 4.3 (*Subscription and Sale*). No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus in accordance with applicable laws and regulations.

*Investors should undertake their own independent investigation*

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances

*Developments and events after date of Prospectus*

Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. The Issuer does not have the obligation to update this Prospectus, except when required by the listing and issuing rules of Euronext Amsterdam or any other regulation.

The Managers and the Seller expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

*ABN AMRO Bank N.V.*

ABN AMRO Bank N.V. is acting in a number of capacities in connection with this transaction. ABN AMRO Bank N.V. will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. ABN AMRO Bank N.V., in its various capacities in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this transaction.

Neither ABN AMRO Bank N.V. nor any of its directors, officers, agents or employees makes any representation or warranty, express or implied, or accepts any responsibility, as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Prospectus, or for any other statements made or purported to be made either by itself or on its behalf in connection with the Issuer or the offering of the Notes. Accordingly, ABN AMRO Bank N.V. disclaims all and any liability, whether arising in tort or contract or otherwise, in respect of this Prospectus and or any such other statements.

*Notes not registered under Securities Act*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any United States state securities laws or the securities laws of any other applicable laws. The Notes have been issued in bearer form and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States, or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or any Risk Retention U.S. Person (unless it is a Risk Retention U.S. Person that has obtained the prior written consent of the Seller to purchase the relevant Notes within the restrictions set forth in the exemption provided for in Section 246.20 of the U.S. Risk Retention Rules) (see Section 4.3 (*Subscription and Sale*)).

*Notes not part of a re-securitisation*

The Notes are not part of a securitisation of one or more exposures where at least one of these exposures is a securitisation.

This Prospectus is to be read in conjunction with the deed of incorporation (including the articles of association) of the Issuer dated 21 September 2020, which is deemed to be incorporated herein by reference (see paragraph 6 in Section 8 (*General*)). The articles of association can be found at <https://www.vistra.com/sites/default/files/2020-11/20200921%20-%20AKTE%20van%20oprichting%20Tulip%20Mortgage%20Funding%202020-1%20B.V..pdf>.

This Prospectus shall be read and construed on the basis that such document is incorporated in, and forms part of, this Prospectus.

### *DSA Statement*

This Prospectus follows the template table of contents and the template glossary of defined terms (save as otherwise indicated in this Prospectus), and the investor reports to be published by the Issuer Administrator (on behalf of the Issuer) in addition and without prejudice to the information to be made available by the Reporting Entity in accordance with article 7 of the Securitisation Regulation, will follow the applicable template investor report (save as otherwise indicated in the relevant investor report), each as published by the DSA on its website [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl) as at the date of this Prospectus. As a result the Notes comply with the RMBS Standard. The Issuer and the Seller may agree at any time in the future that the Issuer Administrator, on behalf of the Issuer, will no longer have to publish investor reports based on the templates published by the DSA.



## 9 GLOSSARY OF DEFINED TERMS

The defined terms set out in Section 9.1 (Definitions) of this Glossary of Defined Terms, to the extent applicable, conform to the standard published by the Dutch Securitisation Association (see Section 4.4 (Regulatory and industry compliance) (the **RMBS Standard**). However, certain deviations from the defined terms used in the RMBS Standard are denoted in the below as follows:

- if the defined term is not included in the RMBS Standard definitions list and is an additional definition, by including the symbol '+' in front of the relevant defined term;
- if the defined term deviates from the definition as recorded in the RMBS Standard definitions list, by including the symbol '\*\*' in front of the relevant defined term;
- if the defined term is not between square brackets in the RMBS Standard definitions list and is not used in this Prospectus, by including the symbol 'N/A' in front of the relevant defined term;
- if the defined term is between square brackets in the RMBS Standard definitions list or contains wording between square brackets in the RMBS Standard definitions list, by completing the relevant defined term and removing the square brackets if the relevant defined term is used in this Prospectus and, if not used, by deleting the relevant defined term or the part thereof between square brackets; and
- if the defined term contains a [●], by completing the relevant defined term and removing the [●].

In addition, the principles of interpretation set out in Section 9.2 (Interpretation) of this Glossary of Defined Terms conform to the RMBS Standard definitions list. However, certain principles of interpretation may have been added (but not deleted) in deviation of the RMBS Standard.

### 9.1 Definitions

Except where the context otherwise requires, the following defined terms used in this Prospectus have the meaning set out below:

+	<b>€STR</b>	means the new euro short-term rate of the ECB.
+	<b>Additional Principal Amount</b>	means on any Notes Payment Date immediately preceding: <ul style="list-style-type: none"> <li>(i) any Notes Payment Date prior to or on the First Optional Redemption Date, zero; and</li> <li>(ii) any Notes Payment Date following the First Optional Redemption Date, the lower of (i) the amount of the Available Revenue Funds remaining after all payments ranking above item (q) in the Revenue Priority of Payments have been made in full (if any) and (ii) the Principal Amount Outstanding of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), to be applied in accordance with the Redemption Priority of Payment;</li> </ul>

+	<b>Additional Purchase Cap</b>	means on any date during a Notes Calculation Period until the First Optional Redemption Date, five (5) per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes on the Closing Date;
	<b>Additional Purchase Conditions</b>	has the meaning ascribed thereto in Section 7.4 ( <i>Portfolio conditions</i> ) of this Prospectus;
+	<b>Additional Termination Event</b>	as such term is defined in the relevant Hedging Agreement;
	<b>Administration Agreement</b>	means the administration agreement between the Issuer, the Issuer Administrator and the Security Trustee dated the Signing Date;
+	<b>Adjustment Spread</b>	has the meaning ascribed thereto in Condition 4(j) ( <i>Replacement Reference Rate</i> );
	<b>AFM</b>	means the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> );
	<b>Aggregate Construction Deposit Amount</b>	means the aggregate of the Construction Deposits in respect of all Mortgage Receivables;
+	<b>AIFM</b>	means an Alternative Investment Manager under the AIFMR;
	<b>AIFMR</b>	means the Commission Delegated Regulation No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
	<b>All Moneys Mortgage</b>	means any mortgage right ( <i>hypotheekrecht</i> ) which secures not only the loan granted to the Borrower to purchase the Mortgaged Asset, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ( <i>kredietrelatie</i> ) of the Borrower and the Seller;
	<b>All Moneys Pledge</b>	means any right of pledge ( <i>pandrecht</i> ) which secures not only the loan granted to the Borrower to purchase the Mortgaged Asset, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ( <i>kredietrelatie</i> ) of the Borrower and the Seller;
	<b>All Moneys Security Rights</b>	means any All Moneys Mortgages and All Moneys Pledges collectively;

+	<b>Amending EMIR Regulation</b>	means Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending EMIR;
	<b>Annuity Mortgage Loan</b>	means a mortgage loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such mortgage loan will be fully redeemed at its maturity;
N/A	<b>Annuity Mortgage Receivable</b>	
	<b>Arranger</b>	means HSBC Bank plc;
+	<b>Assignment</b>	has the meaning ascribed thereto in Section 7.1 ( <i>Purchase, repurchase and sale</i> ) of this Prospectus;
	<b>Assignment Actions</b>	means any of the actions specified as such in Section 7.1 ( <i>Purchase, repurchase and sale</i> ) of this Prospectus;
	<b>Assignment Notification Event</b>	means any of the events specified as such in Section 7.1 ( <i>Purchase, repurchase and sale</i> ) of this Prospectus;
	<b>Assignment Notification Stop Instruction</b>	has the meaning ascribed thereto in Section 7.1 ( <i>Purchase, repurchase and sale</i> ) of this Prospectus;
+	<b>Available Class R Redemption Funds</b>	has the meaning ascribed thereto in Condition 6(l) ( <i>Definitions</i> );
+	<b>Available Class X Redemption Funds</b>	has the meaning ascribed thereto in Condition 6(l) ( <i>Definitions</i> );
+	<b>Available Class Z2 Redemption Funds</b>	has the meaning ascribed thereto in Condition 6(l) ( <i>Definitions</i> );
	<b>Available Principal Funds</b>	has the meaning ascribed thereto in Section 5.1 ( <i>Available Funds</i> ) of this Prospectus;
	<b>Available Revenue Funds</b>	has the meaning ascribed thereto in Section 5.1 ( <i>Available Funds</i> ) of this Prospectus;
	<b>Basel II</b>	means the capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: Revised Framework" published on 26 June 2004 by the Basel Committee on Banking Supervision;
	<b>Basel III</b>	means the capital accord amending Basel II under the title "Basel III: a global regulatory framework for more resilient banks and banking

		systems" published in December 2010 by the Basel Committee on Banking Supervision;
*	<b>Basic Terms Change</b>	means, in respect of Notes of one or more Class or Classes, as the case may be, a change (i) of the date of maturity of the Notes of the relevant Class, (ii) which would have the effect of postponing any day for payment of interest or principal in respect of the relevant Notes, (iii) of the amount of principal payable in respect of the relevant Notes, (iv) of the currency or the rate of interest, if any, applicable in respect of the relevant Notes, (v) of the Revenue Priority of Payments, the Redemption Priority of Payments or the Post-Enforcement and Call Option Exercise Priority of Payments, (vi) of this definition of Basic Terms Change, (vii) of the quorum or majority required to pass an Extraordinary Resolution or (viii) of Schedule 1 to the Trust Deed which has a material negative effect on the Noteholders of the relevant Class;
+	<b>Benchmark Event</b>	has the meaning ascribed thereto in Condition 4(j) ( <i>Replacement Reference Rate</i> );
+	<b>Benchmark Trigger Event</b>	has the meaning ascribed thereto in the ISDA Benchmarks Supplement, as published by the International Swaps and Derivatives Association, Inc.;
	<b>Benchmark Regulation</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
+	<b>Benchmark Regulation Requirements</b>	means the requirements imposed on the administrator or a user of a benchmark pursuant to the Benchmark Regulation, which includes a requirement for the administrators of a benchmark to be licensed by or to be registered with the competent authority as a condition to be permitted to administer the benchmark;
	<b>Beneficiary Rights</b>	means all rights which the Seller has vis-à-vis the relevant Insurance Company in respect of a Risk Insurance Policy, under which the Seller has been appointed by the Borrower as beneficiary ( <i>begunstigde</i> ) in connection with the relevant Mortgage Receivable;
	<b>Beneficiary Waiver Agreement</b>	means the beneficiary waiver agreement between, amongst others, the Seller, the Security Trustee and the Issuer dated the Signing Date;
	<b>BKR</b>	means Office for Credit Registration ( <i>Bureau Krediet Registratie</i> );

	<b>Borrower</b>	means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan;
	<b>Borrower Insurance Pledge</b>	means a right of pledge ( <i>pandrecht</i> ) created in favour of the Seller on the rights of the relevant pledgor against the relevant Insurance Company under the relevant Risk Insurance Policy securing the relevant Mortgage Receivable;
	<b>Borrower Insurance Proceeds Instruction</b>	means the irrevocable instruction by the beneficiary under a Risk Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created;
	<b>Borrower Pledge</b>	means a right of pledge ( <i>pandrecht</i> ) securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge;
+	<b>Breakeven Vanilla Swap Rate</b>	means, in respect of a Fixed Rate Loan, the fixed rate that ensures the mid present value of the Reference Amortising Swap is zero, such fixed rate as determined by Party A (as defined in the Hedging Agreements) (acting in good faith and in a commercially reasonable manner) as of the relevant Mortgage Swap Pricing Date or promptly thereafter;
+	<b>Bridge Loan Part</b>	means, in respect of a Mortgage Loan, a Loan Part which is a Bridge Mortgage Loan;
+	<b>Bridge Mortgage Loan</b>	means the mortgage loans granted by the Seller to the relevant Borrowers to purchase residential property by obtaining a loan to bridge the period the Borrower temporarily owns two properties;
	<b>BRRD</b>	means Directive of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council as amended by Directive (EU) 2019/879 of 20 May 2019;
*	<b>Business Day</b>	means (i) for the purposes of determining Euribor on the Notes in accordance with Condition 4(e) ( <i>Euribor</i> ), a TARGET 2 Settlement Day and (ii) for any other purposes, a TARGET 2 Settlement Day, provided that such day is also a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam, Luxembourg and London;

+	<b>Call Options</b>	means the Clean-Up Call Option, the Seller Call Option, the Risk Retention Regulatory Change Call Option, the Class R Call Option, the Tax Call Option and the Remarketing Call Option.
+	<b>CCP</b>	means central counterparty;
+	<b>Class A Noteholders</b>	means the holders of the Class A Notes;
	<b>Class A Notes</b>	means the EUR 206,000,000 class A mortgage-backed notes 2020 due January 2058;
+	<b>Class A Subordinated Step-up Consideration</b>	means the Subordinated Step-up Consideration applicable to the Class A Notes;
+	<b>Class B Noteholders</b>	means the holders of the Class B Notes;
	<b>Class B Notes</b>	means the EUR 6,200,000 class B mortgage-backed notes 2020 due January 2058;
+	<b>Class B Subordinated Step-up Consideration</b>	means the Subordinated Step-up Consideration applicable to the Class B Notes;
+	<b>Class C Noteholders</b>	means the holders of the Class C Notes;
	<b>Class C Notes</b>	means the EUR 4,700,000 class C mortgage-backed notes 2020 due January 2058;
+	<b>Class C Subordinated Step-up Consideration</b>	means the Subordinated Step-up Consideration applicable to the Class C Notes;
+	<b>Class R Call Option</b>	means, on any Optional Redemption Date, the option (but not the obligation) of the Class R Noteholder to instruct the Issuer to redeem the Notes in accordance with and subject to Condition 6(e) ( <i>Class R Call Option</i> );
+	<b>Class R Call Option Exercise Notice</b>	means the written instruction from the Class R Noteholders (acting jointly) to the Issuer that it is exercising the Class R Call Option in accordance with Condition 6(e) ( <i>Class R Call Option</i> ) on the Optional Redemption Date set forth therein;
+	<b>Class R Noteholders</b>	means the holders of the Class R Notes;
	<b>Class R Notes</b>	means the EUR 200,000 class R notes 2020 due January 2058;
+	<b>Class R Redemption Amount</b>	has the meaning ascribed thereto in Condition 6(j) ( <i>Redemption Amount, Class Z2 Redemption Amount, Class X Redemption Amount and Class R Redemption Amount</i> );

+	<b>Class R Residual Amount</b>	has the meaning ascribed thereto in Condition 6(l) ( <i>Definitions</i> );
+	<b>Class R Residual Interest Amount</b>	means the amount equal to the Class R Residual Amount divided by the number of Class R Notes;
+	<b>Class X Noteholders</b>	means the holders of the Class X Notes;
	<b>Class X Notes</b>	means the EUR 1,600,000 class X notes 2020 due January 2058;
+	<b>Class X Redemption Amount</b>	has the meaning ascribed thereto in Condition 6(j) ( <i>Redemption Amount, Class Z2 Redemption Amount, Class X Redemption Amount and Class R Redemption Amount</i> );
+	<b>Class X Residual Amount</b>	has the meaning ascribed thereto in Condition 6(l) ( <i>Definitions</i> );
+	<b>Class X Residual Interest Amount</b>	means the amount equal to the Class X Residual Amount divided by the number of Class X Notes;
+	<b>Class Z1 Noteholders</b>	means the holders of the Class Z1 Notes;
+	<b>Class Z1 Notes</b>	means the EUR 7,747,000 class Z1 mortgage-backed notes 2020 due January 2058;
+	<b>Class Z2 Noteholders</b>	means the holders of the Class Z2 Notes;
+	<b>Class Z2 Notes</b>	means the EUR 3,600,000 class Z2 notes 2020 due January 2058;
+	<b>Class Z2 Redemption Amount</b>	has the meaning ascribed thereto in Condition 6(j) ( <i>Redemption Amount, Class Z2 Redemption Amount, Class X Redemption Amount and Class R Redemption Amount</i> );
+	<b>Class Z2 Redemption Condition</b>	means, on any date, the Seller fulfils the Risk Retention Requirements at close of business on such date;
*	<b>Clean-Up Call Option</b>	means the right of the Seller to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding which right may be exercised on any Notes Payment Date on which the Outstanding Principal Amount of the Mortgage Receivables is not more than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date;
	<b>Clearstream, Luxembourg</b>	means Clearstream Banking S.A.;

*	<b>Closing Date</b>	means 18 November 2020 or such other date as may be agreed between the Issuer, the Seller, the Arranger and the Joint Lead Managers;
+	<b>Closing Date Bridge Loan Parts</b>	means the Bridge Loan Parts under the Mortgage Loans which are not sold and assigned to the Issuer on the Closing Date, but remain with the Seller, amounting in total to EUR 558,220;
	<b>Code of Conduct</b>	means the Mortgage Code of Conduct ( <i>Gedragscode Hypothecaire Financieringen</i> ) introduced in January 2007 by the Dutch Association of Banks ( <i>Nederlandse Vereniging van Banken</i> );
	<b>Collection Foundation</b>	means Stichting Tulpenhuis Ontvangsten, established under Dutch law as a foundation ( <i>stichting</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 64383628;
*	<b>Collection Foundation Account</b>	means the bank account designated to collect the amounts due in respect of the mortgage loans granted by the Seller as set forth in the Receivables Proceeds Distribution Agreement;
*	<b>Collection Foundation Account Pledge Agreement</b>	means the collection foundation account pledge agreement between, amongst others, the Collection Foundation and Stichting Security Trustee Ontvangsten Tulp, dated 18 November 2019.
	<b>Collection Foundation Account Provider</b>	means ABN AMRO Bank N.V.;
+	<b>COMI</b>	means centre of main interest within the meaning of the Insolvency Regulations;
*	<b>Common Safekeeper</b>	means the clearing system or such other entity which the Issuer may elect from time to time to perform the safekeeping role;
+	<b>Compensation Notice</b>	means a written notice of the Seller to the Issuer and the Security Trustee stating that (i) a Non-Key Representation in relation to a Mortgage Loan and the relevant Mortgage Receivables has proven to be untrue or incorrect in any material respect on the Closing Date or the relevant Purchase Date, and (ii) the Seller will not repurchase the relevant Mortgage Receivable but will pay the Pre-agreed Compensation Amounts payable in respect of such Mortgage Loan and the relevant Mortgage Receivable;
	<b>Conditions</b>	means the terms and conditions of the Notes set out in Schedule 5 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any Notes represented by a



		Global Note, as modified by the provisions of the relevant Global Note;
*	<b>Construction Deposit</b>	means in respect of a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested not to be disbursed but withheld by the Seller, to be paid out towards construction of, or improvements to, the relevant Mortgaged Asset;
	<b>Construction Deposit Account</b>	means the bank account of the Issuer designated as such in the Issuer Account Agreement;
*	<b>Coupons</b>	means the interest and/or principal coupons appertaining to the Notes in definitive form;
	<b>CPR</b>	means constant prepayment rate;
	<b>CRA Regulation</b>	means Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 462/2013 of 21 May 2013;
	<b>CRD IV</b>	means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended by Directive (EU) 2019/878 of 20 May 2018;
	<b>Credit Rating Agency</b>	means any credit rating agency (including any successor to its rating business) who, at the request of the Issuer, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Closing Date includes Fitch and DBRS;
	<b>Credit Rating Agency Confirmation</b>	<p>means, with respect to a matter which requires Credit Rating Agency Confirmation under the Transaction Documents and which has been notified to each Credit Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:</p> <p>(a) a confirmation from each Credit Rating Agency that its then current ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a <b>confirmation</b>);</p> <p>(b) if no confirmation is forthcoming from any Credit Rating Agency, a written indication, by whatever means of communication, from such Credit Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an <b>indication</b>); or</p>

		<p>(c) if no confirmation and no indication is forthcoming from any Credit Rating Agency and such Credit Rating Agency has not communicated that the then current ratings of the Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter:</p> <p>(i) a written communication, by whatever means, from such Credit Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or</p> <p>(ii) if such Credit Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 30 calendar days have passed since such Credit Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Credit Rating Agency;</p>
	<b>CRR</b>	means 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;
	<b>CRR Amendment Regulation</b>	means 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;
+	<b>CRR Assessment</b>	means the assessment made by PCS in relation to compliance with the criteria set forth in the CRR regarding STS-securitisations;
*	<b>Current Loan to Indexed Market Value Ratio</b>	means the ratio calculated by dividing the Outstanding Principal Amount of a Mortgage Receivable by the Indexed Market Value;
*	<b>Current Loan to Original Market Value Ratio</b>	means the ratio calculated by dividing the Outstanding Principal Amount of a Mortgage Receivable by the Original Market Value;
	<b>Cut-Off Date</b>	means, (i) in respect of the Mortgage Receivables assigned on the Closing Date, 30 October 2020 close of business and (ii) in respect of any Further Advance Receivable, the date of origination of such Further Advance;

	<b>DBRS</b>	means DBRS Ratings Limited, and includes any successor to its rating business;			
+	<b>DBRS Equivalent Chart</b>	means:			
		DBRS	Moody's	S&P	Fitch
		AAA	Aaa	AAA	AAA
		AA (high)	Aa1	AA+	AA+
		AA	Aa2	AA	AA
		AA (low)	Aa3	AA-	AA-
		A (high)	A1	A+	A+
		A	A2	A	A
		A (low)	A3	A-	A-
		BBB (high)	Baa1	BBB+	BBB+
		BBB	Baa2	BBB	BBB
		BBB (low)	Baa3	BBB-	BBB-
		BB (high)	Ba1	BB+	BB+
		BB	Ba2	BB	BB
		BB (low)	Ba3	BB-	BB-
		B (high)	B1	B+	B+
		B	B2	B	B
		B (low)	B3	B-	B-
		CCC (high)	Caa1	CCC+	CCC
		CCC	Caa2	CCC	
		CCC (low)	Caa3	CCC-	
		CC	Ca	CC	
				C	
		D	C	D	D

+	<b>DBRS Equivalent Rating</b>	means with respect to the long-term senior debt ratings, (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and lowest ratings have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon the conversion on the basis of the DBRS Equivalent Chart);
	<b>Deed of Assignment and Pledge</b>	means a deed of sale, assignment and pledge in the form set out in a schedule to the Mortgage Receivables Purchase Agreement;
N/A	<b>Deferred Purchase Price</b>	
N/A	<b>Deferred Purchase Price Installment</b>	
	<b>Definitive Notes</b>	means Notes in definitive bearer form in respect of any Class of Notes;
+	<b>Delegate Sub-Servicer</b>	means any of Stater Nederland B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amersfoort, the Netherlands and its registered office at Podium 1, 3826 PA in Amersfoort, the Netherlands and registered with the Trade Register under number 08716725 and HypoCasso B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amersfoort, the Netherlands and its registered office at Podium 1, 3826 PA in Amersfoort, the Netherlands and registered with the Trade Register under number 32156362;
+	<b>Delegate Sub-Servicing Letter</b>	means any of (i) the letter agreement entered into by and between Stater and the Issuer on or about the Signing Date and (ii) the letter agreement entered into by and between Hypocasso and the Issuer on or about the Signing Date;
	<b>Directors</b>	means the Issuer Director, the Shareholder Director and the Security Trustee Director collectively;

N/A	<b>DNB</b>	
+	<b>Draft RTS Risk Retention</b>	means the EBA Final Draft Regulatory Technical Standards specifying the requirements for originators, sponsors and original lenders relating to risk retention pursuant to Article 6(7) of Regulation (EU) 2017/2402 dated 31 July 2018 with number EBA/RTS/2018/01;
	<b>DSA</b>	means the Dutch Securitisation Association;
	<b>EBA</b>	means the European Banking Authority;
	<b>EBA STS Guidelines Non-ABCP Securitisations</b>	means EBA's Final Report Guidelines on the STS criteria for non-ABCP securitisation (EBA/GL/2018/09) of 12 December 2018.
	<b>ECB</b>	means the European Central Bank;
+	<b>EIOPA</b>	means the European Insurance and Occupational Pensions Authority;
*	<b>EMIR</b>	means 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 (as amended);
+	<b>EMMI</b>	means the European Money Markets Institute;
+	<b>Enforcement Available Amount</b>	<p>means amounts corresponding to the sum of:</p> <p>(a) amounts recovered (<i>verhaald</i>) in accordance with Section 3:255 of the Dutch Civil Code by the Security Trustee under any of the Pledge Agreements to which the Security Trustee is a party on the Pledged Assets, including, without limitation, amounts recovered under or in connection with the trustee indemnification under the Mortgage Receivables Purchase Agreement; and</p> <p>(b) any amounts received by the Security Trustee (i) in connection with the Parallel Debt and (ii) as creditor under the Mortgage Receivables Purchase Agreement in connection with the trustee indemnification under the Mortgage Receivables Purchase Agreement,</p> <p>in each case less any amounts paid by the Security Trustee to the Secured Creditors pursuant to the Trust Deed; for the avoidance of doubt, the Enforcement Available Amount shall exclude any amounts provided by the Swap Counterparty as collateral (if any) unless it may be applied in accordance with the Trust Deed, any Swap</p>

		Replacement Premium, any Tax Credit and any other amounts standing to the credit of the Swap Collateral Accounts;
*	<b>Enforcement Notice</b>	means the notice delivered by the Security Trustee to the Issuer (with a copy to the Swap Counterparty) pursuant to Condition 10 ( <i>Events of Default</i> );
	<b>EONIA</b>	means the Euro Overnight Index Average as published by EMMI;
	<b>ESMA</b>	means the European Securities and Markets Authority;
	<b>EU</b>	means the European Union;
	<b>EUR, euro or €</b>	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time;
	<b>Euribor</b>	has the meaning ascribed thereto in Condition 4 ( <i>Interest and Subordinated Step-up Consideration</i> );
	<b>Euribor Reference Banks</b>	has the meaning ascribed thereto in Condition 4 ( <i>Interest and Subordinated Step-up Consideration</i> );
	<b>Euroclear</b>	means Euroclear Bank SA/NV as operator of the Euroclear System;
	<b>Euronext Amsterdam</b>	means Euronext in Amsterdam;
	<b>Eurosystem Eligible Collateral</b>	means collateral recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem;
	<b>Events of Default</b>	means any of the events specified as such in Condition 10 ( <i>Events of Default</i> );
	<b>Excess Swap Collateral</b>	means, (x) in respect of the Early Termination Date (as defined in the Swap Agreement), collateral of a value equal to the amount by which the value of collateral transferred to the Issuer by the Swap Counterparty and accrued interest and any distributions received in respect thereof exceeds the value of the amounts owed by the Swap Counterparty (if any) to the Issuer (for the avoidance of doubt, calculated prior to any netting or set-off of an Unpaid Amount equal to the value of the collateral) and (y) in respect of any other valuation date under the Swap Agreement, collateral of a value equal to the amount by which the value of collateral transferred to the Issuer by the Swap Counterparty and accrued interest and any distributions received in respect thereof exceeds the value of the Swap Counterparty's collateral posting requirements under the credit support annex forming part of the Swap Agreement on such date;

	<b>Exchange Date</b>	means the date not earlier than 40 days after the issue date of the Notes on which date interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;
*	<b>Extraordinary Resolution</b>	means a resolution passed at a meeting or meetings duly convened and held by the Noteholders of one or more Class or Classes, as the case may be, by a majority of not less than two-thirds of the validly cast votes, except that in case of an Extraordinary Resolution approving a Basic Terms Change the majority required shall be at least 75 per cent. of the validly cast votes;
	<b>FATCA</b>	means the Unites States Foreign Account Tax Compliance Act;
	<b>FATCA Withholding</b>	means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and any other jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);
	<b>Final Maturity Date</b>	means the Notes Payment Date falling in January 2058;
	<b>First Optional Redemption Date</b>	means the Notes Payment Date falling in October 2024;
	<b>Fitch</b>	means Fitch Ratings Limited, and includes any successor to its rating business;
+	<b>Fixed Rate Loans</b>	means each of the Loan Parts in relation to the Mortgage Loans owned by the Issuer, but excluding (i) any Loan Part bearing a floating rate of interest and (ii) any Loan Part which is in relation to a Bridge Mortgage Loan;
+	<b>Floating Rate Notes</b>	means the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes and the Class Z2 Notes;
	<b>Foreclosure Value</b>	means the foreclosure value of the Mortgaged Asset;
	<b>Further Advance</b>	means a loan or a further advance to be made to a Borrower under a Mortgage Loan, which is secured by the same Mortgage;
+	<b>Further Advance Available Funds</b>	means, on any Purchase Date falling in any Notes Calculation Period prior to the First Optional Redemption Date, an amount equal to (a) the sum of (i) the amounts relating to the principal received by the Collection Foundation in the relevant Notes Calculation Period up till the relevant Purchase Date in respect of the Mortgage Receivables to the extent not yet transferred to the Issuer Collection Account, and

		(ii) the amounts forming part of the Available Principal Funds in respect of such Notes Calculation Period, other than items (iii) and (xi) thereof less (b) the Purchase Price Applied Amount;
	<b>Further Advance Receivable</b>	means the Mortgage Receivable resulting from a Further Advance;
+	<b>Future Mortgage Swap Reset Spread</b>	means, in respect of a Swap Mortgage Receivable, the value of the Mortgage Swap Reset Spread (determined by the Swap Counterparty acting in good faith and in a commercially reasonable manner as of the Mortgage Swap Pricing Date) that the Swap Counterparty would need to receive to be willing to enter into (i) a balance-guaranteed swap transaction with the same terms as the relevant Swap Transaction along with (ii) a transaction on the same terms as the related transaction pursuant to the NAMS Rebalancing Agreement, assuming that the Reference Pool under such transaction is limited to the Generic Mortgage Loan in relation to such Swap Mortgage Receivable only;
	<b>General Data Protection Regulation</b>	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC as amended from time to time and any Dutch or other applicable data protection laws, rules and regulations;
+	<b>Generic Mortgage Loan</b>	has the meaning ascribed thereto in the Swap Agreement;
	<b>Global Note</b>	means any Temporary Global Note or Permanent Global Note;
+	<b>Hedging Agreements</b>	means (i) the Swap Agreement and (ii) the NAMS Rebalancing Agreement;
+	<b>Hedging Termination Event</b>	means a NAMS Termination Event or a Swap Termination Event;
+	<b>Hedging Transaction</b>	means a NAMS Rebalancing Transaction or a Swap Transaction;
*	<b>Higher Ranking Class</b>	means, in respect of any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority in respect of redemption of principal to it in the Post-Enforcement and Call Option Exercise Priority of Payments;
+	<b>HQLA</b>	means high quality liquid assets;
+	<b>Hypocasso</b>	means HypoCasso B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in



		Amersfoort, the Netherlands and its registered office at Podium 1, 3826 PA in Amersfoort, the Netherlands and registered with the Trade Register under number 32156362;
+	<b>ICSDs</b>	means International Central Securities Depositories;
+	<b>Index</b>	means the index of increases or decreases, as the case may be, of house prices on the basis of most recent Index Data available to the Seller on (i) the Cut-Off Date immediately preceding the Closing Date in respect of Mortgage Receivables under or in connection with Mortgage Loans to be purchased on the Closing Date and (ii) the relevant Cut-Off Date in respect of Further Advance Receivables under or in connection with Mortgage Loans to be purchased on any Business Day;
+	<b>Index Data</b>	means data from any of (i) the Land Registry ( <a href="http://www.cbs.nl">www.cbs.nl</a> ), (ii) an automated valuator and (iii) another generally accepted market participant;
*	<b>Indexed Market Value</b>	means in relation to any Mortgage Receivable secured by any Mortgaged Asset, at any date (a) if the Original Market Value of such Mortgaged Asset is equal to or greater than the Price Indexed Value as at such date, the Price Indexed Value or (b) if the Original Market Value of such Mortgaged Asset is less than the Price Indexed Value as at such date, the sum of (i) the Original Market Value and (ii) 100 per cent. (or, if a different percentage is required or sufficient from time to time for the Notes to comply with article 243(2) of the CRR-Securitisation Amendment and the Seller wishes to apply such different percentage, then such different percentage) of the positive difference between the Price Indexed Value and the Original Market Value;
N/A	<b>Initial Purchase Price</b>	
+	<b>Insolvency Regulation</b>	means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, recast;
+	<b>Institutional Investor</b>	has the meaning ascribed to such term in article 2(12) of the Securitisation Regulation;
	<b>Insurance Company</b>	means any insurance company established in the Netherlands;
N/A	<b>Insurance Savings Participation</b>	
	<b>Interest Amount</b>	has the meaning ascribed thereto in Condition 4 ( <i>Interest and Subordinated Step-up Consideration</i> );

+	<b>Interest Deficiency Ledger</b>	means the interest deficiency ledger relating to the Class B Notes, the Class C Notes, the Class Z1 Notes and the Class Z2 Notes and comprising four sub-ledgers for each such Class of Notes;
	<b>Interest Determination Date</b>	means the day that is two (2) Business Days (or, if Euribor is produced in accordance with the revised hybrid methodology, such other number of Business Days as is then market practice for the fixing of Euribor) preceding the first day of each Interest Period;
	<b>Interest Period</b>	means the period from (and including) the Closing Date to (but excluding) the Notes Payment Date falling in January 2021 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;
	<b>Interest Rate</b>	means the rate of interest applicable from time to time to a Class of Notes, other than the Class X Notes and the Class R Notes, as determined in accordance with Condition 4 ( <i>Interest and Subordinated Step-up Consideration</i> );
+	<b>Interest Rate Policy</b>	means the policy in relation to the setting and resetting of Mortgage Interest Rates as set out in the Interest Rate Reset Letter;
+	<b>Interest Rate Reset Letter</b>	means the interest rate reset letter, between the Seller and the Issuer, dated on or about the Signing Date;
	<b>Interest-only Mortgage Loan</b>	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity;
N/A	<b>Interest-only Mortgage Receivable</b>	
	<b>Investor Report</b>	means any of (i) the Notes and Cash Report and (ii) the Portfolio and Performance Report;
	<b>ISDA</b>	means the International Swaps and Derivatives Association, Inc.;
	<b>Issuer</b>	means Tulip Mortgage Funding 2020-1 B.V, incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 80370845;
	<b>Issuer Accounts</b>	means any of the Issuer Transaction Accounts and the Swap Collateral Accounts;
	<b>Issuer Account Agreement</b>	means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;

	<b>Issuer Account Bank</b>	means ABN AMRO Bank N.V.;
	<b>Issuer Account Pledge Agreement</b>	means the issuer account pledge agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;
	<b>Issuer Administrator</b>	means Vistra FS (Netherlands) B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and its registered office at Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands and registered with the Trade Register under number 33202549;
+	<b>Issuer Bank Claims</b>	means all of the Issuer's current and future rights and monetary claims vis-à-vis the Issuer Account Bank (i) under and in connection with the Issuer Account Agreement, as amended, restated or supplemented from time to time and (ii) in respect of the Issuer Transaction Accounts and the Swap Cash Collateral Account held with the Issuer Account Bank;
	<b>Issuer Collection Account</b>	means the bank account of the Issuer designated as such in the Issuer Account Agreement;
+	<b>Issuer Deferred Amounts</b>	has the meaning ascribed to such term in Section 5.4 ( <i>Hedging</i> );
	<b>Issuer Director</b>	means Vistra Capital Markets (Netherlands) N.V., incorporated under Dutch law as a public company with limited liability ( <i>naamloze vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 33093266;
	<b>Issuer Management Agreement</b>	means the issuer management agreement between the Issuer, the Issuer Director and the Security Trustee dated the Signing Date;
	<b>Issuer Mortgage Receivables Pledge Agreement</b>	means the mortgage receivables pledge agreement between the Issuer and the Security Trustee dated the Signing Date;
	<b>Issuer Rights</b>	means any and all rights of the Issuer under and in connection with the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Hedging Agreements, the Administration Agreement, the Transparency Reporting Agreement, the Beneficiary Waiver Agreement and the Receivables Proceeds Distribution Agreement, collectively;
*	<b>Issuer Rights Pledge Agreement</b>	means the issuer rights pledge agreement between, amongst others, the Issuer, the Security Trustee, the Seller, the Issuer Administrator

		and the Servicer dated the Signing Date, pursuant to which a right of pledge is created in favour of the Security Trustee over the Issuer Rights;
+	<b>Issuer Services</b>	means the services to be provided by the Issuer Administrator to the Issuer and the Security Trustee, as set out in the Administration Agreement;
*	<b>Issuer Transaction Accounts</b>	means the Issuer Collection Account, the Construction Deposit Account and the Reserve Account, jointly;
+	<b>Joint Lead Managers</b>	means HSBC Bank plc and BNP Paribas;
+	<b>Junior Subscription Agreement</b>	means the notes purchase agreement between the Seller and the Issuer relating to the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes dated the Signing Date;
+	<b>Key Representations</b>	means the representations and warranties given by the Seller in relation to a Mortgage Receivable, a breach of which would (at the discretion of the Seller or the Issuer) result into the securitisation transaction described in this Prospectus no longer being recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of article 18 of the Securitisation Regulation, including the following representations and warranties given by the Seller: (a), (b), (c), (d), (f), (h), (i), (j), (m) (only to the extent it relates to Mortgage Loan Criteria (a), (e), (f), (g), (i), (k), (l), (m), (p) and (q)), (o), (t), (w), (cc), (dd), (ee), (ff), (gg), (nn), (oo), (pp), (qq), (rr) and (tt);
	<b>Land Registry</b>	means the Dutch land registry ( <i>het Kadaster</i> );
+	<b>LCR</b>	has the meaning ascribed to such term in Section 4.4 ( <i>Regulatory and industry compliance</i> );
	<b>LCR Assessment</b>	means the assessment made by PCS in relation to compliance with the criteria set forth in the LCR Delegated Regulation, as amended by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018;
	<b>LCR Delegated Regulation</b>	means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions;
N/A	<b>Life Insurance Policy</b>	
N/A	<b>Life Mortgage Loan</b>	

N/A	<b>Life Mortgage Receivable</b>	
	<b>Linear Mortgage Loan</b>	means a mortgage loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity;
N/A	<b>Linear Mortgage Receivable</b>	
	<b>Listing Agent</b>	means ABN AMRO Bank N.V.;
	<b>Loan Parts</b>	means one or more of the loan parts ( <i>leningdelen</i> ) of which a Mortgage Loan consists;
	<b>Loan to Income Ratio</b>	means in respect of a Mortgage Loan, the ratio calculated by dividing the Outstanding Principal Amount on such date by the sum of the gross annual income of the relevant Borrower(s);
	<b>Local Business Day</b>	has the meaning ascribed thereto in Condition 5 ( <i>Payment</i> );
	<b>MAD Regulations</b>	means the Market Abuse Directive, the Market Abuse Regulation and the Dutch implementation legislation pertaining thereto;
	<b>Management Agreement</b>	means any of (i) the Issuer Management Agreement, (ii) the Shareholder Management Agreement and (iii) the Security Trustee Management Agreement;
	<b>Market Abuse Directive</b>	means the Directive 2014/57/EU of 16 April 2014;
	<b>Market Abuse Regulation</b>	means the Regulation (EU) No 596/2014 of 16 April 2014;
*	<b>Market Value</b>	means (i) the market value ( <i>marktwaaarde</i> ) of the relevant Mortgaged Asset based on (a) if available, the most recent valuation by an external valuer or (b) if no valuation is available, or if more recent, either the assessment by the Dutch tax authorities on the basis of the WOZ at the time of application by the Borrower or the Indexed Market Value or (ii) in respect of a Mortgaged Asset to be constructed or in construction at the time of application by the Borrower, the construction costs of such Mortgaged Asset plus the purchase price of the relevant building lot;
	<b>Master Definitions Agreement</b>	means the master definitions agreement between, amongst others, the Seller, the Issuer and the Security Trustee dated the Signing Date;

+	<b>Member State</b>	means each member state of the European Union;
	<b>MiFID II</b>	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
	<b>Moody's</b>	means Moody's Investors Service Ltd. and includes any successor to its rating business;
	<b>Mortgage</b>	means a mortgage right ( <i>hypotheekrecht</i> ) securing the relevant Mortgage Receivable;
	<b>Mortgage Calculation Date</b>	means, in respect of a Mortgage Collection Payment Date, the third Business Day prior to such Mortgage Collection Payment Date;
*	<b>Mortgage Calculation Period</b>	means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month, except for the first mortgage calculation period which commences on (but excludes) the Cut-Off Date immediately preceding the Closing Date and ends on (and includes) the last day of November 2020;
	<b>Mortgage Collection Payment Date</b>	means the 8 <sup>th</sup> Business Day of each calendar month;
	<b>Mortgage Conditions</b>	means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;
	<b>Mortgage Credit Directive</b>	means Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010;
+	<b>Mortgage Fixed Period</b>	has the meaning ascribed thereto in the Swap Agreement;
	<b>Mortgage Interest Rates</b>	means the rates of interest from time to time chargeable to Borrowers under the Mortgage Loans;
*	<b>Mortgage Loan Criteria</b>	means the criteria relating to the Mortgage Loans set forth as such in Section 7.3 ( <i>Mortgage Loan Criteria</i> ) of this Prospectus;
+	<b>Mortgage Loan Negotiation and Servicing Agreement</b>	means the mortgage loan negotiation and servicing agreement between the Servicer and the Sub-Servicer dated 8 May 2018;

	<b>Mortgage Loan Services</b>	means the services to be provided by the Servicer to the Issuer and the Security Trustee with respect to the Mortgage Loans, as set out in the Servicing Agreement;
*	<b>Mortgage Loans</b>	means the mortgage loans granted by the Seller to the relevant borrowers which may consist of one or more Loan Parts (other than the Closing Date Bridge Loan Parts) as set forth in the List of Loans attached to the Mortgage Receivables Purchase Agreement and, after any purchase and assignment of any Further Advance Receivables has taken place in accordance with the Mortgage Receivables Purchase Agreement, the relevant Further Advance Receivables to the extent any and all rights under and in connection therewith are not retransferred or otherwise disposed of by the Issuer;
	<b>Mortgage Receivable</b>	means any and all rights of the Seller (and after the Assignment, the Issuer) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Seller (or the Issuer after the Assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void, but excluding the Closing Date Bridge Loan Parts;
*	<b>Mortgage Receivables Purchase Agreement</b>	means the mortgage receivables purchase agreement between the Seller, the Issuer and the Security Trustee dated the Signing Date;
+	<b>Mortgage Swap Fixed Rate</b>	means, for each Swap Mortgage Receivable, the sum of (a) the Breakeven Vanilla Swap Rate for such Swap Mortgage Receivable and (b) the Mortgage Swap Reset Spread for such Swap Mortgage Receivable;
+	<b>Mortgage Swap Pricing Date</b>	has the meaning ascribed thereto in the Swap Agreement;
+	<b>Mortgage Swap Reset Spread</b>	means, in respect of a Swap Mortgage Receivable, the lesser of: <ul style="list-style-type: none"> <li>(i) the Future Mortgage Swap Reset Spread as determined by the Swap Counterparty (acting in good faith and in a commercially reasonable manner) as of the relevant Mortgage Swap Pricing Date; and</li> <li>(ii) the relevant rate set out in the Swap Agreement in respect of the Mortgage Fixed Period applicable to such Swap Mortgage Receivable;</li> </ul>

	<b>Mortgaged Asset</b>	means (i) a real property ( <i>onroerende zaak</i> ), (ii) an apartment right ( <i>appartementsrecht</i> ) or (iii) a long lease ( <i>erfpachtsrecht</i> ) situated in the Netherlands on which a Mortgage is vested;
*	<b>Most Senior Class</b>	means such Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority in respect of redemption of principal than any other Class of Notes in the Post-Enforcement and Call Option Exercise Priority of Payments;
+	<b>NAMS Event of Default</b>	means an Event of Default as defined in the NAMS Rebalancing Agreement;
+	<b>NAMS Rebalancing Agreement</b>	means the 2002 ISDA master agreement, together with the schedule and the confirmations relating to the relevant transactions thereunder dated on or about the Closing Date and entered into by and between the Issuer and the Swap Counterparty to address the risk that the amortisation of the Swap Mortgage Receivables diverges from the expected amortisation scenarios;
+	<b>NAMS Rebalancing Payment</b>	has the meaning ascribed thereto in the NAMS Rebalancing Agreement;
+	<b>NAMS Rebalancing Transaction</b>	means any of the transactions entered into under the NAMS Rebalancing Agreement;
+	<b>NAMS Termination Event</b>	means a Termination Event as defined in the NAMS Rebalancing Agreement;
*	<b>Net Foreclosure Proceeds</b>	means (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable (including for the avoidance of doubt any amounts received under an NHG Guarantee), (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and any other insurance policy, (iv) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable, and (v) any cash amounts received by the Issuer as payment under the NHG Advance Right less (vi) any part of the proceeds of a foreclosure on a Mortgage required to be paid to Stichting WEW pursuant to the NHG Conditions in connection with a previously received cash payment under the NHG Advance Right;
+	<b>Net Swap Payment</b>	means, in respect of a Hedging Agreement, the net amount payable by either the Swap Counterparty or the Issuer, as the case may be, to the other party after the deduction of certain amounts and payment netting to be received by such party in connection with that Hedging Agreement;



+	<b>NHG Advance Right</b>	has the meaning ascribed thereto in section 6.5 ( <i>NHG Guarantee Programme</i> );
	<b>NHG Conditions</b>	means the terms and conditions ( <i>voorwaarden en normen</i> ) of the NHG Guarantee as set by Stichting WEW and as amended from time to time;
	<b>NHG Guarantee</b>	means a guarantee ( <i>borgtocht</i> ) under the NHG Conditions granted by Stichting WEW;
+	<b>NHG Mortgage Loan Part</b>	means any Loan Part which has the benefit of an NHG Guarantee
+	<b>NHG Return Amount</b>	means (i), in respect of an NHG Mortgage Loan on which foreclosure procedures have completed and whereby the amount previously received under any NHG Advance Right exceeds the amount which Stichting WEW is obliged to pay out under the NHG Guarantee, the amount which Stichting WEW is entitled to receive back in connection therewith, to the extent repayment of such amount has not been discharged by means of set-off against payment of the amount due by the Stichting WEW under the NHG Guarantee in respect of such NHG Mortgage Loan or (ii) any amounts required to be repaid to Stichting WEW pursuant to the NHG Conditions in connection with an advance payment received as a result of the exercise of the NHG Advance Right;
+	<b>Non-Key Representations</b>	means any of the representations and warranties given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables, that do not qualify as Key Representations;
*	<b>Non-Permitted Mortgage Loan Amendment</b>	an amendment by the Seller and the relevant Borrower of the terms of the relevant Mortgage Loan, as a result of which such relevant Mortgage Loan no longer meets certain criteria (including the Mortgage Loan Criteria) set forth in the Mortgage Receivables Purchase Agreement, except in case such amendment relates to an agreed (re)payment plan with a Borrower due to the deterioration of the credit quality of the Borrower;
	<b>Non-Public Lender</b>	means (i) until the competent authority publishes its interpretation of the term "public" (as referred to in article 4.1(1) of the CRR), an entity or natural person that is or qualifies as a professional market party ( <i>professionele marktpartij</i> ) as defined in the applicable law of the Netherlands, or (ii) following publication by the competent authority of its interpretation of the term "public" (as referred to in article 4.1(1) of the CRR), such person which is not considered to be part of the public;

	<b>Noteholders</b>	means the persons who for the time being are the holders of the Notes;
	<b>Notes</b>	means the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes;
	<b>Notes and Cash Report</b>	means the report which will be published quarterly by the Issuer, or the Issuer Administrator on its behalf, and which report will comply with the standard of the DSA;
	<b>Notes Calculation Date</b>	means, in respect of a Notes Payment Date, the third Business Day prior to such Notes Payment Date;
	<b>Notes Calculation Period</b>	means, in respect of a Notes Calculation Date, the three Mortgage Calculation Periods immediately preceding such Notes Calculation Date, except for the first Notes Calculation Period which will commence on the first Cut-Off Date and end on and include the last day of December 2020;
	<b>Notes Payment Date</b>	means 18 January 2021, and, thereafter, the 18th day of each of January, April, July and October of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day;
*	<b>Notes Purchase Agreements</b>	means the Senior Subscription Agreement and the Junior Subscription Agreement;
+	<b>Observation Date</b>	has the meaning ascribed thereto in the Swap Agreement;
	<b>Optional Redemption Date</b>	means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;
N/A	<b>Original Foreclosure Value</b>	
	<b>Original Market Value</b>	means the Market Value of the Mortgaged Asset as assessed by the Seller at the time of granting the Mortgage Loan;
+	<b>OTC</b>	has the meaning ascribed to such term in Section 4.4 ( <i>Regulatory and industry compliance</i> );
	<b>Other Claim</b>	means any claim the Seller has against the Borrower, other than a Mortgage Receivable or a Closing Date Bridge Loan Part, which is secured by the Mortgage and/or Borrower Pledge;

	<b>Outstanding Principal Amount</b>	means, at any moment in time, (i) the outstanding principal amount of a Mortgage Receivable at such time and (ii), after a Realised Loss of the type described in limbs (a) and (b) of the definition of Realised Loss in respect of such Mortgage Receivable, zero;
	<b>Parallel Debt</b>	has the meaning ascribed thereto in Section 4.7 ( <i>Security</i> ) of this Prospectus;
	<b>Paying Agency Agreement</b>	means the paying agency agreement between the Issuer, the Paying Agent, the Reference Agent and the Security Trustee dated the Signing Date;
	<b>Paying Agent</b>	means ABN AMRO Bank N.V.;
	<b>PCS</b>	means Prime Collateralised Securities (PCS) EU SAS;
	<b>Permanent Global Note</b>	means a permanent global note in respect of a Class of Notes;
	<b>Pledge Agreements</b>	means the Issuer Account Pledge Agreement, the Issuer Mortgage Receivables Pledge Agreement, the Issuer Rights Pledge Agreement and any Deed of Assignment and Pledge;
	<b>Pledge Notification Event</b>	means any of the events specified in clause 7.2 of the Issuer Mortgages Receivables Pledge Agreement;
*	<b>Pledged Assets</b>	means the Mortgage Receivables, the NHG Advance Rights, the Beneficiary Rights, the Issuer Bank Claims and the Issuer Rights and any other assets of the Issuer which are subject to any Security;
+	<b>Pool Swap Fixed Rate</b>	has the meaning ascribed thereto in the Swap Agreement;
	<b>Portfolio and Performance Report</b>	means the report which will be published monthly by the Issuer, or the Issuer Administrator on its behalf, and which report will comply with the standard of the DSA;
N/A	<b>Post-Enforcement Priority of Payments</b>	
+	<b>Post-Enforcement and Call Option Exercise Priority of Payments</b>	means the priority of payments set out as such in Section 5.2 ( <i>Priorities of Payments</i> ) of this Prospectus;
+	<b>Pre-agreed Compensation Amount</b>	means, in relation to a Mortgage Receivable, on each Notes Calculation Date following the Compensation Notice, an amount equal to the difference (if any) between (a) the amount the relevant Borrower should have paid on the Mortgage Collection Payment Dates falling within the relevant Notes Calculation Period and (b) the amount the relevant Borrower actually paid on the Mortgage

		Collection Payment Dates falling within the relevant Notes Calculation Period;
*	<b>Prepayment Penalties</b>	means any prepayment penalties ( <i>boeterente</i> ) to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan;
+	<b>Previous Transaction SPV</b>	means House of Tulips S.A., acting in relation to its Compartment 2019-1 EUR;
+	<b>Price Indexed Value</b>	means in respect of any Mortgaged Asset, at any date, the Original Market Value of such Mortgaged Asset increased or decreased by the increase or decrease in the Index since the date of the Original Market Value;
	<b>PRIIPs Delegated Regulation</b>	means Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents;
	<b>PRIIPs Regulation</b>	means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs);
	<b>Principal Amount Outstanding</b>	has the meaning ascribed thereto in Condition 6(l) ( <i>Definitions</i> );
	<b>Principal Deficiency</b>	means the debit balance, if any, of the relevant sub-ledger of the Principal Deficiency Ledger;
	<b>Principal Deficiency Ledger</b>	means the principal deficiency ledger relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes, other than the Class Z2 Notes, the Class X Notes and the Class R Notes;
+	<b>Principal Reconciliation Ledger</b>	means the ledger created for the purpose of recording any reconciliation payments in relation to principal in accordance with the Administration Agreement;
	<b>Principal Shortfall</b>	means, with respect to any Notes Payment Date, an amount equal to (i) the balance of the Principal Deficiency Ledger of the relevant

		Class divided by (ii) the number of Notes of the relevant Class of Notes on the relevant Notes Payment Date;
*	<b>Priority of Payments</b>	means any of the Revenue Priority of Payments, the Redemption Priority of Payments and the Post-Enforcement and Call Option Exercise Priority of Payments;
+	<b>Profit</b>	has the meaning ascribed thereto in section 5.1 ( <i>Available funds</i> ) of this Prospectus;
	<b>Prospectus</b>	means this prospectus dated 16 November 2020 relating to the issue of the Notes;
N/A	<b>Prospectus Directive</b>	
	<b>Prospectus Regulation</b>	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, and repealing Directive 2003/71/EC;
+	<b>Purchase Date</b>	means in respect of any Further Advance Receivables, any date falling in the period starting at the Closing Date up to (but excluding) the First Optional Redemption Date on which Further Advance Receivables are being purchased;
+	<b>Purchase Price</b>	means in respect of any relevant Mortgage Receivable or Further Advance Receivable, its Outstanding Principal Amount on the relevant Cut-Off Date;
+	<b>Purchase Price Applied Amount</b>	means in any Notes Calculation Period, any part of the Available Principal Funds that has been applied by the Issuer towards payment of the Purchase Prices for the purchase of Further Advance Receivables during such Notes Calculation Period;
+	<b>Rate Determination Agent</b>	has the meaning ascribed to such term in Condition 4(j) ( <i>Replacement Reference Rate</i> ) ;
+	<b>Rated Notes</b>	means the Class A Notes, the Class B Notes and the Class C Notes;
	<b>Realised Loss</b>	has the meaning ascribed thereto in Section 5.3 ( <i>Loss allocation</i> ) of this Prospectus;
*	<b>Receivables Proceeds Distribution Agreement</b>	means the receivables proceeds distribution agreement between, amongst others, the Collection Foundation and the Seller, dated 9 May 2018 as amended and restated on 13 September 2019, on 18 November 2019 and on or about the Signing Date, to which the Issuer and the Security Trustee acceded;

+	<b>Reconciliation Ledger</b>	means each of the Principal Reconciliation Ledger and Revenue Reconciliation Ledger;
*	<b>Redemption Amount</b>	has the meaning ascribed to such term in Condition 6(j) ( <i>Redemption Amount, Class Z2 Redemption Amount, Class X Redemption Amount and Class R Redemption Amount</i> );
	<b>Redemption Priority of Payments</b>	means the priority of payments set out as such in Section 5.2 ( <i>Priorities of Payments</i> ) of this Prospectus;
	<b>Reference Agent</b>	means ABN AMRO Bank N.V.;
+	<b>Reference Amortising Swap</b>	<p>means a notional transaction between the Swap Counterparty and the Issuer, defined for a given Swap Mortgage Receivable, the purpose of which is to calculate the Breakeven Vanilla Swap Rate and the terms of which are identical to the relevant Swap Transaction, save that:</p> <ul style="list-style-type: none"> <li>(i) the "Effective Date" thereunder is the Mortgage Swap Pricing Date for such Swap Mortgage Receivable;</li> <li>(ii) the "Fixed Rate" thereunder is a number equal to the Breakeven Vanilla Swap Rate; and</li> <li>(iii) the "Notional Amount" thereunder is the projection of the outstanding principal amount of the Generic Mortgage Loan associated to such Swap Mortgage Receivable, using the Slow CPR Assumption;</li> </ul>
+	<b>Reference Pool</b>	means, in respect of a Hedging Transaction, the Swap Mortgage Receivables that are identified in the loan tape as falling within the reference pool relating to that Hedging Transaction;
+	<b>Reference Rate</b>	means Euribor;
	<b>Regulation S</b>	means Regulation S of the Securities Act;
	<b>Relevant Class</b>	has the meaning ascribed thereto in Condition 10 ( <i>Events of Default</i> );
+	<b>Remarketing Call Notice</b>	has the meaning ascribed thereto in Condition 6(d) ( <i>Remarketing Call Option</i> );
+	<b>Remarketing Call Option</b>	means the right of the Class R Noteholders to instruct the Issuer to redeem or, at the Issuer's option, to purchase all (but not some only) of the Notes and to subsequently structure new notes or restructure the Notes and re-market such new notes or restructured Notes to be (re-)issued by the Issuer against payment of the proceeds thereof

		equal to at least the Required Call Amount, as described in Condition 6(d) ( <i>Remarketing Call Option</i> );
+	<b>Remarketing Call Option Conditions</b>	has the meaning ascribed thereto in Condition 6(d) ( <i>Remarketing Call Option</i> );
+	<b>Replacement Reference Rate</b>	has the meaning ascribed thereto in Condition 4(j) ( <i>Replacement Reference Rate</i> );
	<b>Reporting Entity</b>	means Tulpenhuis 1 B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 63677563;
+	<b>Required Call Amount</b>	<p>means:</p> <p>(I) in relation to the Class R Call Option, the Seller Call Option, the Risk Retention Regulatory Change Call Option and the Clean-Up Call Option, an amount equal to I. the sum of (a) the Principal Amount Outstanding of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), (b) all accrued (but unpaid) interest on the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), and the Subordinated Step-up Consideration in respect of any of the Rated Notes, (c) any amounts required under item (a) up to and including (c) (which shall include any costs and expenses of the Issuer in relation to the exercise by the Class R Noteholders of the Class R Call Option, or by the Seller of the Seller Call Option, the Risk Retention Regulatory Change Call Option or the Clean-Up Call Option, as applicable) of the Post-Enforcement and Call Option Exercise Priority of Payments on such Notes Payment Date, (d) any fees, costs and expenses due and payable in relation to the liquidation of the Issuer and (e) any Net Swap Payment payable to the Swap Counterparty (which includes any termination payments payable under a Hedging Agreement) on such Notes Payment Date, <b>less</b> II. the amount standing to the credit of the Issuer Transaction Accounts and any other funds available to the Issuer as at such Notes Payment Date, excluding (i) any amounts standing to the credit of the Reserve Account and (ii) any Net Swap Payment (if positive) received or to be received by the Issuer from the Swap Counterparty in connection with the exercise of the Class R Call Option, the Seller Call Option, the Risk Retention Regulatory Change Call Option or the Clean-Up Call Option, as applicable;</p> <p>(II) in relation to the Tax Call Option, I. the sum of (a) the Principal Amount Outstanding of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), (b) all accrued (but</p>

		<p>unpaid) interest on the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), and the Subordinated Step-up Consideration in respect of any of the Rated Notes, (c) any amounts required under item (a) up to and including (c) (which shall include any costs and expenses of the Issuer in relation to the exercise of the Tax Call Option) of the Post-Enforcement and Call Option Exercise Priority of Payments on such Notes Payment Date, (d) any fees, costs and expenses due and payable in relation to the liquidation of the Issuer and (e) any Net Swap Payment payable to the Swap Counterparty (which includes any termination payments payable under a Hedging Agreement) on such Notes Payment Date, <b>less</b> II. the amount standing to the credit of the Issuer Transaction Accounts and any other funds available to the Issuer as at such Notes Payment Date, excluding (i) any amounts standing to the credit of the Reserve Account and (ii) any Net Swap Payment (if positive) received or to be received by the Issuer from the Swap Counterparty in connection with the exercise of the Tax Call Option; and</p> <p>(III) in relation to the Remarketing Call Option, the sum of (a) the Principal Amount Outstanding of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), (b) all accrued (but unpaid) interest on the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes), and the Subordinated Step-up Consideration in respect of any of the Rated Notes, (c) any amounts required under item (a) up to and including (c) (which shall include any costs and expenses of the Issuer in relation to the exercise by the Class R Noteholders of the Remarketing Call Option) of the Post-Enforcement and Call Option Exercise Priority of Payments on such Optional Redemption Date, (d) any Net Swap Payment payable to the Swap Counterparty (which includes any termination payments payable under a Hedging Agreement) on such Option Redemption Date, <b>less</b> II. the amount standing to the credit of the Issuer Transaction Accounts and any other funds available to the Issuer as at such Optional Redemption Date, excluding (i) any amounts standing to the credit of the Reserve Account and (ii) any Net Swap Payment (if positive) received or to be received by the Issuer from the Swap Counterparty in connection with the exercise of the Remarketing Call Option.</p>
+	<b>Required Ratings</b>	<p>means the rating of:</p> <p>(a) 'F2' (short-term issuer default rating) or 'BBB' (long-term issuer default rating) by Fitch;</p>



		<p>(b) 'A' long-term issuer rating by DBRS or if DBRS has not assigned a credit rating to such party, the DBRS Equivalent Rating,</p> <p>or such other rating(s) than as set forth under (a) and (b) as notified by Fitch or DBRS (as applicable).</p>
	<b>Requisite Credit Rating</b>	<p>means the rating of (i) (a) 'F1' (short-term deposit rating) and 'A' (long-term deposit rating) by Fitch, or (b) if Fitch has not assigned a deposit rating to such party, 'F1' (short-term issuer default rating) and 'A' (long-term issuer default rating) by Fitch; and (ii) (a) a rating of 'A (high)' (long-term critical obligations rating) by DBRS, or (b) if DBRS has not assigned a critical obligations rating to such party, a rating of 'A' (long-term issuer default rating) by DBRS, or (c) if DBRS has not assigned a credit rating to such party, a DBRS Equivalent Rating of 'A' (long-term issuer default rating), or such other rating(s) than as set forth under (i) and (ii) as may be notified by Fitch or DBRS (as applicable).</p>
	<b>Reserve Account</b>	<p>means the bank account of the Issuer designated as such in the Issuer Account Agreement;</p>
+	<b>Reserve Account First Target Level</b>	<p>means on any Notes Payment Date, the higher of (i) an amount equal to 1.0 per cent. of the Principal Amount Outstanding of the Class A Notes and the Class B Notes calculated at close of business on such Notes Payment Date and (ii) EUR 1,697,600, provided that on the Notes Payment Date on which all amounts of interest and principal due to the Class A Notes and the Class B Notes have been or will be paid and redeemed, the Reserve Account First Target Level shall be zero;</p>
+	<b>Reserve Account Second Target Level</b>	<p>means on the Closing Date an amount equal to EUR 3,600,000, and on any Notes Payment Date, an amount equal to the higher of (i) an amount equal to 1.6 per cent. of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class Z1 Notes, calculated at close of business on such Notes Payment Date and (ii) EUR 2,875,482, provided that on the Notes Payment Date on which all amounts of interest and principal due to the Rated Notes have been or will be paid and redeemed, the Reserve Account Second Target Level shall be zero.</p>
+	<b>Restructured Borrower</b>	<p>means any Borrower who has undergone a forbearance measure in accordance with the Seller's internal policies in the last three (3) years prior to (i) the Cut-Off Date immediately preceding the Closing Date in respect of Mortgage Receivables that will be purchased on the Closing Date and (ii) the relevant additional Cut-Off Date in respect of Further Advance Receivables that will be purchased on a Purchase Date;</p>

	<b>Revenue Priority of Payments</b>	means the priority of payments set out as such in Section 5.2 ( <i>Priorities of Payments</i> ) of this Prospectus;
+	<b>Revenue Reconciliation Ledger</b>	means the revenue reconciliation ledger created for the purpose of recording any reconciliation payments in relation to interest in accordance with the Administration Agreement;
+	<b>Revenue Shortfall Amount</b>	means, on any Notes Payment Date, after the application of amounts available for such purpose from the Reserve Account, the amount by which the Available Revenue Funds falls short for the Issuer to pay item (a) up to and including item (e) of the Revenue Priority of Payments and after redemption in full of the Class A Notes, the item in the Revenue Priority of Payments relating to the payment of interest of the Most Senior Class;
	<b>Risk Insurance Policy</b>	means the risk insurance ( <i>risicoverzekering</i> ) which pays out upon the death of the life insured, taken out by a Borrower with any of the Insurance Companies;
+	<b>Risk Retention Regulatory Change Call Notice</b>	has the meaning ascribed thereto in Condition 6(i) ( <i>Risk Retention Regulatory Change Call Option</i> );
+	<b>Risk Retention Regulatory Change Call Option</b>	means the right of the Seller to purchase and accept assignment from the Issuer of all Mortgage Receivables (or cause a third party to do so) on any Notes Payment Date following a Risk Retention Regulatory Change Event in accordance with and subject to the Mortgage Receivables Purchase Agreement and the Trust Deed;
+	<b>Risk Retention Regulatory Change Event</b>	means (a) any change in or the adoption of any new law, rule, technical standards or regulation or any determination made by a relevant regulator, which as a matter of law has a binding effect on the Seller after the Closing Date, which would impose a positive obligation on the Seller to subscribe for Notes to comply with a, in its reasonable opinion, materially higher percentage of risk retention than set out in (y) Article 6 of the Securitisation Regulation or (z) Section 15G of the U.S. Securities Exchange Act of 1934 and any applicable implementing regulations or otherwise impose additional material obligations on it (as determined by the Seller, acting reasonably); or (b) the occurrence of a significant regulatory change or event which adversely affects the ability of the Seller to continue to comply with the requirements under the laws and regulations set forth under (y) or (z), respectively;
+	<b>Risk Retention Requirements</b>	means the obligations imposed on the Seller pursuant to Article 6 of the Securitisation Regulation;

	<b>Risk Retention U.S. Persons</b>	means "U.S. Persons" as defined in the U.S. Risk Retention Rules;
	<b>RMBS Standard</b>	means the residential mortgage-backed securities standard created by the DSA, as amended from time to time;
+	<b>RTS</b>	has the meaning ascribed to such term in Section 4.4 ( <i>Regulatory and industry compliance</i> );
+	<b>RTS Homogeneity</b>	means the final version of Commission Delegated Regulation (EU) of 28 May 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation;
	<b>S&amp;P</b>	means Standard & Poor's Credit Market Services Europe Limited, and includes any successor to its rating business;
	<b>Secured Creditors</b>	means (i) the Directors, (ii) the Servicer, (iii) the Issuer Administrator, (iv) the Paying Agent, (v) the Reference Agent, (vi) the Issuer Account Bank, (vii) the Noteholders, (viii) the Seller, (ix) the Swap Counterparty, (xi) the Collection Foundation, (xii) the Reporting Entity and (xiii) any other party designated by the Security Trustee as a Secured Creditor under or in connection with the Transaction Documents;
	<b>Secured Creditors Agreement</b>	means the secured creditors agreement between the Security Trustee, the Secured Creditors and the Issuer dated the Signing Date;
	<b>Securities Act</b>	means the United States Securities Act of 1933 (as amended);
	<b>Securitisation Regulation</b>	means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012;
	<b>Security</b>	means any and all security interest created pursuant to the Pledge Agreements;
	<b>Security Trustee</b>	means Stichting Security Trustee Tulip Mortgage Funding 2020-1, established under Dutch law as a foundation ( <i>stichting</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 80367836;

	<b>Security Trustee Director</b>	means Erevia B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) organised under Dutch law and established in Amsterdam, the Netherlands and registered with the Trade Register under number 33291692;
	<b>Security Trustee Management Agreement</b>	means the security trustee management agreement between the Security Trustee, the Security Trustee Director and the Issuer dated the Signing Date;
+	<b>Self-Certified Mortgage Loan</b>	means a mortgage loan 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;
	<b>Seller</b>	means Tulpenhuis 1 B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 63677563;
*	<b>Seller Call Option</b>	means, on any Optional Redemption Date, the option (but not the obligation) of the Seller to repurchase and accept reassignment of the Mortgage Receivables in accordance with and subject to Condition 6(f) ( <i>Seller Call Option</i> );
+	<b>Senior Subscription Agreement</b>	means the senior notes subscription agreement between the Seller, the Joint Lead Managers, the Arranger and the Issuer relating to the Rated Notes dated the Signing Date;
	<b>Servicer</b>	means the Seller in its capacity as Servicer under the Servicing Agreement;
	<b>Servicing Agreement</b>	means the servicing agreement between the Servicer, the Issuer and the Security Trustee dated the Signing Date;
	<b>Shareholder</b>	means Stichting Holding Tulip Mortgage Funding 2020-1, established under Dutch law as a foundation ( <i>stichting</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 80367623;
	<b>Shareholder Director</b>	means Vistra Capital Markets (Netherlands) N.V., incorporated under Dutch law as a public company with limited liability ( <i>naamloze vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 33093266;

	<b>Shareholder Management Agreement</b>	means the shareholder management agreement between the Shareholder, the Shareholder Director and the Security Trustee dated the Signing Date;
	<b>Signing Date</b>	means 16 November 2020 or such later date as may be agreed between the Issuer, the Seller, the Arranger and the Joint Lead Managers;
+	<b>Slow CPR Assumption</b>	has the meaning ascribed thereto in the Swap Agreement;
	<b>Solvency II Regulation</b>	means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance;
	<b>SRM Regulation</b>	means Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, and the rules and regulations related thereto;
+	<b>SR Repository</b>	means a securitisation repository registered under article 10 of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction as described in this Prospectus;
	<b>SSPE</b>	means securitisation special purpose entity within the meaning of article 2(2) of the Securitisation Regulation;
+	<b>Standard Loan Documents</b>	means (i) the general terms and conditions version dated January 2018 and version dated February 2019, and (ii) the template mortgage deed with reference number Tulp1602;
+	<b>Stater</b>	means Stater Nederland B.V., incorporated under Dutch law as a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), having its official seat (statutaire zetel) in Amersfoort, the Netherlands and its registered office at Podium 1, 3826 PA in Amersfoort, the Netherlands and registered with the Trade Register under number 08716725;
	<b>Stichting WEW</b>	means Stichting Waarborgfonds Eigen Woningen;
	<b>STS securitisation</b>	means a simple, transparent and standardised securitisation as referred to in article 19 of the Securitisation Regulation;
	<b>STS Verification</b>	means a report from PCS which verifies compliance of the securitisation transaction described in this Prospectus with the

		criteria stemming from articles 18, 19, 20, 21 and 22 of the Securitisation Regulation;
	<b>Subordinated Notes</b>	means the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes;
+	<b>Subordinated Step-up Consideration</b>	means, on each Notes Payment Date following the First Optional Redemption Date, in respect of each of the Rated Notes, an amount equal to the higher of (I) zero and (II) the product of (a) the relevant Principal Amount Outstanding of such Class of Rated Notes and (b) the lower of (x) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes and (y) the sum of (i) Euribor for 3-month deposits, (ii) the margin applicable to such Class of Rated Notes under Condition 4(c) and (iii) the relevant Subordinated Step-up Margin applicable to such Class of Rated Notes, where (II) is calculated on the basis of the actual days elapsed in such period and a 360 day year;
+	<b>Subordinated Step-up Consideration Deficiency Ledger</b>	means the Subordinated Step-up Consideration deficiency ledger relating to the Rated Notes and comprising sub-ledgers for each such Class of Rated Notes;
+	<b>Subordinated Step-up Margin</b>	means (i) in respect of the Class A Notes, 0.4875 per cent. per annum, (ii) in respect of the Class B Notes 0.9 per cent. per annum, and (iii) in respect of the Class C Notes, 1.05 per cent. per annum;
	<b>Sub-servicer</b>	means Tulp Hypotheken B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 63446782;
*	<b>Swap Agreement</b>	means the swap agreement (documented under a 2002 ISDA master agreement, including the schedule thereto, a credit support annex and one or more confirmations relating to transactions thereunder) between the Issuer and the Swap Counterparty dated on or about the Closing Date;
+	<b>Swap Calculation Period</b>	means the "Calculation Period" as such term is defined in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.;
	<b>Swap Cash Collateral Account</b>	means the bank account of the Issuer designated as such in the Issuer Account Agreement and any further account opened to hold Swap Collateral in the form of cash;
	<b>Swap Collateral</b>	means, at any time, any asset (including cash and/or securities) which is paid or transferred by the Swap Counterparty to the Issuer

		as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;
*	<b>Swap Collateral Accounts</b>	means the Swap Cash Collateral Account and the Swap Securities Collateral Account;
+	<b>Swap Confirmation</b>	means the swap confirmation in respect of each Swap Transaction;
	<b>Swap Counterparty</b>	means BNP Paribas a public limited liability company (société anonyme), existing and organised under French laws, with registered office at 16 Boulevard des Italiens, 75009 Paris, France, and registered with the Commercial Registry of Paris under number 662042449;
+	<b>Swap Counterparty Floating Amount</b>	has the meaning ascribed to such term in Section 5.4 ( <i>Hedging</i> );
+	<b>Swap Counterparty Subordinated Payment</b>	means any termination payment due and payable as a result of the occurrence of (i) a Swap Event of Default where the Swap Counterparty is the Defaulting Party or (ii) an Additional Termination Event arising pursuant to the occurrence of a Rating Event (all as defined in the Swap Agreement);
+	<b>Swap Event of Default</b>	means an Event of Default as defined in the Swap Agreement;
+	<b>Swap Mortgage Receivable</b>	means each of the Fixed Rate Loans in relation to the Mortgage Loans owned by the Issuer, excluding those (i) which are more than three (3) months in arrears or which are in default, (ii) in respect of which the related property has been repossessed from the relevant Borrower or (iii) which are otherwise deemed to be excluded pursuant to the terms of the Swap Agreement;
+	<b>Swap Notional Amount</b>	means in respect of each relevant Swap Transaction, for a Swap Calculation Period, an amount equal to the aggregate Outstanding Principal Amount of all the Swap Mortgage Receivables within the Reference Pool specified in each Swap Confirmation in respect of each Swap Transaction as at the Swap Notional Observation Date, falling immediately prior to such Swap Calculation Period;
+	<b>Swap Notional Observation Date</b>	means, in respect of a Swap Transaction and a Swap Calculation Period, in respect of (i) the first Swap Calculation Period, 8 November 2020, and (ii) any other Swap Calculation Period, the Mortgage Calculation Date immediately prior to the start of such Swap Calculation Period;

+	<b>Swap Replacement Ledger</b>	has the meaning ascribed to such term in Section 5.6 ( <i>Issuer Accounts</i> );
+	<b>Swap Replacement Premium</b>	means an amount (if any) received by the Issuer from a replacement swap counterparty, or an amount paid by the Issuer to a replacement swap counterparty, upon entry by the Issuer into a replacement swap agreement to replace the relevant Hedging Agreement;
+	<b>Swap Securities Collateral Account</b>	means any bank account or securities account opened by the Issuer with the Issuer Account Bank or custodian in accordance with the Transaction Documents to hold Swap Collateral in the form of securities;
+	<b>Swap Termination Event</b>	means a Termination Event as defined in the Swap Agreement;
	<b>Swap Transaction</b>	means any of the swap transactions entered into under the Swap Agreement;
	<b>TARGET 2</b>	means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;
	<b>TARGET 2 Settlement Day</b>	means any day on which TARGET 2 is open for the settlement of payments in euro;
	<b>Tax Call Option</b>	means the option of the Issuer, to redeem all (but not some only) of the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) in accordance with Condition 6(g) ( <i>Redemption for tax reasons</i> );
*	<b>Tax Credit</b>	means any tax credit obtained by the Issuer as further described in the Swap Agreement and the NAMS Rebalancing Agreement, respectively;
	<b>Temporary Global Note</b>	means a temporary global note in respect of a Class of Notes;
	<b>Trade Register</b>	means the trade register ( <i>Handelsregister</i> ) of the Chamber of Commerce in the Netherlands;
	<b>Transaction Documents</b>	means (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Pledge Agreements, (iv) the Trust Deed, (v) the Notes Purchase Agreements, (vi) the Paying Agency Agreement, (vii) the Issuer Account Agreement, (viii) each Hedging Agreement, (ix) the Beneficiary Waiver Agreement, (x) the Management Agreements, (xi) the Administration Agreement, (xii) the Secured Creditors Agreement, (xiii) the Master Definitions Agreement, (xiv) the Transparency Reporting Agreement, (xv) the Delegate Sub-Servicing Letters, (xvi) the Receivables Proceeds Distribution Agreement, and (xvii) the Notes and any further



		documents relating to the transaction envisaged in the above mentioned documents;
+	<b>Transparency Data Tape</b>	means certain loan-by-loan information required by and in accordance with article 7(1)(a) of the Securitisation Regulation in the form of the final disclosure templates adopted by the European Commission in the delegated regulations (EU) 2020/1224 and (EU) 2020/1225, as it is applicable to the Issuer, the Seller and the Mortgage Receivables;
+	<b>Transparency Investor Report</b>	means a report in the form of the final disclosure templates adopted by the European Commission in the delegated regulations (EU) 2020/1224 and (EU) 2020/1225, as it is applicable to the Issuer, the Seller and the Mortgage Receivables;
+	<b>Transparency Reporting Agreement</b>	means the transparency reporting agreement by and between the Reporting Entity, the Issuer and the Security Trustee dated the Signing Date;
*	<b>Trust Deed</b>	means the trust deed between the Issuer, the Security Trustee and the Shareholder dated the Signing Date;
+	<b>Tulp</b>	means Tulp Hypotheken B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 63446782;
+	<b>Tulpenhuis</b>	means Tulpenhuis 1 B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its official seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands and registered with the Trade Register under number 63677563;
	<b>U.S. Risk Retention Rules</b>	means Regulation RR (17 C.F.R. Part 246) implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act;
+	<b>Unpaid Amount</b>	means an Unpaid Amount as defined in the relevant Hedging Agreement;
+	<b>Vistra Letter</b>	means the fee letter from Vistra Capital Markets (Netherlands) N.V. to Tulpenhuis dated 9 September 2020, which fee letter has been signed by Tulpenhuis on 15 September 2020, for the services

		rendered under the Management Agreements and the Administration Agreement;
	<b>Wft</b>	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and its subordinate and implementing decrees and regulations as amended from time to time;
*	<b>WOZ</b>	means the Valuation of Immovable Property Act ( <i>Wet waardering onroerende zaken</i> ).

## 9.2 Interpretation

**9.2.1** The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed thereto under applicable law.

**9.2.2** Any reference in this Prospectus to:

an "**Act**" or a "**statute**" or "**treaty**" or otherwise to any legislation or regulation, shall be construed as a reference to such Act, statute or treaty as the same may have been, or may from time to time be, amended or, in the case of an Act or a statute, re-enacted;

"**this Agreement**" or an "**Agreement**" or "**this Deed**" or a "**deed**" or a "**Deed**" or a "**Transaction Document**" or any of the Transaction Documents (however referred to or defined) shall be construed as a reference to such document or agreement as the same may be amended, supplemented, restated, novated or otherwise modified from time to time;

a "**Class**" of Notes shall be construed as a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes or the Class R Notes, as applicable;

a "**Class A**", "**Class B**", "**Class C**", "**Class Z1**", "**Class Z2**", "**Class X**" or "**Class R**" Noteholder, Principal Deficiency, Principal Deficiency Ledger, Interest Deficiency Ledger, Subordinated Step-up Margin, Subordinated Step-up Consideration, Subordinated Step-up Consideration Deficiency Ledger, Principal Shortfall, Redemption Amount, Temporary Global Note or Permanent Global Note shall be construed as a reference to a Noteholder of, or a Principal Deficiency, the Principal Deficiency Ledger, Interest Deficiency Ledger, Subordinated Step-up Margin, Subordinated Step-up Consideration, Subordinated Step-up Consideration Deficiency Ledger, Principal Shortfall, Redemption Amount, Temporary Global Note or Permanent Global Note pertaining to, as applicable, the relevant Class of Notes;

a "**Code**" shall be construed as a reference to such code as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted;

"**encumbrance**" includes any mortgage, charge or pledge or other limited right (*beperkt recht*) securing any obligation of any person, or any other arrangement having a similar effect;

"**Euroclear**" and/or "**Clearstream, Luxembourg**" includes any additional or alternative clearing system approved by the Issuer, the Security Trustee and the Paying Agent and permitted to hold the Temporary

Global Notes and the Permanent Global Notes, provided that such alternative clearing system must be authorised to hold the Temporary Global Notes and the Permanent Global Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations;

the "**records of Euroclear and Clearstream, Luxembourg**" are to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interests in the Notes;

"**€**", "**EUR**" and "**euro**" shall be construed as a reference to the single currency which was introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended by the Treaty on European Union);

"**foreclosure**" includes any lawful manner of generating proceeds from collateral whether by public auction, by private sale or otherwise;

"**holder**" means the bearer of a Note and related expressions shall (where appropriate) be construed accordingly;

"**including**" or "include" shall be construed as a reference to "**including without limitation**" or "**include without limitation**", respectively;

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "**law**" or "**directive**" or "**regulation**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order, any regulatory technical standards and any implementing technical standards, official statement of practice or guidance or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court and shall be construed as a reference to such law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order, any regulatory technical standards and any implementing technical standards, official statement of practice or guidance or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court as the same may have been, or may from time to time be, amended;

a "**month**" means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and "**months**" and "**monthly**" shall be construed accordingly;

the "**Notes**", the "**Conditions**", any "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a reference to "**preliminary suspension of payments**", "**suspension of payments**" or "**moratorium of payments**" shall, where applicable, be deemed to include a reference to the suspension of payments ((*voorlopige*) *surseance van betaling*) as meant in the Dutch Bankruptcy Act (*Faillissementswet*) or any intervention, recovery and resolution measures, including but not limited to measures, that may be taken pursuant to the BRRD, as implemented in Dutch law, the Wft and the SRM-Regulation; and, in respect of a private individual, any debt restructuring scheme (*schuldsanering natuurlijke personen*); "**principal**" shall be construed as the English translation of "*hoofdsom*" or, if the context so requires, "*pro resto hoofdsom*" and, where applicable, shall include premium;

"**principal**" shall be construed as the English translation of *hoofdsom* or, if the context so requires, *pro resto hoofdsom* and, where applicable, shall include premium;

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "paid", "payable" and "payment" shall be construed accordingly;

a "**statute**" or "**treaty**" shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted;

a "**successor**" of any party shall be construed so as to include an assignee, transferee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party or otherwise replaced such party (by way of novation or otherwise), under or in connection with a Transaction Document or to which, under such laws, such rights and obligations have been transferred;

any "**Transaction Party**" or "**party**" or a party to any Transaction Document (however referred to or defined) shall be construed so as to include its successors and transferees and any subsequent successors and transferees in accordance with their respective interests;

"**tax**" includes any present or future tax, levy, impost, duty, repayment of state aid concerning taxes or other charge of a similar nature (including, without limitation, any penalty payable in connection with any failure to pay or any delay in paying any of the same); and

a "**winding-up**", "**administration**" or "**dissolution**" includes, without limitation, liquidation, general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally.

**9.2.3** In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

**9.2.4** Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.

**ISSUER**

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