



LeasePlan

LeasePlan Corporation N.V.

**EUR 15,000,000,000
Debt Issuance Programme**

Under this EUR 15,000,000,000 Debt Issuance Programme (the "**Programme**") LeasePlan Corporation N.V. ("**LPCorp**" or the "**Issuer**") may from time to time issue notes (the "**Notes**") which may be senior ("**Senior Notes**") or subordinated ("**Subordinated Notes**") and denominated in any currency agreed by the Issuer of such Notes and the relevant Dealer (as defined below).

Subject as set out herein, the Notes will not be subject to any maximum maturity but will have a minimum maturity of 1 month and the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 15,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes will be issued on a continuing basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Notes is or are referred to as the "**relevant Dealer**" in respect of those Notes.

The Notes of each Tranche (as defined below) will (unless otherwise specified in the applicable final terms (the "**Final Terms**")) initially be represented by a global Note (a "**Global Note**") which will be deposited on the issue date thereof either (i) with a common depository or a common safekeeper on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other agreed clearance system or (ii) with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**"). See "Form of the Notes" herein.

This base prospectus (the "**Base Prospectus**") constitutes a base prospectus within the meaning of the Prospectus Directive (Directive 2003/71/EC, as amended or superseded; the "**Prospectus Directive**"). This Base Prospectus has been approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") as the competent authority in the Issuer's home Member State pursuant to the Prospectus Directive. For the purposes of the Prospectus Directive, this Base Prospectus is valid for one year from the date hereof.

Application may be made for Notes to be listed on Euronext Amsterdam ("**Euronext**") or to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*), on any other regulated or unregulated market in the European Economic Area (the "**EEA**") or any other stock exchange(s). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The Issuer has requested the AFM to provide the Commission de Surveillance du Secteur Financier in Luxembourg with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with Chapter 5.1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**FMSA**") and related regulations implementing the Prospectus Directive in Dutch law (a "**Notification**"). The AFM may be requested to provide other competent authorities within the EEA with a Notification so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets within the EEA. Euronext and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) are regulated markets for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**").

Notes issued under the Programme may be rated or unrated. Where an issue of Senior Notes is rated, its rating will not necessarily be the same as the rating applicable to this Programme. Subordinated Notes issued under the Programme may be rated on a case by case basis as specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory

purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused. Each of Moody's France SAS ("**Moody's**"), S&P Global Ratings Europe Limited, France Branch ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**") are credit rating agencies established in the European Community and are registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

This Base Prospectus is issued in replacement of a base prospectus dated 29 March 2018 relating to the EUR 15,000,000,000 Debt Issuance Programme of the Issuer and accordingly supersedes that earlier base prospectus. This does not affect any Notes issued prior to the date of this Base Prospectus.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and with any documents incorporated by reference herein, and in relation to any Tranche (as defined herein) of Notes, this Base Prospectus should be read and construed together with the Final Terms. Any such supplement, amendment and/or replacement will only be made in accordance with the Prospectus Directive unless in relation to an Issue of Notes under the Programme which falls outside the scope of the Prospectus Directive.

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

MIFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Benchmark Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Notes may, *inter alia*, be calculated by reference to London inter-bank offered rate ("**LIBOR**"), which is provided by ICE Benchmark Administration Limited and the Euro-zone inter-bank offered rate ("**EURIBOR**") which is provided by the European Money Markets Institute. As at the date of this Base Prospectus, ICE Benchmark Administration Limited appears and the European Money Markets Institute does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the European Money Markets Institute is not currently required to obtain authorisation or registration.

THERE ARE CERTAIN RISKS RELATED TO ANY ISSUE OF NOTES UNDER THE PROGRAMME WHICH INVESTORS SHOULD ENSURE THEY FULLY UNDERSTAND (SEE "RISK FACTORS" BELOW). THIS BASE PROSPECTUS DOES NOT DESCRIBE ALL OF THE RISKS OF AN INVESTMENT IN THE NOTES.

Arranger

ABN AMRO

Dealers

ABN AMRO

BNP PARIBAS

Citigroup

Deutsche Bank

ING

Mizuho Securities

Société Générale Corporate & Investment Banking

ANZ

Danske Bank

HSBC

J.P. Morgan

Santander Global Corporate & Investment Banking

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RISK FACTORS

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with any investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary). In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks Relating to the Market Generally

There can be no assurance that a secondary market for the Notes will develop or provide sufficient liquidity. Upon purchase of the Notes you may bear the risk of limited liquidity and its effect on the value of the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application may be made for the Notes issued under the Programme to be admitted to listing on Euronext, any other regulated or unregulated market within the EEA or any further or other stock exchange(s), there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes. Any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If any person begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time. Illiquidity may have a severely adverse effect on the market value of Notes.

If your financial activities are denominated principally in a currency unit other than the Specified Currency you will be subject to exchange rate risks and, potentially, exchange controls

The Issuer will pay principal and interest on the Notes in the currency specified in the applicable Final Terms (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to depreciation of the Specified Currency or appreciation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in prevailing bond interest rates may adversely affect the value of the Fixed Rate Notes
Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Interest rates of Floating Rate Notes and CMS-Linked Interest Notes may fluctuate and provide uncertain interest income

A Holder of Floating Rate Notes or CMS-Linked Interest Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes and CMS-Linked Interest Notes in advance. Neither the current nor the historical value of the relevant floating rate or CMS rate should be taken as an indication of the future development of such floating rate or CMS rate during the term of any Floating Rate Notes, respectively CMS-Linked Interest Notes.

The Notes may not be a suitable investment for you

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus and any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential Investor's Currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios relating to the economic interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks Related to the Structure of a Particular Issue of Notes

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

The Notes may be subject to optional redemption by the Issuer

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Notes are redeemable at the Issuer's option or the applicable Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect, or the likelihood (or perceived likelihood) that the Issuer may be able to elect, to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Variable rate Notes with a multiplier or other leverage factor may lead to volatile market values

of the Notes

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes may be more volatile than other conventional floating rate debt securities based on the same reference rate

Inverse Floating Rate Notes (also called Reverse Floating Rate Notes) have an interest rate which is determined as a difference between a fixed interest rate and a floating rate reference rate such as EURIBOR (Euro Interbank Offered Rate) or LIBOR (London Interbank Offered Rate) which means that interest income on such Notes falls if the reference interest rate increases. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes issued at a substantial discount or premium may be subject to greater market price volatility

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

A reset of the interest rate could affect the market value of an investment in the Notes

Fixed Rate Notes may bear interest at an initial Rate of Interest subject to one or more resets during the tenor of the Notes. Such reset rate could be less than the initial Rate of Interest and could affect the market value of an investment in the Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes, such as Floating Rate Notes and Fixed Rate Notes which are subject to one or more resets linked to such "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require 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 (ii) prevent certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation or "benchmarks" could be eliminated entirely. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in

making any investment decision with respect to the Notes linked to a "benchmark".

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

The potential elimination of, or the potential changes in the manner of administration of, the LIBOR benchmark or any other benchmark could require an adjustment to the terms and conditions to reference an alternative benchmark, or result in other consequences, including those which cannot be predicted, in respect of any Notes linked to such benchmark (including but not limited to Notes whose interest rates are linked to LIBOR).

Investors should be aware that, if LIBOR or any other benchmark were discontinued or otherwise unavailable, the rate of interest on any Notes which reference any such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the relevant benchmark rate is to be determined under the Terms and Conditions of the Notes, this may (i) be reliant upon the provision by reference banks of offered quotations for such rate which, depending on market circumstances, may not be available at the relevant time, (ii) be reliant on the Independent Advisor or the Issuer being able to determine a Successor Reference Rate or an Alternative Reference Rate (each as defined in the Terms and Conditions of the Notes) or (iii) result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available. It is possible that the Issuer may itself determine a fall-back interest rate (acting in good faith and in a commercially reasonable manner) if the Issuer is unable to appoint an Independent Advisor, or the Independent Advisor appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (each as defined in the Terms and Conditions of the Notes). In such case, the Issuer will make such determinations and adjustments as it deems appropriate, in accordance with the Terms and Conditions of the Notes. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising its discretion.

Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation of the benchmark rate on any Notes, the ability of any agent or the Issuer to establish a fall-back interest rate for any Notes (including the possibility that a license or registration may be required for such agent or the Issuer under the relevant legislation), and the rate that would be applicable if the relevant benchmark is discontinued may adversely affect the trading market and the value of the Notes and the determination of any successor rate could lead to economic prejudice or benefit (as applicable) to investors. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Notes will be. More generally, any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other "benchmark" as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the liquidity and value of, and return on, any Notes based on or linked to a "benchmark".

Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets. Any failure to use the net proceeds of any Series of Green Bonds in connection with green projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets

The Issuer may issue Notes under the Programme where the use of proceeds is specified in the applicable Final Terms to be for the financing and/or refinancing of projects and activities that promote climate and other environmental purposes, in accordance with certain prescribed eligibility criteria as in such case shall be set out in item 4 of Part B ('Reasons for the offer') of the applicable Final Terms (any Notes which have such a specified use of proceeds are referred to as "**Green Bonds**").

In connection with an issue of Green Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue an independent opinion (a "**Compliance Opinion**") confirming that any Green Bonds are in compliance with the Green Bond Principles, as published by the International Capital Market Association (which serves as the secretariat to the Green Bond Principles) (the "**Green Bond Principles**"). The Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. While the Green Bond Principles do provide a high level framework, there is currently no market consensus

on what precise attributes are required for a particular project to be defined as "green", and therefore no assurance can be provided to potential investors that the green projects and activities to be specified in the applicable Final Terms will meet all investors' expectations regarding environmental performance or continue to meet the relevant eligibility criteria. Although applicable green projects and activities are expected to be selected in accordance with the categories recognised by the Green Bond Principles, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such green or sustainable projects or that the anticipated environmental benefits will be realised. Where any negative impacts are insufficiently mitigated, green projects and activities may become controversial, and/or may be criticised by activist groups or other stakeholders. Potential investors should be aware that any Compliance Opinion will not be incorporated into, and will not form part of, this Base Prospectus or the applicable Final Terms. Any such Compliance Opinion may not reflect the potential impact of all risks related to the structure of the relevant Series of Green Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Green Bonds. Any such Compliance Opinion is not a recommendation to buy, sell or hold securities and is only current as of its date of issue. Further, although the Issuer may agree at the issue date of any Green Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green projects and activities (as specified in the applicable Final Terms), it would not be an event of default under the Green Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the applicable Final Terms and/or (ii) the Compliance Opinion were to be withdrawn. Any failure to use the net proceeds of any Series of Green Bonds in connection with green projects and activities, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets which may cause one or more of such investors to dispose of the Green Bonds held by them which may affect the value, trading price and/or liquidity of the relevant Series of Green Bonds.

Neither the Issuer nor the Dealers make any representation as to the suitability for any purpose of any Compliance Opinion or whether any Green Bonds fulfil the relevant environmental criteria. Prospective investors should have regard to the eligible green bond projects or activities and eligibility criteria described in the applicable Final Terms. Each potential purchaser of any Series of Green Bonds should determine for itself the relevance of the information contained in this Base Prospectus and in the applicable Final Terms regarding the use of proceeds and its purchase of any Green Bonds should be based upon such investigation as it deems necessary. None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

Risks related to Subordinated Notes

Holders of Subordinated Notes have limited rights to accelerate

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 2 of the Terms and Conditions of the Notes. Any such Subordinated Notes will constitute unsecured and subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured and equally subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either junior or senior to the Subordinated Notes) and (ii) junior to those obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law. As a result, in the event of liquidation or bankruptcy of the Issuer, the claims of the holders of the Subordinated Notes ("**Subordinated Noteholders**") against the Issuer will be subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms or by law to rank in priority to the Subordinated Notes. By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from higher ranking deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims and senior ranking subordinated claims have been satisfied. A Subordinated Noteholder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated or senior subordinated liabilities of the Issuer. Furthermore, the Terms and Conditions of the Notes do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the relevant Subordinated Notes.

In addition, the rights of Subordinated Noteholders are limited in certain respects. In particular, (i)

redemption of Subordinated Notes expressed to qualify as Tier 2 Notes pursuant to Conditions 7(b), (c) or (e) of the Terms and Conditions of the Notes may only be effected after the Issuer has obtained the prior written permission of the Competent Authority and (ii) the Issuer may be required to obtain the prior written permission of the Competent Authority before effecting any repayment of Subordinated Notes expressed to qualify as Tier 2 Notes following an Event of Default. See Condition 10(b) of the Terms and Conditions of the Notes for further details. See also the risk factor entitled "Redemption risk in respect of certain Series of Subordinated Notes".

Subordinated Noteholders will only have limited rights to accelerate repayment of the principal amount of Subordinated Notes. See Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes, which limits the events of default to (i) any order being made by any competent court or resolution being passed for the winding up or dissolution of the Issuer (unless this is done for the purpose of or pursuant to a consolidation, amalgamation, merger or reconstruction where either (a) prior consent thereto has been given by an Extraordinary Resolution of the Noteholders or (b) under which the continuing entity effectively assumes all of the rights and obligations of the Issuer) or (ii) if the Issuer is declared bankrupt. Accordingly, if the Issuer fails to meet any interest payment or other obligation under the Subordinated Notes, such failure in itself will not give the Subordinated Noteholder any right to accelerate repayment of the principal amount of the Subordinated Notes. Furthermore, Subordinated Noteholders will have no set-off rights.

Given these features of Subordinated Notes, there is a risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

There is a redemption risk in respect of certain issues of Subordinated Notes

The Issuer may redeem Subordinated Notes expressed to qualify as Tier 2 Notes, at the amount and on the date(s) specified in the applicable Final Terms if the applicable Final Terms in respect of such Subordinated Notes indicate that such Subordinated Notes are redeemable at the option of the Issuer if there is a change in the regulatory classification of such Subordinated Notes that has resulted or would be likely to result in such Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD IV Regulation as defined in the Terms and Conditions of the Notes) of the Issuer or reclassified as a lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date (ii) is considered by the Competent Authority to be sufficiently certain and (iii) the Issuer has demonstrated to the satisfaction of the Competent Authority was not reasonably foreseeable at the time of their issuance as required by Article 78(4) CRD IV Regulation, and provided the Issuer has notified the holders of the relevant Subordinated Notes accordingly.

The Issuer may choose to redeem such Subordinated Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. Furthermore, an optional redemption feature of Subordinated Notes may limit their market value. During any period when the Issuer may elect, or the likelihood (or perceived likelihood) that the Issuer may be able to elect, to redeem such Subordinated Notes, the market value of those Notes generally may not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

There is variation or substitution risk in respect of certain Series of Subordinated Notes

If Variation or Substitution is specified in the applicable Final Terms and if a CRD IV Capital Event or a Capital Event (as defined in Condition 7(e) of the Terms and Conditions of the Notes) has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority if required at the relevant time (but without any requirement for the consent or approval of the Subordinated Noteholders), substitute Subordinated Notes expressed to qualify as Tier 2 Notes or vary the terms of such Subordinated Notes in order to ensure that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time. The terms and conditions of such varied or substituted Subordinated Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Subordinated Notes. However, the Issuer cannot make changes to the terms of the Subordinated Notes or substitute the Subordinated Notes for securities that are materially less favourable to the Subordinated Noteholders. Following such variation or substitution the resulting securities must have at least, *inter alia*, the same ranking, interest rate, maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Subordinated Notes. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular Subordinated Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Notes could be different for some categories of

Subordinated Noteholders from the tax and stamp duty consequences of their holding the Subordinated Notes prior to such variation or substitution. See Condition 7(e) of the Terms and Conditions of the Notes for further details.

The Competent Authority has discretion as to whether or not it will approve any substitution or variation of the Subordinated Notes expressed to qualify as Tier 2 Notes. Any such substitution or variation which is considered by the Competent Authority to be material shall be treated by it as the issuance of a new instrument. Therefore, such Subordinated Notes, as so substituted or varied, must be eligible as Tier 2 capital in accordance with the then prevailing regulatory capital rules applicable to the Issuer, which may include a requirement that (save in certain prescribed circumstances) such Subordinated Notes may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation.

Statutory loss absorption of Subordinated Notes could have an adverse effect on the market price of the relevant Subordinated Notes

The Terms and Conditions of the Subordinated Notes stipulate that the Subordinated Notes may become subject to the determination by the relevant Resolution Authority or the Issuer (following instructions from the relevant Resolution Authority) that all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, redeemed and cancelled or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down, reduced, redeemed and cancelled or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) the Subordinated Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption.

Any written-down amount as a result of Statutory Loss Absorption shall be irrevocably lost and holders of such Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write down.

The determination that all or part of the nominal amount of the Subordinated Notes will be subject to Statutory Loss Absorption may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Subordinated Notes which are subject to Statutory Loss Absorption is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication, likelihood or perceived likelihood that Subordinated Notes may become subject to Statutory Loss Absorption could have an adverse effect on the market price of the relevant Subordinated Notes. Potential investors should consider the risk that a Subordinated Noteholder may lose all of its investment in such Subordinated Notes, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs.

"**Applicable Resolution Framework**" means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU 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, or any other resolution or recovery rules which may from time to time be applicable to the Issuer, including 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

"**Resolution Authority**" means the European Single Resolution Board, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) (also referred to herein as the DNB) or such other regulatory authority or governmental body having the power to impose Statutory Loss Absorption on the Subordinated Notes pursuant to the Applicable Resolution Framework.

See also the risk factor entitled "Banking legislation for ailing banks give regulators resolution powers (including powers to write down and convert debt)".

No limitation to issue senior or pari passu ranking Notes

The Terms and Conditions of the Notes do not restrict the amount of securities which the Issuer may issue and which rank senior or *pari passu* in priority of payments with the Subordinated Notes.

The issue of any such securities may reduce the amount recoverable by Subordinated Noteholders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the Subordinated Noteholders.

Risks Related to the Notes Generally

Banking legislation for ailing banks give regulators resolution powers (including powers to write down and convert debt)

In 2012, the Dutch legislature adopted banking legislation dealing with ailing banks (the Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the "**SMFI**"). Under the SMFI, substantial powers were granted to the DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency.

The national framework for intervention with respect to banks by the DNB has been replaced by the law implementing the resolution framework set out in the BRRD (see below). However, part of the powers granted to the Dutch Minister of Finance under the SMFI remain in place. The Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets and liabilities of, claims against or securities issued by or with the consent of a financial firm (*financiële onderneming*) or its parent ("**Dutch Intervention Measures**"), in each case if it has its corporate seat in The Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself.

On 12 June 2014, a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU, the "**BRRD**") was published in the Official Journal of the European Union. The measures set out in the BRRD have been implemented in national law with effect from 26 November 2015 (see also the risk factor entitled "The Issuer is subject to a bank supervisory regime in The Netherlands and other regulatory regimes and regulatory actions in the jurisdictions in which it operates, including The Netherlands, and changes in these regulatory regimes could adversely affect its business, financial condition, results of operations and liquidity") and provide the resolution authority the power to ensure that capital instruments (such as the Subordinated Notes qualifying as Tier 2 Notes) and certain liabilities (such as the Senior Notes) absorb losses when the Issuer meets the conditions for resolution, through the write down or conversion to equity of such instruments (the "**Bail-In Tool**").

The resolution authority is expected to be required to exercise the Bail-In Tool in a way that results in (i) common equity Tier 1 instruments being written down first in proportion to the relevant losses and (ii) thereafter, the principal amount of other capital instruments (including Tier 2 instruments such as Subordinated Notes qualifying as Tier 2 Notes) being written down or converted into common equity Tier 1 on a permanent basis and (iii) thereafter, eligible liabilities (which the Senior Notes may be) being written down or converted in accordance with a set order of priority (subject to certain exceptions). The point at which the resolution authority determines that the Issuer meets the conditions for resolution is defined as:

- a) the Issuer is failing or likely to fail, which means (i) the Issuer has incurred/is likely to incur in the near future losses depleting all or substantially all its own funds, and/or (ii) the assets are/will be in the near future less than its liabilities, and/or (iii) the Issuer is/will be in the near future unable to pay its debts as they fall due, and/or (iv) the Issuer requires public financial support (except in limited circumstances);
- b) there is no reasonable prospect that a private action or supervisory action would prevent the failure within a reasonable timeframe; and
- c) a resolution action is necessary in the public interest.

However, the resolution authority could take pre-resolution actions when the Issuer or the group reaches the point of non-viability and write down or convert capital instruments into equity (including Subordinated Notes qualifying as Tier 2 Notes) before the conditions for resolution are met (the "**Write-Down and Conversion Power**").

Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the resolution authority to exercise its (pre-)resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Application of any of the measures, as described above, shall not constitute an Event of Default under the Notes and Noteholders will have no further claims in respect of any amount written down or subject to conversion or otherwise as a result of the application of such measures. Accordingly, if the Bail-In Tool or the Write-Down and Conversion Power is applied, this may result in claims of Noteholders being written down or converted into equity. Furthermore, it is

possible that pursuant to the BRRD, the SMFI or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the resolution authority which could be used in such a way as to result in the debt instruments of the Issuer absorbing losses in the course of any resolution of the Issuer or otherwise affecting the rights and effective remedies of Noteholders.

The determination that all or part of the nominal amount of the Notes will be subject to the Bail-In Tool or the Write-Down and Conversion Power may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behavior in respect of Notes which are subject to the Bail-In Tool or the Write-Down and Conversion Power is not necessarily expected to follow trading behavior associated with other types of securities. Any indication, likelihood or perceived likelihood that the Notes will become subject to the Bail-In Tool or the Write-Down and Conversion Power could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in such Notes, including the principal amount plus any accrued but unpaid interest, in the event that the Bail-In Tool or the Write-Down and Conversion Power is applied. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action had been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

In addition to the Bail-In Tool, the BRRD provides the resolution authority with broader powers to implement other resolution measures with respect to the Issuer when it meets the conditions for resolution, which may include (without limitation) the sale of the Issuer's business, the separation of assets, the replacement or substitution of the Issuer as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

Furthermore, the BRRD provides preferential ranking on insolvency for certain deposits that are eligible for protection by deposit guarantee schemes (including the uninsured element of such deposits and, in certain circumstances, deposits made in non-EEA branches of EEA credit institutions).

For banks established in a Member State participating in the Single Supervisory Mechanism, such as the Issuer, the BRRD is (partly) implemented by the directly binding 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 (the "**SRM**"). The SRM establishes a single European resolution board (the "**Resolution Board**") having resolution powers over the institutions that are subject to the SRM, thus replacing or exceeding the powers of the national resolution authority within the Eurozone. Currently, the DNB, in its capacity as national resolution authority ("**NRA**"), shall perform resolution tasks and responsibilities under the SRM with respect to the Issuer. However, the Resolution Board may take over the role of the NRA with respect to the Issuer in certain circumstances set out in the SRM. In such a case, the Resolution Board has the authority to exercise the specific resolution powers pursuant to the SRM which are similar to those of the NRA under the BRRD and SRM.

There remains uncertainty regarding the ultimate nature and scope of these powers and how they would affect the Issuer and the Noteholders. See for example the EU Banking Reform Proposals in the risk factor entitled "The Issuer is subject to a bank supervisory regime in The Netherlands and other regulatory regimes and regulatory actions in the jurisdictions in which it operates, including The Netherlands, and changes in these regulatory regimes could adversely affect its business, financial condition, results of operations and liquidity". Accordingly, it is not yet possible to assess the full impact of the SMFI, BRRD and SRM. The Notes may however be part of the claims and debts in respect of which Dutch Intervention Measures, the Bail-In Tool or the Write-Down and Conversion Power could be used to expropriate the Notes or write-down or convert the principal of the Notes into equity. There can be no assurances that the taking of any actions currently contemplated would not adversely affect the price or value of an investment in the Notes and or the ability of the Issuer to satisfy its obligations under such Notes. The Issuer cannot predict the precise effect of the Dutch Intervention Measures, the Bail-In Tool or the Write-Down and Conversion Power and its use in relation to the Notes. Prospective investors in the Notes should consult their own advisors as to the consequences of the SMFI, BRRD and/or SRM.

The SMFI, BRRD and/or SRM could negatively affect the position of certain categories of the Noteholders and the credit rating attached to certain categories of debt instruments then outstanding, in particular if and when any of the above proceedings would be commenced against the Issuer. The rights and effective remedies of the Noteholders, as well as their market value, may be affected by any such

proceedings.

Since the Notes may be traded in amounts in excess of a Specified Denomination, that is not an integral multiple, you may need to purchase additional Notes in order to be able to transfer your holdings or to receive definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time (i) may not be able to transfer such Notes and (ii) may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and in each case would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Modification and waiver

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Such Noteholders may need to accept changes which affect the rights of Noteholders against the Issuer or the value of the Notes.

Because the Notes may be held in global form and, therefore, by or on behalf of Euroclear and Clearstream, Luxembourg you will need to rely on the procedures of these organisations for transfers, payments and communications with the Issuer. Further, your ability in respect of Notes in global form to pledge your holdings will be limited to the extent that the party demanding the pledge requires securities in physical form

Notes issued under the Programme may be represented by one or more Global Notes. Where such Global Notes will be held by or on behalf of Euroclear and Clearstream, Luxembourg, such Global Notes will be deposited with a common depository or a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository or common safekeeper (as applicable) for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Potential conflict of interest; information and past performance

Certain of the Dealers and their affiliates (which includes for the purpose of this risk factor, parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue/offer of Notes under the Programme.

The Issuer, the Dealers and their respective affiliates may engage in trading activities (including hedging activities) related to interests underlying any Notes and other instruments or derivative products based on or related to interests underlying any Notes for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of interests underlying any Notes. Such activities could present certain conflicts of interest, could influence

the prices of such shares or other securities and Noteholders should be aware that such activities could also adversely affect the value of such Notes.

Credit ratings may not reflect all risks and may not properly reflect the value of the Notes and credit rating deteriorations or withdrawals may reduce the market value of the Notes

One of more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such 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. 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, subject to transitional provisions that apply in certain circumstances). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

In the event that a rating assigned to the Notes or the Issuer is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the market value of the Notes is likely to be adversely affected and the ability of the Issuer to make payments under the Notes may be adversely affected.

Payments on certain Notes may be subject to U.S. withholding tax under FATCA

The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with the Netherlands (the "**IGA**"). Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

Risks Relating to the Issuer

Throughout this section "LeasePlan", "LeasePlan Group" or "Group" is used as reference to the group of companies which is headed by LPCorp as common shareholder, and which has common business characteristics.

LeasePlan's activities are subject to the normal risks associated with every business such as, and not limited to, credit risks, operational risks, compliance risks, insurance risks and treasury risks. However, additionally and particularly they are related to movements in the residual values of cars.

A decrease in the residual values (or the sales proceeds) of the Issuer's leased vehicles could have a material adverse effect on the Issuer's business, financial condition and results of operations

The proceeds invoiced upon the sale of a used vehicle ("**Vehicle Sales**") and the risk of such Vehicle Sales proceeds being less than the contract end book value (i.e., the book value of a vehicle at the contractual end date as determined at the inception of a lease contract (the "**Initial Contract-End Book Value**"), modified for any adjustments with respect to contract duration and mileage requested by a customer, including informal lease extensions and early termination fees ("**Interim Contract Adjustments**") between the start and the end of the contract) (the "**Actual Contracted-End Book Value**"), is mainly affected by external factors, including, among others and not limited to, changes in economic conditions, consumer confidence, consumer preferences, exchange rates, emissions regulations and other government policies, new vehicle pricing, new vehicle sales, new vehicle brand images or marketing programs, the actual or perceived quality, safety or reliability of vehicles, the mix of used vehicle supply, the liquidation of car manufacturers, the levels of current used vehicle values, emission values and fuel prices. For example, the global economic crisis in 2008 caused a significant decrease in Vehicle Sales proceeds and, as a result, the Issuer recognised impairment charges in 2008. After 2008, price levels gradually improved, although they only fully recovered to pre-crisis levels by 2016.

The Issuer is exposed to potential loss from Vehicle Sales declining below the Actual Contracted-End Book Value and has a number of off-balance sheet residual value commitments, which are related to contracts with customers that own the vehicles themselves but outsource the market price risk to the Issuer. However, the Issuer does not retain residual value risk for all of its funded vehicles. The Issuer does not run residual value risk on vehicles that are classified as finance leases in the annual accounts. The Issuer depreciates the leased vehicles during the life of the lease on a straight line basis based on its estimates at lease inception of the resale value of the leased vehicle at lease termination. However, the Issuer reassesses its depreciation costs on leased vehicles throughout the life of the lease to reflect any changes to the estimated residual values of the leased vehicles. As a result, reductions in today's Vehicle Sales proceeds not only cause losses for vehicles terminated now, but also increase the risk of having to take additional (prospective) depreciation charges into the current accounting period. Further, even if the Issuer is able to successfully pass the increased depreciation costs on to customers in a timely manner, these additional costs could make its services less attractive to customers, which could have a material adverse effect on the Issuer's business, financial condition and results of operations. In addition, there can be no assurance that the adjustments the Issuer makes to the Issuer's depreciation costs during the life of the lease contract reflect the full decline of the residual value of the leased vehicle based on the vehicle sales proceeds from such vehicle.

Since January 2014, the strong recovery of the second-hand car market has led the Issuer to increase residual values it set at contract inception, which could increase its exposure to the risks described above. To the extent that market prices of second-hand vehicles fail to develop as anticipated over the life of these contracts, the Issuer's results of vehicles sold could be negatively affected and the Issuer could suffer losses from increased (prospective) depreciation expenses or on the resale of these vehicles at lease termination.

The Issuer's ability to efficiently process and effectively market off-lease vehicles affects the disposal costs and proceeds realized from vehicle sales. Any of the factors that reduce the vehicle sales proceeds of leased vehicles could force the Issuer to reduce concurrently the estimated residual values of the leased vehicles in its fleet and cause a loss from increased prospective depreciation expenses or cause a loss on the sale of the vehicle on lease termination, which could have a material adverse effect on its business, financial condition and results of operations.

The Issuer's business requires substantial funding and liquidity, and disruption in the Issuer's funding sources or access to the capital markets could have a material adverse effect on its business, liquidity, cash flows, financial condition and results of operations

The Issuer's continued operations and expansion require access to significant amounts of funding. The Issuer wants to strengthen its presence in current markets. The Issuer intends to meet a substantial portion of its funding needs with debt. Historically, the Issuer has satisfied its funding requirements principally through the issuance of long and short-term debt securities, bank loans, operating cash flows and the securitisation of lease receivables including residual values and it is therefore dependent on continued access to these funding sources. The Issuer has also been able to rely on retail deposits to meet part of its funding needs since 2010. However, this diversification may be limited in the future by potential market or regulatory changes in the banking sector in The Netherlands, in particular developments with respect to capital and liquidity requirements (including net stable funding ratio ("NSFR")). Due to the Issuer's ongoing funding needs, it is exposed to liquidity risk in the event of prolonged closure of debt or credit markets or limited credit availability. Liquidity risk is the risk that the Issuer will have insufficient liquidity to finance new vehicle purchases for lease contracts and meet its obligations as they fall due. If the Issuer cannot access existing or new sources of funds on favourable terms, insufficient liquidity would have a material adverse effect on its business, liquidity, cash flows, financial condition and results of operations.

In addition, the Issuer is significantly affected by the policies of national governments and EU institutions, such as the European Central Bank, which regulates the money and credit supply in the Eurozone. For example, during the global economic crisis the Issuer used securitisations of its lease receivables as collateral for loans from the European Central Bank and LeasePlan was able to access the 2008 Credit Guarantee Scheme of the State of The Netherlands for the issuance of medium term debt. These funding options may or may not be available in the event of any similarly adverse economic conditions in the future. Changes in such policies, including as to the types of collateral available for European Central Bank funding or special legislation by national governments, are beyond the Issuer's control, may be difficult to predict and could adversely affect its liquidity, financial condition and results of operations.

A credit rating deterioration could reduce public confidence in the Issuer and its operating subsidiaries and thereby (a) make it more difficult and/or more costly to access additional debt and equity capital, including hybrid capital and the Group's securitisation programme, or to redeem and replace such capital, (b) increase collateral requirements, give rise to additional payments, or afford termination rights, to counterparties under derivative contracts or other agreements, and (c) impair, or cause the termination of, the Issuer's relationships with creditors, distributors or trading counterparties.

There can be no assurance that the Issuer's current financing arrangements will provide it with sufficient liquidity under various market and economic scenarios. Retail deposits are subject to fluctuation due to certain factors, such as a loss of confidence, increasing competitive pressures or the encouraged or mandated repatriation of deposits, which could result in a significant outflow of deposits within a short period of time. Similarly, on 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "Brexit"). The consequences of the Brexit are uncertain. The Brexit may lead to volatility in financial markets and may lead to liquidity disruptions or market dislocations. Even if the Issuer's assets and available funding arrangements provide the Issuer with sufficient liquidity, its costs of funding could increase, including as a result of utilisation of such funding arrangements. The Issuer has historically benefited from an investment grade credit rating and any negative change in its current rating could reduce its access to and increase the cost of future funding from its funding arrangements. Additionally, any changes to its credit rating or the credit ratings of its significant corporate customers, the lease receivables which it has used and may use to fund its securitisation program, could affect its securitisation program's rating and the costs of any new issuances. To the extent that the Issuer is unable to pass on any increased borrowing costs to customers, its financial condition, results of operations and potentially the Issuer's ability to raise funds, could be materially adversely affected.

The Issuer is exposed to the risk that its customers may default on leasing and/or fleet management contracts or that the credit quality of its customers may deteriorate

Credit risk is the risk that the Issuer's customers or contractual counterparties will be unable to fulfil financial obligations under the terms of a contract with the Issuer, when due. This includes the risk of a default on lease payments and other accounts receivable due to the Issuer.

The Issuer's credit risk is heavily dependent upon its client concentration, the geographic and industry segmentation of its credit exposures, the nature of its credit exposures, as well as economic factors that may influence the ability of customers to make scheduled payments, including business failures, corporate debt levels and debt service burdens and demand for the products and services of its

customers. As a result of negative effects on some of these factors since the onset of the global economic crisis, the Issuer has experienced higher default rates with the Issuer's corporate and small and medium sized enterprises, especially in 2008 and 2009. In addition, many governments are experiencing budgetary constraints as a result of the global economic crisis.

The Issuer's credit risk also depends on used vehicle prices, overall demand for new and used vehicles and the quality of its portfolio of used vehicles. While the Issuer generally has the ability to recover and resell the leased vehicle(s) following a customer default, the resale value of the recovered vehicle(s) may not be adequate to cover its loss as a result of a default. Although the Issuer estimates impairment charges in its audited consolidated annual financial statements for possible losses on its existing debtors based on its past experience and general economic conditions, there can be no assurance that its impairment charges will be sufficient to cover actual losses resulting from customer defaults, particularly if the rate of customer default increases significantly.

For the Issuer's corporate counterparties, the Issuer assesses and monitors the probability of default of individual counterparties using data from external sources (e.g., rating agencies) and determines an internal rating based on customer data, external data and statistical models. The internal rating is used to support the (manual) decision making process and for managing portfolio risk. Although the Issuer's local credit acceptance policies, which are reviewed on a regular basis, take into account market conditions, an increase in credit risk could increase the Issuer's provisions for credit losses. There can be no assurance that the Issuer's origination procedures, monitoring of credit risk, payment servicing activities, maintenance of customer account records or repossession policies are or will be sufficient to prevent a material adverse effect on its reputation, business, liquidity, financial condition and results of operations.

The Issuer is exposed to credit risk from its counterparties on financial instruments and reinsurance contracts

The Issuer manages its interest rate risk, its currency risk and its balance sheet as a whole by entering into derivative transactions with financial institutions and through short-term placements of cash and current account balances with financial institutions. The Issuer also enters into reinsurance agreements with various reinsurers with respect to third-party liability and catastrophic events. Its ability to engage in derivatives transactions could be adversely affected by the actions and commercial soundness of financial institutions who are its hedge counterparties. The Issuer's derivative contracts, reinsurance agreements and deposit arrangements expose LeasePlan to credit risk in the event of a default by its counterparty. It is possible that the Issuer could suffer losses as a result of its counterparty exposures and such losses could have a material adverse effect on its financial condition and results of operations.

Changes in interest rates may have a material adverse effect on the Issuer's financial condition and results of operations

The Issuer accepts and offers lease contracts to clients at both fixed and floating interest rates, for various periods and in various currencies. It is the Issuer's policy to seek to match the interest rate risk profile of its contract portfolio of leases with a corresponding interest rate funding profile to seek to minimize its interest rate risks at the Group level. This matching principle is monitored through interest rate gap reports. The Issuer has interest bearing assets (mainly lease contracts) which are funded through interest bearing liabilities (mainly debt securities issued, funds entrusted and borrowings from financial institutions) and non-interest bearing liabilities (net working capital and equity). However, any mismatch between these interest rates could expose the Issuer to losses or reduced earnings or income.

The Issuer enters into derivatives to mitigate interest rate risk or reduce interest rate exposure and not for trading purposes. Nevertheless, the Issuer remains exposed to unhedged interest rate exposure. Due to the accounting treatment of derivative financial instruments, the Issuer is exposed to volatility in its income statement caused by interest rate fluctuations.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies, and domestic and international economic and political conditions. Changes in market interest rates could affect the Issuer's net interest income, which is a significant source of its profits.

Changes in foreign currency exchange rates may adversely affect the Issuer's financial condition and results of operations

The Issuer's functional currency and its reporting currency for its consolidated financial statements is the euro. However, because of the Issuer's presence in more than 30 countries some of which are outside the Eurozone, the Issuer has substantial assets, liabilities, revenues and costs denominated in currencies other than the euro. The global nature of the Issuer's operations therefore exposes it to exchange rate volatility as a result of potential mismatches between the currencies in which assets and liabilities are denominated and as a result of the translation effect on the Issuer's reported earnings,

cash flow and financial condition.

The Issuer is exposed to transactional foreign exchange rate risk when a subsidiary enters into a transaction in a currency other than the subsidiary's functional currency. The Turkish lira is an example of a currency where the Issuer currently bears an increased transactional foreign exchange rate risk due to the weakened correlation between the euro and the Turkish lira from late 2017 onwards, which has been driven by the exceptional period of volatility and overall depreciation of the Turkish lira resulting from political and economic uncertainty. The Issuer seeks to manage its transactional foreign exchange rate risk by attempting to limit the exposure to the effects of fluctuations in currencies on its financial condition and cash flows through funding its debt directly or through derivatives in the currency in which assets are originated and allocating the Issuer's capital in the currencies in which assets are denominated. There can be no assurance that the Issuer's efforts to mitigate the effects of currency exchange rate fluctuations will be successful, and its failure to do so could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Issuer has in the past, and plans to continue to, access the international capital markets by borrowing in a variety of available currencies, which subjects the Issuer to risks inherent in borrowing funds in other currencies and using such funds to transact business predominantly in euro. Although the Issuer seeks to minimize such risks by entering into hedging arrangements, there is no guarantee that these measures will be effectively implemented or that they will be available on favourable terms or at all. In which case fluctuations in exchange rates could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is also subject to translation risk, which is the risk associated with consolidating the financial statements of subsidiaries that conduct business in currencies other than the euro or have a functional currency other than the euro. As the Issuer does not hedge its equity positions, fluctuations in the value of the euro relative to currencies in which the Issuer conducts operations will affect the Issuer's consolidated financial statements as a result of translation exposure and may adversely affect the Issuer's financial condition and results of operations. Fluctuations in exchange rates could also significantly affect the comparability of the Issuer's results of operations between periods.

The Issuer is subject to changes in financial reporting standards, such as IFRS 9, IFRS 16 Leases, IFRS 17 Insurance contracts, or policies, including as a result of choices made by the Issuer, which could materially adversely affect Issuer's reported results of operations and financial condition and may have a corresponding material adverse impact on capital ratios

The Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union. Accordingly, from time to time the Issuer is required to adopt new or revised IFRS issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

The Issuer implemented IFRS 9 Financial Instruments in 2018. The main impact of implementation, less than euro 5 million in equity, has been disclosed in the annual report 2018 of the Issuer.

The Issuer has adopted IFRS 16 (as issued by the IASB and subsequently endorsed by the European Union in October 2017) by the required effective date of 1 January 2019. IFRS 16 introduces a new approach to lessee accounting, requiring they recognize assets and liabilities for the rights and obligations created by all types of leases (previously only finance leases). Lease assets will then be depreciated over the term of the lease, while liabilities will be cash settled against, and accreted upwards to future value. The approach in IFRS 16 for lessor accounting remains substantially unchanged compared to IAS 17. Lessors continue to classify leases as operating or finance leases. The Issuer has implemented the new standard applying the modified retrospective approach. The impact on shareholder's equity or comprehensive income of adopting this standard is not significant.

The Issuer will adopt IFRS 17 (as issued by the IASB in May 2017) by the required effective date of 1 January 2022. IFRS 17 includes a current measurement model where estimates are re-measured each reporting period. The standard is expected to impact the damage risk retention provision. The measurement of the insurance liabilities present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows). A contractual service margin defers any day one gain. The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. A simplified premium allocation approach may be applied for contracts that meet specific conditions which might apply to most of Issuers contracts. This approach is quite similar to current accounting under IFRS 4. The Group is currently assessing the impact of IFRS 17, and as such is not able to quantify its impact.

These and further changes in financial reporting standards or policies, including as a result of choices made by the Issuer, could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding material adverse effect on capital ratios.

The Issuer is subject to a bank supervisory regime in The Netherlands and other regulatory regimes and regulatory actions in the jurisdictions in which it operates, including The Netherlands, and changes in these regulatory regimes could adversely affect its business, financial condition, results of operations and liquidity

The Group has a number of licensed and regulated entities, of which the Issuer as a bank and LeasePlan Insurance as an insurance company are highly regulated. The Group also has a number of subsidiaries which are regulated because of the provision of financial services in direct connection with the leasing business (such as insurances intermediaries and offerors of credit).

Laws, regulations and policies affecting the Group and specific interpretations thereof by supervisory authorities, may continue to change in ways which may have a material adverse effect on the Group's reputation, business, revenues, results of operations, financial condition and prospects. Also the consequences of non-compliance, and the amounts of penalties and possibility of publication of administrative sanctions, may change over time. New laws, regulations, policies or interpretations of supervisory authorities may be introduced, the effect of which on the Group is unknown. No predictions can be made in this respect. However, any such changes could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices or force the Issuer to discontinue businesses and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk and are likely to have a material impact on the Issuer.

Non-compliance with applicable regulations could subject the Group to administrative penalties, criminal penalties and other enforcement measures imposed by a particular governmental or self-regulatory authority, and could lead to unanticipated costs associated with remedying such failures and adverse publicity. It could also harm the Group's reputation and the relationships with supervisory authorities, cause temporary interruption of operations, and could cause revocation or temporary suspension of licences. In addition, the non-compliance with laws and regulations may give rise to litigation. Each of these risks, should they materialise, could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

The Issuer as a bank, must contribute to the deposit guarantee scheme ("**DGS**"), a resolution fund for failing banks and in the near future also to the guarantee scheme with respect to insurances. These contributions or premiums are costly and the costs may be increased over time. Increases in these contributions or premiums could have a material adverse effect on the Issuer's financial condition and results of operations.

The banking sector is subject to periodic stress testing and other regulatory enquiries in respect of the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the European Banking Authority ("**EBA**"). Stress tests and the announcements of their results by supervisory authorities can destabilise the banking or financial services sector and lead to a loss of trust with regard to individual banks or the financial services sector as a whole. The outcome of stress tests could divulge certain information that would not otherwise have surfaced or which until then, the Group had not considered to be material and worth taking remedial action on, and/or materially and adversely affect the Group's reputation, financing costs and trigger enforcement action by supervisory authorities. The outcome of stress tests could also result in the Group having to meet higher capital and liquidity requirements, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

CRD IV / CRR

The Issuer is required by regulators in The Netherlands and in other jurisdictions in which it undertakes regulated activities, to maintain adequate capital resources. The maintenance of adequate capital is also necessary for the Issuer's financial flexibility in the face of continuing turbulence and uncertainty in the global economy. New regulatory capital requirements proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") as set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011 (the "**Basel III Final Recommendations**") which are being implemented in the European Union through the Capital Requirements Directive (2013/36/EU) known as "**CRD IV**" and Capital Requirements Regulation ((EU) No 575/2013) known as "**CRR**". CRD IV and CRR increased the quality and quantity of capital to be held against risk weighted assets, increased capital to be held against derivative positions, introduced a combined buffer requirement consisting of a capital conservation buffer and, as applicable, a counter-cyclical buffer, systemic risk buffer and global or other systemically important institutions buffer, as well as a new leverage ratio and liquidity framework, including a liquidity coverage ratio ("**LCR**") and NSFR. These requirements could also affect the scope, coverage, or calculation of capital, all of which could require the Issuer to reduce business levels or restrict certain activities or to raise additional capital, including in ways that may

adversely impact the Issuer's creditors.

CRD IV was implemented in Dutch law as per 1 August 2014 and replaced its predecessor capital requirements directives (CRD I, II and III). A number of the requirements introduced under CRD IV will be further supplemented through the Regulatory and Implementing Technical Standards produced by the European Banking Authority. CRD IV has resulted in an increase of the minimum Common Equity Tier 1 requirement (or equivalent) from 2 per cent. (before the application of regulatory adjustments which was gradually phased in from 1 January 2014 until 1 January 2017) to 4.5 per cent. (after the application of stricter regulatory adjustments). The total Tier 1 capital requirement increased from 4 per cent. to 6 per cent while the minimum total capital requirement remained at 8 per cent. In addition, banks are required to maintain, in the form of Common Equity Tier 1 (or equivalent), a capital conservation buffer of 2.5 per cent. to withstand future periods of stress, bringing the total Common Equity Tier 1 requirements (or equivalent) to 7 per cent. In addition, if there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer within a range of 0 per cent. to, in principle, 2.5 per cent. of Common Equity Tier 1 (or other fully loss absorbing capital) is to be applied as an extension of the conservation buffer. Furthermore, systemically important banks should have loss absorbing capacity beyond these standards.

It is possible that DNB would require the Issuer to hold more capital than would be required under the minimum requirements in CRD IV and CRR.

The Issuer evaluates the adequacy of its capital and its liquidity under both forecast and stress conditions as part of the Internal Capital Adequacy Assessment Process ("**ICAAP**") and the Internal Liquidity Adequacy Assessment Process ("**ILAAP**"), in which it may conclude that additional capital or liquidity would be required over the minimum requirements set out above. It is possible that DNB would require the Issuer in its Supervisory Review and Evaluation Process ("**SREP**"), amongst others, to hold more capital because of a perceived inappropriate risk management framework, risk culture and governance. DNB may also demand the Issuer to take other measures, for example requiring improvement of systems or reduction of risks. Any such measures may materially and adversely affect the Issuer's business and may force the Issuer to make substantial investments to meet the requirements.

If the Issuer's capital position were to deteriorate or its minimum capital requirements were to increase, it could be required to raise additional regulatory capital, or become subject to supervisory interventions, limitations or a prohibition to pay dividends and variable remuneration, the occurrence of any of which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

On 7 December 2017, the Basel Committee published its final standards. These standards are informally known as Basel IV and will be implemented in CRD IV and CRR. Basel IV introduced the capital floors based on standardised approaches and revisions to the standardised approaches for credit risk, operational risk, market risk, revision of the credit valuation adjustment framework for treatment of counterparty credit risk. The capital floors and other standards are expected to become applicable as of 2022 and a transitional regime may apply. Of these standards, the introduction of the standardised credit risk weighted asset ("**RWA**") floor would have the most significant impact on the Issuer. The standards for the new standardised credit risk RWA calculation rules include (i) introduction of new risk drivers; (ii) introduction of higher risk weights; and (iii) a less mechanical reliance on external ratings. In addition, the revisions require that banks which apply advanced approaches to risk categories, apply the higher of (i) the RWA floor based on (new) standardised approaches and (ii) the RWA floor based on advanced approaches in the denominator of their ratios. The implementation of the standardised RWA floors would have a significant impact on the calculation of the Issuer's risk weighted assets. The new market risk framework, adopted by the Basel Committee in January 2016, may similarly have a significant impact on the calculation of the Issuer's risk weighted assets, although its exact implementation through European Union regulation and impact remains subject to uncertainty. The Issuer has reviewed the impact on its balance sheet based on current expected criteria, however due to the fact that the new market framework, in this respect is yet to be implemented through European Union regulation, it is at this stage not in a position to quantify such impact.

On 23 November 2016, the European Commission published legislative proposals to amend and supplement certain provisions of, *inter alia*, CRD IV, CRR, the BRRD and the SRM (the "**EU Banking Reform Proposals**"), including measures to further strengthen the resilience of EU banks. The EU Banking Reform Proposals are wide-ranging and cover multiple areas, including revisions in the Pillar 2 framework, a binding 3 per cent. leverage ratio, the introduction of a binding detailed NSFR, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, revisions in the minimum amount of own funds and eligible liabilities ("**MREL**") framework, the integration of the total loss-absorbing capacity ("**TLAC**") standard (published by the Financial

Stability Board) into EU legislation and the transposition of the fundamental review of the trading book (FRTB) conclusions into EU legislation. As such, the EU Banking Reform Proposals may have significant effects on the Issuer. The EU Banking Reform Proposals also contemplate that member states adopt legislation to create a new class of so-called non-preferred senior debt. Such debt would be bail-inable during resolution only after capital instruments but before other senior liabilities. A bill implementing the requirement for senior non-preferred debt in The Netherlands came into force in December 2018.

On 4 December 2018, the EU Council endorsed the agreement achieved between the EU Council Presidency and the EU Parliament on various elements of the EU Banking Reform Proposals. The agreed measures deliver on three of the key objectives set out by the EU Council roadmap on completing the banking union agreed in 2016: (i) enhancing the framework for bank resolution, in particular the necessary level and quality of the subordination of liabilities (MREL) to ensure an effective and orderly "bail-in" process, (ii) introducing the possibility for the resolution authority to suspend a bank's payments and/or contractual obligations when it is under resolution (the so-called "moratorium tool"), so as to help stabilise the bank's situation and (iii) strengthening bank capital requirements to reduce incentives for excessive risk taking, by including a binding leverage ratio, a binding net stable funding ratio and setting risk sensitive rules for trading in securities and derivatives. However, the EU Council noted that work on remaining outstanding issues will continue both at technical and political level, in view of finalising negotiations on the EU Banking Reform Proposal. The EU Parliament and EU Council will then be called on to adopt the proposals at first reading. As such, the EU Banking Reform Proposals remain subject to debate and approval at the EU level as well as implementation and entry into force in the Member States. Therefore, until the EU Banking Reform Proposals are in final form, it is uncertain how the proposals will affect the Issuer or Noteholders.

The Issuer currently exceeds its regulatory capital requirements. However, no assurance can be given that the Issuer will be able to maintain these ratios or that the minimum requirements will not increase. Based on the Issuer's preliminary assessment, the impact of future changes in regulatory capital and liquidity requirements as a result of the implementations in the EU Banking Reform Proposals and the implementation in the EU of the Basel III reforms as published on 7 December 2017 could be substantial. The Issuer is currently reviewing the exact impact on its regulatory capital position and as such is not in a position to quantify such impact.

Furthermore, the Issuer is dependent on the views and interpretations of DNB and other supervisory authorities which may change over time. For example, DNB may be influenced by the supervision of the European Central Bank on significant banks which could have an impact on the interpretation of requirements with respect to capital, liquidity, governance, and risk management of the Issuer.

As at 31 December 2018, the Issuer's LCR calculated under CRD IV as at that date would be above the prescribed minimum. The NSFR calculated under CRD IV as at that date (following the standard on the NSFR as published in October 2014) would be slightly above the prescribed minimum thresholds. Continued compliance with those ratio requirements may have an adverse effect on, among other things, the composition of the assets the Issuer holds for liquidity purposes. Depending on the final form of the binding detailed NSFR currently included in the EU Banking Reform Proposals, the application of the NSFR requirements might lead to a change in the Issuer's funding strategy and could have an adverse effect on its risk profile.

These and other future changes to capital adequacy and liquidity requirements in the jurisdictions in which the Issuer operates may require it to raise additional Tier 1, Common Equity Tier 1 and/or Tier 2 capital. If the Issuer is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to reduce the amount of its RWAs and engage in the disposition of businesses or assets, which may not occur on a timely basis or at prices which would otherwise be attractive to the Issuer. Any change that limits the Issuer's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets, a growth in unfunded pension exposures or otherwise) or to access funding sources, may have a material adverse effect on its business, financial condition, regulatory capital position and liquidity.

BRRD / SRM

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authority to draw up resolution plans), early intervention powers and resolution powers. The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. The BRRD is complemented by SRM. The primary geographic scope of the SRM is the euro area and SRM applies to the Issuer as a primary recovery and resolution code. (See also the risk factor entitled "Banking

legislation dealing with ailing banks give regulators resolution powers (including powers to write down and convert debt)".

In accordance with the BRRD, the Issuer is required to draw up and maintain a recovery plan. This plan must provide for a wide range of measures that could be taken by the Issuer for restoring its financial position in case it significantly deteriorated. The Issuer must submit the plan to the competent resolution authority for review and update the plan annually or after changes in the legal or organisational structure, business or financial situation that could have a material effect on the recovery plan. Keeping the recovery plan up to date will require monetary and management resources.

The resolution authorities responsible for a resolution in relation to the Issuer (DNB and/or any other resolution authority, such as the European Single Resolution Board, the "**Resolution Authority**") may draw up the Issuer's resolution plan providing for resolution actions it may take if the Issuer would fail or would be likely to fail. In drawing up the Issuer's resolution plan, the Resolution Authority would identify any material impediments to the Issuer's resolvability. Where necessary, the Resolution Authority may require the Issuer to remove such impediments. This may lead to mandatory legal restructuring of the Issuer, which could lead to high transaction costs, or could cause the Issuer's business operations or its funding mix to become less optimally composed or more expensive. Although the Issuer currently is not subject to any MREL requirements, the Resolution Authority may in the future determine, after consultation with competent authorities, a minimum requirement for MREL, calculated as a percentage of total liabilities and own funds and taking into account the resolvability, risk profile, systemic importance and other characteristics of the bank, which the Issuer would be required to meet. Any such future MREL requirement may result in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profit.

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the supervisory authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's managing board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting. Furthermore, if these early intervention measures are not considered sufficient, DNB may replace management or install a temporary administrator. A special manager may also be appointed who will be granted management authority over the bank instead of its existing board members, in order to implement the measures decided on by DNB.

If the Issuer or the group were to reach a point of non-viability, the Resolution Authority could take pre-resolution measures. These measures include the write down and cancellation of shares, and the write down and conversion of capital instruments into shares (such as Subordinated Notes qualifying as Tier 2 Notes) (the "**Write-Down and Conversion Power**"). A write down or conversion of capital instruments into shares could adversely affect the rights and effective remedies of Noteholders and the market value of their Notes could be negatively affected.

Furthermore, the BRRD and the SRM provide a Resolution Authority with broader powers to implement resolution measures with respect to banks which meet the conditions for resolution, which may include (without limitation) the sale of the bank's business to a third party or a bridge institution, the separation of assets, the power to ensure that capital instruments and certain eligible liabilities (which may include the Notes) absorb losses when the Issuer meets the conditions for resolution, through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**"), the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. The Bail-In Tool comprises a more general power for the Resolution Authority to write down the claims of unsecured creditors of a failing bank and to convert unsecured debt claims into equity. These powers and tools are designed to be used prior to the point at which any insolvency proceedings with respect to the Issuer could have been initiated. Noteholders may not be able to anticipate the exercise of any resolution power by the Resolution Authority. Although the applicable legislation provides for conditions to the exercise of any resolution powers and EBA guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and in deciding whether to exercise a resolution power. The Resolution Authority is also not required to provide any advance notice to the Noteholders of its decision to exercise any resolution power. Therefore, the Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Noteholders' rights under the Notes.

Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by the Resolution Authority, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank for this purpose. The application of resolution measures may lead to additional measures. For example, in connection with the nationalisation of SNS Reaal N.V. pursuant to the Dutch Intervention Act, a one-off resolution levy for all banks was proposed by the Dutch Minister of Finance.

When applying the Write-Down and Conversion Power, the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the Resolution Authority are not subject to (i) requirements to obtain approval or consent from any person either public or private, including but not limited to the holders of shares or debt instruments, or from any other creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the Resolution Authority can exercise their powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

Due to the size of the banking business of the Issuer and the assessment of the risks posed by its operations to the entire financial system, it is currently envisaged that the Issuer will not meet the conditions for a resolution under the SRM and BRRD should it reach a point of non-viability. This means the Issuer will be subject to national insolvency proceedings or could be subjected to special measures (*bijzondere maatregelen*) within the meaning of Chapter 6 FMSA. Pursuant to Chapter 6 FMSA, substantial powers were granted to the Dutch Minister of Finance enabling the Dutch Minister of Finance to deal with, *inter alia*, ailing Dutch banks prior to insolvency. These powers (including the expropriation of liabilities of, or claims against, a bank), if exercised with respect to the Issuer, may impact the Notes and will, subject to certain exceptions, lead to counterparties of the Issuer (including Noteholders) not being entitled to invoke events of default or set off their claims and risking to lose all or a substantial part of their investments in the Notes. All of the foregoing may have a significant adverse effect on the Noteholders' interests.

On 23 November 2016, the European Commission announced a further package of reforms to the BRRD and the SRM, including measures to increase the resilience of EU institutions and enhance financial stability as part of the EU Banking Reform Proposals. The timing for the final implementation and the final impact of these reforms as at the date of this Base Prospectus is unclear. These proposals may have a material impact on the Issuer's operations and financial condition, including that the Issuer may be required to obtain additional capital.

Resolution Fund

The SRM provides for a resolution fund that will be financed by banking groups included in the SRM. The Issuer will only be eligible for contribution by the single resolution fund after a resolution action is taken if shareholders, the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write-down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8 per cent. of total liabilities and own funds and measured at the time of the resolution action. This means that the Issuer must retain sufficient own funds and liabilities eligible for write down and conversion in order to have access to the single resolution fund in case of a resolution. This may have an impact on the Issuer's capital and funding costs.

State Aid

On 10 July 2013, the European Commission announced the adoption of its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines impose stricter burden-sharing requirements, which require banks with capital needs to obtain additional contributions from equity holders and capital instrument holders before resorting to public recapitalizations or asset protection measures. The European Commission has applied the principles set out in the Revised State Aid Guidelines from 1 August 2013. The European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in the BRRD.

The BRRD, SRM, the EU Banking Reform Proposals and the Revised State Aid Guidelines may increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's funding ability, financial position and results of operations. In case of a capital shortfall, the Issuer would first be required to carry out all possible capital raising measures by private means, including the conversion of junior debt into equity, before one is eligible for any kind of restructuring State aid.

The Issuer faces risks related to its motor insurance business and local risk retention schemes

The Issuer is exposed to claims for third-party liability (which includes personal injury, death and property

damage), motor material damage, passenger indemnity and legal assistance. These claims are retained by the Issuer's wholly owned specialist motor insurance company, Euro Insurances Ltd. ("**Euro Insurances**"), or, for motor material damages, locally by Group companies under local risk retention schemes. Euro Insurances is active in 23 countries and it provides insurance coverage Group companies and their customers in most of these markets. Euro Insurances is based in Dublin, Ireland and is regulated by the Central Bank of Ireland. Euro Insurances provides insurance to customers for third-party liability, passenger indemnity and legal assistance risks, among others, in relation to vehicle leasing and fleet management. However, the Group is still exposed to these risks as Euro Insurances is a consolidated subsidiary of the Group. Although the Issuer purchases external reinsurance cover on an excess loss basis for two principal risks, motor third-party liability and catastrophic events, to seek to minimize the financial impact of a single large accident or event, it remains exposed to significant claims, insufficient premiums to cover its risk exposure, ineffective (re)insurance coverage for its insurance business, delays in the recovery of funds owed under reinsurance policies and regulatory sanctions (including loss of its insurance, insurance mediation and/or claim handling licenses).

The Issuer may have difficulty reinsuring its motor third-party liability exposure, or may be able to reinsure such exposure only on less favourable terms. With respect to catastrophic events, there can be no assurance that liabilities in respect of existing or future claims will not exceed the limits of the insurance or reinsurance policies the Issuer has taken out.

Some of the Issuer's subsidiaries provide a service to their customers to repair and pay for the damages that occur to the leased vehicles during the lease contract. The customers pay a fee for this service as part of the leasing product. This is known as a local risk retention scheme. Under a risk retention scheme, damage risk, which is the risk that the cost of vehicle repair exceeds the fee paid by the customer, is borne by the Issuer and is not transferred to an internal or external insurer. Local pricing managers set the price for local risk retention schemes based on strict procedures and based on a risk and return analysis that is required to comply with the Issuer's risk appetite. However, the Issuer is exposed to the risk under the local risk retention schemes of the damages to the leased vehicles being higher than the service fees received, resulting in losses.

In relation to damage insurance underwritten by Euro Insurances and local risk retention schemes, the Issuer has chosen not to purchase external insurance coverage against these risks based on its risk assessment and risk appetite. However, there can be no assurance that the Issuer will not be exposed to uninsured liability for fleet damage or theft at levels in excess of historical or expected levels.

The occurrence of any of the foregoing events could materially adversely affect the Issuer's business, financial condition, results of operations and prospects.

The Issuer is exposed to operational risks in connection with its activities, including (simplifying its) information technology systems, information technology security and cybercrime, data protection and outsourcing risks

After leasing a vehicle to a customer the Issuer services the lease receivables. Any disruption of its servicing activity, due to inability to access or accurately maintain the Issuer's customer account records or otherwise, could have a material adverse effect on the Issuer's ability to collect on those receivables and/or satisfy its customers.

The Issuer relies on internal and external information and technological systems to manage its operations and is exposed to risk of loss resulting from breaches of security, system or control failures, inadequate or failed processes, human error, business interruptions and external events. In addition, the Issuer is subject to the risk of cybercrime by employees or third parties. Any of these events could have a material adverse effect on its ability to conduct its business operations, increase its risk of loss resulting from disruptions of normal operating procedures, cause the Issuer to incur considerable information retrieval and verification costs, and potentially result in financial losses or other damage to the Issuer, including damage to its reputation.

The Group is currently implementing a set of new information technology ("IT") systems covering all relevant processes in the Group's value chain, of which the most important is the Group's core leasing and insurance system ("**CLS**"), based on standard SAP technology. This system was successfully implemented by LeasePlan Australia and is gradually being rolled out in the various countries in which the Group operates, with initial emphasis on the top 15 European countries and the US. Although the new CLS is expected to yield significant benefits for the Group, including simplification of the core leasing process and a substantial consolidation of existing applications which the Group uses to operate its business in the various countries, any delay in the local implementation of the new system might delay, reduce or eliminate its expected benefits. As the Group is modernising its IT landscape, including implementing the Group's CLS, it is exposed to the risk of operational instability, system outages, and information security threats.

The Group is subject to complex, evolving and stringent Dutch, European and other jurisdictions' laws and regulations regarding the processing (including the collection, access, use, handling, retention, sharing and protection) of personal data which the Group receives from, and which concern, customers, as well as its personnel and third parties it deals with. Any failure to comply with data protection laws may lead to high fines and may undermine the Group's reputation and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, the Group has outsourcing arrangements with a number of third parties and to a number of countries, including for a large part to India, notably in respect of IT and back office activities. Other services for which the Group uses outsourcing include parts of its primary business operations (including repair, maintenance and tyres, "RMT"), insurance activities (including brokerage and claim handling) and banking services of the Issuer.

Any failure of counterparties to deliver the contracted services or to deliver these services in compliance with applicable laws and regulations and at an adequate and acceptable level could all result in reputational damage, claims, losses and damages and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Issuer could be adversely affected by reputational risk

Various issues may give rise to reputational risk and cause harm to the Issuer. These issues include non-compliance by the Issuer or any of its key partners with legal and regulatory requirements, antitrust and competition law issues, ethical issues, money laundering and anti-bribery laws, data protection laws, information security policies, problems with vehicles the Issuer leases or services provided by the Issuer or by third parties on its behalf, and vehicle recalls. Failure to address these issues appropriately could also give rise to additional legal risk, which could adversely affect existing litigation claims against LeasePlan and the amount of damages asserted against the Issuer or subject it to additional litigation claims or regulatory sanctions. The imposition of regulatory sanctions could affect the Issuer's ability to do business in the relevant jurisdictions and relationships with competent authorities. In addition, clients are entitled to withdraw their flexible savings deposits and any material adverse effect on the Issuer's reputation could cause withdrawals to accelerate over a short period of time.

The Group's risk management policies and procedures may be ineffective, may fail or may not be complied with

The Group's business activities expose it to a wide variety of risks, including asset risk (including market price risk on used vehicles owned by the Group), credit risk, capital adequacy risk, liquidity and funding risk, interest rate risk, currency risk, motor insurance risk, operational risk, reputational risk, legal, privacy and compliance risk, among others. For many of these risks, the Group has established risk management policies, some of which are set by regulatory bodies. See the section "Risk Management" for more information.

Although the Group is currently not aware of any material deficiency in the Group's risk management or internal control policies or procedures, any such material deficiency, including the measures, instruments or strategies the Group uses to assess, hedge and mitigate risk, could have a material adverse effect on its reputation, business, financial condition, results of operations and prospects.

The Issuer is subject to risks arising from legal disputes and may become the subject of governmental or regulatory investigations or proceedings (including in connection with its trade marks and intellectual property rights)

As the Group currently operates in more than 30 countries, it is subject to risks associated with doing business internationally in more than 30 different jurisdictions. In connection with its general business activities, the Issuer is currently the subject of legal disputes, government investigations and actual and potential claims in a number of the countries in which it operates, and may continue to be so in the future. In connection with these matters, the entities concerned may be required to pay fines or penalties, take certain actions or refrain from taking other actions. Administrative sanctions imposed by regulatory or supervisory authorities in relation to non-compliance with (financial) regulations may or must be published by such authorities and they may also issue public warnings for consumers which could have an adverse effect on the Issuer's reputation. Complaints brought by or against suppliers, customers or other third parties (such as legal and regulatory authorities, contractors, competitors and current and/or former employees) may result in significant costs, risks or damages. It is also possible that there may be investigations by governmental or regulatory authorities into matters of which the Issuer is currently not aware, or which have already arisen or will arise in the future including, among others, possible financial regulatory, data protection, consumer protection, money-laundering, anti-bribery, anti-trust and competition law or state aid issues.

In particular, as the Issuer increasingly offers its products and services to private individuals, the risk of

complaints by private individuals (e.g., in case the Issuer's products sold or services provided do not conform to their governing contracts) may significantly increase over time for example because private individuals state that fiduciary duty of care or consumer protection requirements are breached. Persons who have taken the so-called bankers' oath with respect to the banking business of the Issuer may be involved in disciplinary proceedings.

The Group depends on its brands and relies primarily on trademarks and similar intellectual property rights to protect them. The success of the Group's business depends on its continued ability to use its existing trademarks and domain names to increase brand awareness and further develop its business. The failure by the Group to adequately protect the intellectual property crucial to it could lead to a loss of customers to competitors and a corresponding loss in revenue. At the same time, there is a risk that third parties may assert claims against the Group based on their trademarks and other intellectual property rights.

In certain cases, the Issuer has purchased insurance coverage to protect against these risks or have made provisions in respect of specific matters. However, as a number of risks cannot be estimated or can be estimated only with difficulty, the Issuer cannot rule out that damages will nevertheless occur that are not covered by the insured amounts or amounts set aside as provisions. The Issuer has made provisions to cover legal, regulatory and administrative claims and proceedings, including those that arise in the ordinary course of business. However, adverse developments in connection with legal disputes or governmental or regulatory investigations or proceedings could have a material adverse effect on the Issuer's business, reputation, financial condition and results of operations.

Changes in (the interpretation of) tax registration, treaties or other arrangements may affect the Issuer's business

The Group is subject to tax laws and regulations in the countries in which it operates as well as to treaties or other arrangements between or among such countries and other jurisdictions. Tax laws, regulations, treaties and other arrangements are subject to change and may be subject to different interpretations. The Group cannot guarantee that its interpretations of such laws will be accepted by the relevant authorities. Any failure to comply with the tax laws or regulations applicable to the Group may result in reassessments, late payment interest, fines and penalties and have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects. Also, a material change in applicable laws and regulations, or in their interpretation or enforcement, could force the Group to alter its business strategy, leading to additional costs or loss of revenue, which could materially and adversely affect the Group's business, results of operations and financial condition. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Dutch tax risks related to the government's coalition agreement, letter on certain policy intentions for tax reform and 2019 Tax Plan

On 10 October 2017, the Dutch government released its coalition agreement (*Regeerakkoord*) 2017-2021, which included, among other items, certain policy intentions for tax reform. On 23 February 2018, the Dutch State Secretary for Finance published a letter with an annex containing further details on the government's policy intentions for tax reform. The Dutch government released its Tax Plan 2019 as part of Budget Day 2018 on 18 September 2018 and made certain amendments to the Tax Plan 2019 in memoranda of amendments published on 26 October 2018, which include, among others, certain legislative proposals based on the policy intentions as mentioned in the coalition agreement and the letter on tax reform.

One policy intention relates to the introduction of a withholding tax on interest paid to creditors in low tax jurisdictions or non-cooperative jurisdictions as of 2021 and may therefore, in particular, become relevant in the context of the Dutch tax treatment of the Issuer, the Notes, and/or payments under the Notes. A legislative proposal introducing a similar conditional withholding tax on dividends and the supporting parliamentary documents thereto mention that, like the conditional dividend withholding tax, this interest withholding tax would apply to certain payments made by a Dutch entity directly or indirectly to a group or related entity (as defined in the legislative proposal on the conditional dividend withholding tax) in a low tax or non-cooperative jurisdiction. However, it cannot be ruled out that this could have a wider application and, as such, it could potentially be applicable to payments under the Notes.

On 26 October 2018, the Dutch government published certain memoranda of amendments in which it is announced that, among others, the introduction of the conditional withholding tax on dividends will be postponed (and the current Dutch dividend withholding tax will not be abolished). The introduction of the conditional withholding tax on interest and royalties will not be postponed. A legislative proposal is expected to be published in 2019.

Many aspects of this policy intention remain unclear. However, if the policy intention is implemented, it may have an adverse effect on the Issuer and its financial position and may give rise to an event whereby the Issuer may redeem the Notes pursuant to its option under Condition 7(b) (*Redemption for Tax Reasons*).

The Issuer may have difficulty in executing its strategy

An important element of the Issuer's historical growth in both mature and developing vehicle fleet markets has been expanding its client base. The Issuer intends to further develop its business through selective expansion into new markets, an increased focus on its small fleet business and attracting international fleet customers that operate in multiple jurisdictions, including as a result of the anticipated expansion of its CarNext.com business. However, any future recession could have a material adverse effect on the execution of the Issuer's growth strategy. In addition, if the Issuer is unable to develop into new markets, if its current customers are not willing or able to expand their business with the Issuer internationally or if the Issuer experiences problems in the expansion of its international business (including the increased focus on small fleet business and mobility provider customers not yielding the expected results), this could have a material adverse effect on its business, financial condition and results of operations.

The expansion of the Issuer's business into new areas or with new categories of customers may also place disproportionate demands on the Issuer's management and on the Issuer's operational and financial personnel and systems. If the Issuer is unable to effectively and successfully execute its growth strategy as a result of this or any other reason, the Issuer's business, financial condition and results of operations could be materially adversely affected. Also, the Issuer's business, future growth and success depend to a significant extent on the experience, knowledge and business relationships of members of its senior management who could be difficult to replace. In particular, the Issuer believes that the implementation and execution of its strategy depends on the continued availability of its senior management and other key personnel.

In 2016, the Issuer launched its "The Power of One LeasePlan" programme to optimise its internal operations, to leverage its scale and implement best practices across countries, including its transition from a multi-local organisation to a fully integrated matrix organisation. In 2017, the Issuer launched its "The Digital Power of One LeasePlan" programme which aims to move the Issuer towards a data driven company delivering digital car services at digital cost levels steered by the latest digital technology of data analytics, artificial intelligence and algorithms. The Group expects "The Power of One LeasePlan" and "The Digital Power of One LeasePlan" to bring substantial operational improvements and increase the Issuer's financial results. If the Issuer is unable to successfully implement these programmes or if they do not yield the expected results, this could have a material adverse effect on its reputation, business, financial condition, revenues and results of operations.

The Group may suffer from adverse developments in the automotive industry, including regarding diesel vehicles, and the other markets directly related to its business. Technology changes could have a material adverse effect on the Group's business, financial condition and results of operations

General developments in the automotive industry are important for the Group, due to their effects on the terms and conditions (including price levels) for purchasing, servicing and eventually reselling its vehicles, which in turn could impact the demand for, and pricing of, the Group's services.

The Group is dependent on developments in automotive trends and technology changes, which are subject to a variety of factors that it cannot influence. These include, for example, the evolution of oil prices and renewable energy prices and infrastructure, the expansion of public transport infrastructure, availability of popular electric vehicle models, new technologies such as autonomous driving software, urban policies adversely affecting personal car use, changes in government policies affecting diesel vehicles in Europe or other markets in which the Group operates, the imposition of carbon taxes and other regulatory measures to address climate change, pollution or other negative impacts of mass transport. A negative development of these factors may affect the use of vehicles in general and therefore the business of the Group.

In addition, the Group is dependent on being able to purchase popular vehicle models on competitive terms. The factors mentioned above also influence both the purchase prices of vehicles and the resale prices of used vehicles. Market consolidation or down-sizing or liquidations of individual car manufacturers could also materially affect the availability of certain vehicles and the bargaining power of the Group when negotiating competitive prices for the vehicles it purchases to satisfy the Group's customer needs.

The Group operates in a highly competitive environment characterised by a process of consolidation in

a number of its core markets, particularly in the more mature European and North American markets. This reflects the relatively limited opportunities for further penetration in the corporate customer segment and the increasing importance of scale for Car-as-a-Service ("**Caas**") providers such as the Group.

In recent years, some car manufacturers have been accused of manipulating emission levels. Such scandals may induce stricter regulations, influence customer purchasing decisions and the market prices of certain affected vehicle models. Although the Group has a relatively short cycle of refreshing its entire fleet every three to four years, emission scandals in the past or future could potentially negatively affect the market prices of certain of its used vehicles (including diesel powered vehicles) and have other adverse effects on the business of the Group.

Finally, prices for petroleum-based products, which include petrol, diesel and tyres, have experienced volatility in recent years. If oil prices were to recover and return to higher levels, automotive travel patterns might be adversely affected in many ways.

The materialisation of any of the risks described above could have a material adverse effect on the Group's business, financial condition and results of operations.

RISK MANAGEMENT

Below is a brief description of certain aspects of the Issuer's risk management. The below description does not purport to give a complete overview of all risk management measures taken by the Issuer. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any decision.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:

Throughout this section "Group" or "LeasePlan" are used as references to the group of companies which is headed by LPCorp as common shareholder, and which has common business characteristics.

Risk Management Approach

The Group is a vehicle leasing and vehicle management company also offering retail deposits in the Netherlands and Germany and is regulated by the DNB. Its risk profile differs from most other banks due to the nature of its business. The largest part of its portfolio consists of operational leasing of vehicles, in which the Group bears the market price risk of used vehicles. This risk constitutes the main difference between the Group's risk profile and most other banks' risk profiles.

Risk Management Framework

The Group uses the Enterprise Risk Management ("**ERM**") framework and principles of the Committee of Sponsoring Organisations of the Treadway Commission ("**COSO**") in 2004 and updated in 2017, as its reference model. The COSO definition of ERM (2004) is "a process affected by an entity's board of directors, management, and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within the risk appetite, to provide reasonable assurance regarding the achievement of entity objectives". In other words, ERM is about managing risks whilst supporting the realisation of the entities' targets. In September 2017, the COSO Board published an ERM Framework update, which addresses "the evolution of enterprise risk management and the need for organisations to improve their approach to managing risk to meet the demands of an evolving business environment".

Risk management and control are closely linked with the Group's strategic aims. The Group considers controlled and balanced risk taking - accommodated by a strong risk organisation and risk governance, and supported by a clear tone at the top - key elements in driving its strategy. Using COSO ERM as a reference model, the Group has introduced a risk management cycle that links the various building blocks of the risk process and risk governance. The risk governance is based on the three lines of defence model as set out in the European Banking Authority ("**EBA**") Guidelines on Internal Governance ("**GL 44 and GL 2017/11**"). The three lines of defence model distinguishes among functions that own and manage risks (first line), functions that oversee and advise on risk management practices (second line) and functions that provide assurance (third line).

Risk Management Strategy

Risk, being the chance of occurrence of an event that will have a negative impact on the objectives of the organisation, is inherent to the Group's business operations. As part of the risk strategy process, the Group identifies and assesses the risks it is exposed to on an annual basis. This strategic risk assessment considers the current business, external trends and emerging developments. The assessment includes a heatmap of the risk environment (in terms of probability and impact), concludes which risks are part of the risk universe and as such under active management, and defines the risk taxonomy. The approach of risk identification and assessment aims to ensure that the Group actively manages and mitigates the impact of these risks on strategic goals, reputation and financial results. This assessment takes place prior to the risk appetite process and is presented by the Managing Board to the Supervisory Board for approval.

The risk strategy is to support the overall strategy of the Group, by enabling controlled risk taking and ensuring regulatory compliance. Regulatory compliance means compliance with, in particular, the applicable rules and guidelines of or pursuant to the:

- FMSA;
- CRR;
- CRD IV;
- BCBS Corporate Governance Principles (2015);
- Social Charter and Rules of Conduct associated with the bankers' oath;

- Dutch Banking Code (2015); and
- Dutch Corporate Governance Code (2016).

Risk Governance

In order to provide a clear and comprehensive overview of the Group's risk management and control approach, the Group has implemented a Risk Charter. The Risk Charter emphasises the importance the Managing Board sees in establishing sound risk management and applying it in the Group's daily business approach. As such, the Risk Charter defines the general principles, the mandate and key responsibilities of the Risk function, and the risk framework.

The Group is governed by a two-tier board structure comprising of a Supervisory Board and a Managing Board. Core risk management responsibilities are embedded in the Managing Board. The Supervisory Board approves the risk strategy and risk appetite and regularly monitors the risk profile and governance.

The Risk function, which co-operates with all relevant disciplines within the Group, is independent from the business and is represented by the CRO in the Managing Board. As a member of the Managing Board, the CRO is also fully involved in the Group's strategy setting and other relevant executive decision making. The Managing Board is responsible for ensuring that risk management is fully taken into account in the decision-making process. The CRO can independently decide to escalate risk related issues to the chairman of the Risk Committee of the Supervisory Board.

The Supervisory Board may adopt rules of procedure concerning the division of its duties and its working method (and that of its committees) (the "**Supervisory Board Rules**"), which include the following reserved matters:

- any material change to the overall Financial and Risk Policy (or any part thereof); and
- leasing, renting of assets to third parties with an investment over a certain value per transaction or series of related transactions.

The Supervisory Board has appointed a Risk Committee, whose tasks include:

- review and preparation for final decision by the Supervisory Board, of the yearly RAS and any changes thereof during the year;
- on a quarterly basis review the integrated risk management report, which includes an analysis of developments of the various risk types, to the extent that these could significantly impact the Group's risk profile and financial performance and includes the performance of key risk indicators against the targets and tolerance levels set in the RAS; and
- review and decide on credit proposals for which the ultimate exposure is over a certain value.

All other decisions with respect to risk management are in the approval authority of the Managing Board, who can subsequently decide to delegate certain decisions and reviews to other bodies or persons within the Group. Any changes to the delegation authority need explicit approval of the Managing Board via the Group Risk Committee.

Risk Committees

The setup of the risk committees is driven by "The Power of One LeasePlan" and the ambition to manage and monitor risk on an integrated and holistic basis. In addition to the management and monitoring on an integrated basis, the identification, assessment, mitigation, monitoring and reporting per risk type will continue to be important ingredients in the various risk committees.

In addition to the Risk Committee of the Supervisory Board, the Group has set up a Group Risk Committee, a Group Tactical Risk Committee and a Group Model Risk Committee. All risk related decisions, except for the risk matters which fall under the final decision authority of the Supervisory Board, are in the approval authority of the Managing Board. The Group Risk Committee is a dedicated committee of the Managing Board, consisting of all Managing Board Members.

Terms of reference Group Risk Committee

The Group Risk Committee delegates certain authorities to subcommittees as the Group Tactical Risk Committee, Group Model Risk Committee and, in the near future, to local risk committees. In addition, certain authorities are delegated to the Group Risk department.

The main task of the Group Risk Committee is to enable controlled risk taking and ensuring regulatory compliance by but not limited to:

- providing annually a strategic risk assessment;
- defining the risk strategy, risk appetite and capital/liquidity planning;
- setting the policies/standards, models and limits for individual risk types;
- monitoring and managing of the actual risk profile against the risk appetite and risk strategy;
- monitoring existing and emerging risk developments and trends;
- monitoring changes in regulations;
- defining the delegation of authorities for risk decisions to subcommittees, Group Risk and local entities; and
- defining the key (regulatory) processes such as ICAAP/ILAAP/Recovery Plan/Pillar 3.

The Group Risk Committee meets at least on a quarterly basis.

Terms of reference Group Tactical Risk Committee

The main task of the Group Tactical Risk Committee is to enable controlled risk taking by but not limited to:

- monitoring risk exposures and emerging risks;
- monitoring of compliance with risk appetite on a monthly level and triggering corrective/preventive action;
- review of existing risk policies and standards as under the Policy Framework;
- monitoring of adherence to policy, standards and local limits;
- approve risk proposals or incidents above threshold of local entities, including credit proposal up to level of risk committee of the Supervisory Board; and
- have oversight on (re) insurance programmes.

The Group Tactical Risk Committee meets at least on a monthly basis.

Terms of reference Group Model Risk Committee

The main task of the Group Model Risk Committee is overseeing the Group's risk models in the domain of credit risk, asset risk, operational risk, strategic risk, stress testing and ensuring regulatory compliance by:

- model (re) development and model review (global and local);
- monitoring of model performance (global and local);
- review and approval of model governance, policies and methodologies;
- identification and review of key data issues;
- approving new developed risk models;
- deciding on actions in case risk models are performing outside thresholds;
- review validation reports (global and local); and
- determining the stress test scenarios.

The Group Model Risk Committee meets at least on a quarterly basis.

As mentioned above, the Group Model Risk Committee will delegate certain authorities to individual risk officers of Group Risk and Group Companies (local risk committees). Group Risk will, on at least an annual basis, submit a review and proposal to the Group Risk Committee which includes details of such delegation. Basic principles for delegation to individual risk officers are:

- "four eyes principle": every risk decision requires the approval of two risk officers with delegated authority;
- granting of authority should be based on knowledge and experience of risk officer; and
- authority levels should preferably be risk based.

Basic principles for delegation to LeasePlan entities are:

- entities need to show proper local (risk) governance;
- granting of authority should be based on the quality of the control framework in place, quality of output (e.g., credit proposals), knowledge and the maturity of the local (risk) organisation; and
- authority levels should preferably be risk based.

Except for a Model Risk Committee, the committee structure at entity level should mirror the Group structure as follows:

- on a quarterly basis the entity management team discusses the integrated risk profile and risk developments, including compliance with local risk appetite and policies and standards in an entity risk committee;
- on a monthly basis all relevant developments, incidents, reports, credit proposals and self-assessments are discussed in the entity tactical risk committee; and
- in addition to the two risk committees above, asset risk and pricing can continue to be discussed in a dedicated business committee, which is overseeing the day-to-day operations of asset pricing and management, and in which the Entity Risk Officer will be invited (on a non-voting basis).

Risk Appetite Statement (RAS)

On an annual basis, the Managing Board is required to submit the Group's RAS to the Supervisory Board for approval. The RAS represents the overall risk the Group is willing to assume in order to achieve its strategic objectives, defined by quantitative and/or qualitative metrics (for example minimum debt rating and minimum capital levels, or any other parameter as the case may be). Secondly, risk appetite is set for the defined risk types as determined in the risk strategy, by using specific risk tolerance metrics across the risk universe. Subsequently, local entities are assigned local limits that are in line with the Group's overall risk appetite and commensurate with the local entity's budget. This is referred to as Country Based Risk Appetite.

Depending on the risk metric, compliance with the risk appetite is monitored on a daily, monthly or quarterly basis. The Managing Board, through the Group Risk Committee, monitors, reviews and challenges the actual performance against the RAS and discusses potential corrective measures on (at least) a quarterly basis.

Breaching of risk tolerance levels is always subject to a materiality check. If the breach is a non-material variation, then no specific management action is required. A comprehensive report across all risk types of the RAS is provided on at least a quarterly basis to the Group Risk Committee and the Supervisory Board. This report includes as a minimum all material risk developments, deviations and potential future breaches.

Group Risk will monitor developments on a consolidated as well as an entity level monthly and will report any relevant trends and deviations to the appropriate risk committees. The RAS will be translated into a set of local limits (Country Based Risk Appetite) and will be communicated to all entities.

Policies, Standards, Models, Limits

To mitigate and control risk, Group Risk sets policies, standards, models and limits for the individual risk types. All such policies, standards, models and limits are reviewed at least on an annual basis.

The Risk Policy provides the overall structure for all policies and standards for the individual risk type as defined in the risk strategy. As such, it is the "top policy" in terms of hierarchy. All charters, frameworks, policies and standards for individual risk types fall under the hierarchy and standards as set out in the Risk Policy. The Risk Policy will be reviewed on an annual basis.

Risk Function

Group Risk and the risk function at entity level, are jointly referred to as Risk function. The strategy of the Risk function is to implement group wide professional risk management that ensures regulatory compliance and a risk profile within the set risk appetite, by challenging and assisting the business and promoting risk awareness at all levels within the Group.

The Risk function challenges and creates awareness for risk management within the Group and is responsible for coordination and execution of the Risk Management Cycle and the Risk Decision Framework. With a centralised risk framework and the implementation of best practices, the Risk function ensures that there is uniformity between the risk assessment approaches in the entities in which the Group operates. It also identifies the need for training and education and coordinates such activities.

Following the risk strategy, the Risk function monitors internal and external risk trends and coordinates activities with the Company Secretary and Director Regulatory Affairs, to accomplish regulatory compliance.

Group Risk further ensures that the Managing Board and the Supervisory Board are made aware of all material risk developments and provides adequate risk reporting and advice to these bodies that allow for comprehensive and proper decision making. Group Risk also ensures adequate knowledge of the risk types as included in the risk universe, sound knowledge of the regulatory requirements and maintenance of risk charters, policies, standards, models and limits. The Risk function at Group Company level ensures proper monitoring and reporting of risks at entity level and adherence to all relevant limits, policies, standards and models.

Asset Risk

The term asset risk is used within the Group as a combination of market price risk of used vehicles and risk related to the repair, maintenance and tyre replacement services. Market price risk of used vehicles, being the prominent risk under asset risk, is defined as the exposure to potential losses at contract end date due to the Vehicles Sales proceeds declining below the Initial Contract End Book Value. The risk related to repair, maintenance and tyre replacement is considered the exposure to potential losses due to the actual costs of the services repair, maintenance and tyre replacement exceeding the estimates made at the start of the lease. The Group considers both elements under asset risk as being inextricably linked and manage asset risk accordingly.

Asset risk management policy

The Group has a policy in place with respect to asset risk management, based on principles developed under its Risk Charter. The policy describes, inter alia, the roles and responsibilities within its organisation for asset risk management, the minimum standards for risk mitigation of market prices of used vehicles and the mandatory frequency of asset risk measurement and reporting. The asset risk management policy is applicable to all Group Companies and focuses on all leases (funded or not funded) that may expose the Group to market price risk of used vehicles and/or repair, maintenance and tyre risk. Furthermore, this policy describes a limit structure based on the Group's defined appetite for market price risk of used vehicles, whereby the level of risk taking is determined for two echelons within the Group (i.e., Group Companies and Group management). As mentioned above and as a part of the asset risk management policy, all Group Companies must establish a local risk management committee, chaired by either the managing director or the entity risk officer and in which all relevant disciplines involved in the asset risk management process must be represented. This committee has the responsibility of overseeing the adequate management of asset risks on behalf of the local management team. This includes but is not limited to reporting on asset risk measurements and trends in risk mitigation, market prices of used vehicles and vehicle repair, maintenance and tyre replacement results. The local committee assess asset risk exposure by taking into account both internal influences and external influences (e.g., supply and demand) and, based on their assessment, decide on the appropriate market prices of used vehicles and repair, maintenance and tyre costs estimates and risk mitigating measures to be applied. The local committees also decide on the limits regarding adjustments to any commercial contracts both in allowed maximum frequency as well as maximum height. The local committees are responsible for informing the management team of such Group Company on all relevant asset risk issues. The policy also establishes minimum standards with respect to mitigating techniques for the market price risk of used vehicles that the Group Companies are expected to have in place and the reporting that must be provided to the corporate centre.

As mentioned above, technical pricing of vehicles, repair, maintenance and tyre replacement can be directly overseen by the local committees or delegated on an operational level to local technical pricing committees ("TPCs"). In the latter case, the local committees will retrospectively sign off on matrix pricing of used vehicles. The TPC defines the technical and matrix pricing of used vehicles for all

individual makes, models and types and develop and maintain adequate matrices for the pricing of used vehicles. Termination result analysis distinguishes internal and external influences in a quantified manner. The technical pricing of the used vehicle pricing parameters is based on a combination of (i) historical actual costs (depreciation of vehicles and costs associated with repair, maintenance and tyre replacement), (ii) statistical analysis, (iii) external benchmarking and should be complemented with (iv) expert judgement. Finally, external benchmarks are used in many countries as an additional point of reference and expert judgments are applied to challenge the outcome of statistical analysis and to overcome any shortcomings therein.

Credit Risk

As a result of its normal business activities, the Group is exposed to credit risk which is the risk that a counterparty will not be able to fulfil its financial obligations when due. In the Group's core business, this credit risk mainly relates to objects leased to clients, represented by the amortisation of leased objects that still needs to be invoiced in future lease rentals and lease rentals that have become due. Within the leasing industry, credit risk is mitigated materially by the underlying value of the available collateral (*i.e.*, leased object).

In addition, the Group is exposed to credit risk originating from its banking and treasury activities, which includes deposits placed with banks or other financial institutions and hedging instruments, such as derivatives and reinsurance activities. Finally, the Group is exposed to credit risk as a result of insurance activities as well as to discounts to be received from vehicle manufacturers and other suppliers.

Operational Risk

Operational risk involves the risk of a positive, negative or potential loss resulting from inadequate or failed internal processes, human behaviour and systems or from external incidents. Business continuity risk, financial reporting risk and HR risk are within the scope of the Group's operational risk management. An operational loss is the financial impact that arises from the occurrence of an operational risk event. Operational incidents and losses in all (risk) areas are recorded in the Operational Incident Database.

Insurance Risk

Insurance risk is the exposure to potential loss due to costs related to damages and compensation paid or payable. This risk consists of long-tail risks (*e.g.*, motor third-party liability and legal defence) and short-tail risks (*e.g.*, motor material damage and passenger indemnity). These risks are partially retained by the Group's insurance entity, LeasePlan Insurance. Re-insurance cover is arranged by LeasePlan Insurance on an excess of loss basis with an external re-insurance panel. Some LeasePlan subsidiaries have a local risk retention scheme for motor damage and retain the damage risk, while also offering insurance coverage through either LeasePlan Insurance or external providers.

Treasury Risk

Treasury risk within the Group entails liquidity risk, interest rate risk and currency risk.

Liquidity risk is the risk that the Group is not able to meet its obligations for (re)payments, due to a mismatch between the run-off of its assets and liabilities.

Interest rate risk is the risk that the profitability and shareholders' equity is affected by movements in interest rates. The Group accepts and offers lease contracts to clients at both fixed and floating interest rates, for various durations and in various currencies. Interest rate risk within the Group is managed separately for:

- Group Companies and joint ventures, carrying interest bearing assets (mainly lease contracts), and funding on their balance sheet, which mainly is intercompany funding supplied by the Group's central treasury; and
- The central treasury, concluding external funding, external derivatives and granting intercompany loans to Group Companies.

Currency risk entails the risk that currency fluctuations have an adverse impact on the capital ratios, result and shareholders' equity. It arises from the change in price of one currency against another, where positions are not hedged. Due to the Group's activities in more than 30 countries, it is exposed to currency exchange rates. The Group uses the Euro as its functional currency.

Strategic Risk

Strategic risk is defined as the current or prospective risk to earnings and capital arising from changes in the business environment, lack of responsiveness to changes in the business environment, from adverse business decisions or improper implementation of decisions. Model Risk is included under Strategic Risk. The Group recognises three types of strategic risk:

- Macro environment risks - risks from uncontrollable external forces;
- Micro environment risks – risks from immediate areas of operation affecting performance and decision making; and
- Corporate governance risk – risks from the way the governance structure is set, implemented and communicated.

Reputational risk

Reputational risk within the Group is defined as the current or prospective risk to earnings, liquidity and/or capital arising from an adverse perception of the image of the Group on the part of current or prospective employees, clients, counterparties, shareholders, investors/media and regulators. It is a risk which is a derivative of possible exposures in other risk areas.

Information Security Risk

Within the Group, information security risk is defined as 'the risk of loss due to inadequate ICT controls, failed components, human behaviour or external events, resulting in a loss of information confidentiality and/or integrity and/or availability'. The availability, integrity and confidentiality of information assets are essential in maintaining the Group's competitive edge, cash-flow, profitability, regulatory and legal compliance and the Group's overall brand image.

Legal and Compliance Risk

The Group defines legal risk as the risk of loss that is primarily caused by (i) an unauthorised or defective transaction, (ii) a claim being made or some other event occurring that results in a liability or other loss, (iii) failing to take appropriate measures to protect assets owned by the Group, and (iv) a change in applicable law. Compliance risk is defined as the risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of its failure to comply with relevant laws, regulations, rules, internal policies, standards and code of conduct applicable to its business activities and in scope of the Compliance function. Privacy risk is part of the Compliance function.

Within the Group for legal, compliance and privacy there are separate charters in place. The Group's Legal Charter describes the governance of the legal function and the legal risk cycle. The Legal Charter aims to help the Group's business functions understand their role and position in relation to the Group's Legal function and to detail the Group's approach to managing legal risks. The Legal Charter mandates the Group's Legal function to manage legal risks, outlines the scope, organisation, operations and governance of the Legal function within the Group and defines the Group's Legal function's role and responsibilities.

The Group's Compliance Charter and Compliance Risk Management Framework form the basis for the governance of the compliance function and compliance risk cycle; the compliance, legal and privacy risks are assessed and monitored by the Compliance function, the Legal function has a first line role in this respect. The Compliance Charter introduces a clear allocation of tasks and responsibilities expected of management and staff involved in compliance within the Group. The Compliance Risk Management Framework details the approach the Group follows in order to manage its exposure to compliance risk, being the compliance risk cycle, *i.e.* the identification, assessment, mitigation, monitoring and reporting on compliance risk. The independence of its compliance officers is embedded in the Compliance Charter as well as their reporting lines.

Each group company of the Group performs at least an annual compliance risk assessment. The outcomes are integrated in a compliance risk assessment. The assessment is discussed within the Managing Board. The compliance officers of the group companies report to the Group Compliance Officer on a monthly basis. The Group Compliance Officer reports to the Supervisory Board via the Managing Board on a quarterly basis.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

In relation to each separate issue of Notes, the issue price and the amount of such Notes will be determined, before filing of the relevant final terms (the "**Final Terms**") and interest (if any) payable in respect of Notes of each issue, based on then prevailing market conditions at the time of the issue of the Notes, and will be set out in the relevant Final Terms. The Final Terms will be provided to investors and filed with the relevant competent authority for the purposes of the Prospectus Directive when any Notes are admitted to trading on a regulated market as soon as practicable and if possible in advance of admittance to trading on a regulated market.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Arranger in their respective capacities, as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. 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 Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes. This Base Prospectus may only be used for the purposes for which it has been published. Neither the Issuer nor any of the Dealers represent that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction. In particular, further action may be required under the Programme in order to permit a public offering of the Notes or distribution of this document in any jurisdiction.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the European Economic Area (including The Netherlands, Italy, Luxembourg and the United Kingdom), Japan and the United States (see "Subscription and Sale" below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or jurisdiction of the United States. The Notes are in bearer form and are subject to U.S. tax law requirements. Notes

may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act.

Neither the Programme nor the Notes has been approved or disapproved by the United States Securities Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

All references in this document to "U.S. dollars", "U.S.\$" and "\$" refer to the currency of the United States of America, those to "Japanese yen", "Yen" and "¥" refer to the currency of Japan, those to "Sterling" and "£" refer to the currency of Great Britain and those to "EUR", "€" and "euro" refer to the currency of the Member States of the European Union participating in the economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s) in accordance with all applicable laws and rules.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Notes may, *inter alia*, be calculated by reference to London inter-bank offered rate ("**LIBOR**"), which is provided by ICE Benchmark Administration Limited and the Euro-zone inter-bank offered rate ("**EURIBOR**") which is provided by the European Money Markets Institute. As at the date of this Base Prospectus, ICE Benchmark Administration Limited appears and the European Money Markets Institute does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the European Money Markets Institute is not currently required to obtain authorisation or registration.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the AFM, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the articles of association (*statuten*) of the Issuer which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2018/articles-of-association.pdf>;
- (b) the publicly available audited consolidated and unconsolidated annual financial statements of LPCorp for 2017 (as set out on pages 115 through 234 and pages 235 through 248 of the 2017 annual report in respect of LPCorp, including the auditor's report thereon on pages 252 through 257); and the publicly available audited consolidated and unconsolidated annual financial statements of LPCorp for 2018 (as set out on pages 90 through 145 and pages 146 through 188 of the 2018 annual report in respect of LPCorp, including the auditor's report thereon on pages 190 through 201) which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/leaseplan-corporation-annualreport-2017.pdf> and from <https://www.leaseplan.com/corporate/investors/annual-report-2018/pdf/LeasePlan-Annual-Report-2018.pdf>;
- (c) the terms and conditions (including the form of final terms) set out on pages 36 and 119 of the base prospectus prepared by the Issuer in connection with the Programme dated 20 June 2012 (the "**2012 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2012/base-prospectus-20-june-2012.pdf>;
- (d) the terms and conditions (including the form of final terms) set out on pages 55-77 and 78-89 of the base prospectus prepared by the Issuer in connection with the Programme dated 18 June 2013 (the "**2013 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2013/base-prospectus-18-june-2013.pdf>;
- (e) the terms and conditions (including the form of final terms) set out on pages 55-77 and 78-89 of the base prospectus prepared by the Issuer in connection with the Programme dated 17 June 2014 (the "**2014 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2014/base-prospectus-17-june-2014.pdf>;
- (f) the terms and conditions (including the form of final terms) set out on pages 62-86 and 86-98 of the base prospectus prepared by the Issuer in connection with the Programme dated 12 June 2015 (the "**2015 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2015/base-prospectus-12-june-2015.pdf>;
- (g) the terms and conditions (including the form of final terms) set out on pages 64-85 and 92-99 of the base prospectus prepared by the Issuer in connection with the Programme dated 10 June 2016 (the "**2016 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2016/base-prospectus-10-june-2016.pdf>;
- (h) the terms and conditions (including the form of final terms) set out on pages 45-66 and 72-82 of the base prospectus prepared by the Issuer in connection with the Programme dated 24 March 2017 (the "**2017 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/media-library/2017/base-prospectus-24-march-2017.pdf>; and
- (i) the terms and conditions (including the form of final terms) set out on pages 52-88 of the base prospectus prepared by the Issuer in connection with the Programme dated 29 March 2018 (the "**2018 Conditions**") which can be obtained from <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/investors/funding-strategy-statement/leaseplan-mtn-programme-2018-update-base-prospectus.pdf>.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus. Any statements on the Issuer's competitive position included in a document which is incorporated by reference herein and where no external source is identified are based on the Issuer's

internal assessment of generally available information.

The Issuer will provide, free of charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference and any further prospectus or prospectus supplement prepared by the Issuer for the purpose of updating or amending any information contained herein or therein and, where appropriate, English translations of any or all such documents. Requests for such documents should be directed to the Issuer in writing at the registered office set out at the end of this Base Prospectus or by email to financelegal@leaseplan.com or telephone at +31 20 709 3000 with regard to LPCorp.

In addition, such documents will be available, free of charge, from the office in London of Deutsche Bank AG, London Branch in its capacity as Issuing and Principal Paying Agent and on the investors section of the Issuer's website <https://www.leaseplan.com>. Copies of documents incorporated by reference in this Base Prospectus can also be obtained from <https://www.leaseplan.com>. Any information contained in or accessible through any website, including <https://www.leaseplan.com>, does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

The Issuer will, in case of any significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes to be issued under the Programme, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Cross-Reference List

The Annual Report 2017

Financial Statements

pages 115-234 and 235-248

Auditor's Report

pages 252-257

The Annual Report 2018

Financial Statements

pages 90-188

Auditor's Report

pages 190-201

This Base Prospectus and any supplement will only be valid for the issue of Notes under the Programme in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 15,000,000,000 or its equivalent in other currencies. For the purpose of calculating the aggregate amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as defined under "Form of the Notes" below) shall be determined, at the discretion of LPCorp, as of the date of agreement to issue such Notes (the "**Agreement Date**") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by LPCorp on such date; and
- (b) the amount (or, where applicable, the euro equivalent) of Zero Coupon Notes (as defined under "Form of the Notes" below) and other Notes issued at a discount or premium shall be calculated (in the case of Notes not denominated in euro, in the manner specified above) by reference to the net proceeds received by the Issuer for the relevant issue.

KEY FEATURES OF THE PROGRAMME

The following description of the key features of the Programme does not purport to be complete and is taken from, and is qualified by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any amendment and supplement thereto and the documents incorporated by reference. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this description.

Issuer:	LeasePlan Corporation N.V.
Description:	Debt Issuance Programme
Arranger:	ABN AMRO Bank N.V.
Dealers:	ABN AMRO Bank N.V. Australia and New Zealand Banking Group Limited Banco Santander, S.A. BNP PARIBAS Citigroup Global Markets Europe AG Citigroup Global Markets Limited Danske Bank A/S Deutsche Bank Aktiengesellschaft HSBC Bank plc ING Bank N.V. J.P. Morgan Securities plc Mizuho International plc Société Générale
Competent Authority for the purposes of the Prospectus Directive:	The Netherlands Authority for the Financial Markets
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" below).
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Size:	Up to EUR 15,000,000,000 (or its equivalent in other currencies calculated as described herein below) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, euro, Hong Kong dollars, Sterling, Swiss francs, U.S. dollars and Yen.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4 of the Terms and Conditions of the Notes.

Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject to a minimum maturity of one (1) month.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be in bearer form. Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be in the form of either a temporary global Note or a permanent global Note, in each case as specified in the relevant Final Terms. Each global note which is not intended to be issued in New Global Note (" NGN ") form (a " Classic Global Note " or " CGN "), as specified in the relevant Final Terms, will be deposited on or around the relevant Issue Date either (i) with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system or (ii) with Euroclear Netherlands. Each global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream Luxembourg. Each temporary global Note will be exchangeable for a permanent global Note or, if so specified in the relevant Final Terms, for definitive Notes upon certain conditions including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note is exchangeable for definitive Notes only upon the occurrence of an Exchange Event, as described in "Form of the Notes" below, and in respect of global Notes deposited with Euroclear Netherlands only in the limited circumstances as described in the Securities Giro Act (<i>Wet giraal effectenverkeer</i>) and in accordance with the rules and regulations of Euroclear Netherlands. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearance system or (ii) Euroclear Netherlands, as appropriate.
Interest:	Interest in respect of the Notes may have a Fixed Rate, a Floating Rate or a CMS-Linked Interest Rate, or may not bear interest (Zero Coupon) or a combination of any of the above, as specified in the applicable Final Terms.
Fixed Rate Notes:	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes/CMS-Linked Interest Notes:	Floating Rate Notes will bear interest at a rate determined as follows: (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or (ii) on the basis of a reference rate on the agreed screen page of a commercial quotation service or (iii) using any other method of determination as may be provided in the applicable Final Terms. CMS-Linked Interest Notes will bear interest at a rate determined on the basis of a CMS reference rate on the agreed screen page of a commercial quotation service. The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.

Other provisions in relation to interest-bearing Notes:

Notes may have a maximum interest rate, a minimum interest rate and/or both. Terms applicable to step-up Notes, step-down Notes, Inverse Floating Rate Notes (also called Reverse Floating Rate Notes), Fixed/Floating Rate Notes, snowball Notes and any other type of Note that the Issuer and the relevant Dealer(s) may agree to issue under the Programme will be set out in the relevant Final Terms.

Interest on Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment.

Redemption:

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable for taxation reasons, at the option of the Issuer and/or the Noteholders upon giving notice as is indicated in the applicable Final Terms to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

Regulatory Call Option

If Regulatory Call is specified in the applicable Final Terms in respect of Subordinated Notes such Notes will be redeemable at the option of the Issuer upon the occurrence of a Capital Event at the amount specified in the applicable Final Terms subject to (i) the prior written permission of the Competent Authority provided that at the relevant time such permission is required pursuant to Article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that the Issuer complies with Article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality on terms that are sustainable for the income capacity of the Issuer, and upon giving not less than 30 nor more than 60 days' irrevocable notice.

"Capital Event", "CRD IV Regulation" and "Competent Authority" have the meaning ascribed thereto in Condition 7(e) (*Redemption, Substitution and Variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Notes.

Denomination of Notes:

Notes will be issued in such denominations as may be specified in the applicable Final Terms save that Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be issued with a minimum denomination of € 100,000 or its equivalent in another currency.

Taxation:	All payments in respect of the Notes will be made free and clear of withholding or deducting taxes of The Netherlands, unless the withholding is required by law. In that event, the Issuer will either (i) subject to certain exceptions as provided in Condition 8 of the Terms and Conditions of the Notes, pay such additional amounts (other than, in the case of Subordinated Notes only, in respect of any amount of principal) as will result in the Noteholders receiving such amounts as they would have received in respect of the Notes had no such withholding been required or (ii) make the required withholding or deduction but the Issuer will not pay any additional amounts to compensate Noteholders, as will be agreed between the Issuer and the relevant Dealer at the time of issue of the Notes, specified in the applicable Final Terms and summarised in the relevant issue specific summary annexed to the applicable Final Terms. If the applicable Final Terms provides that payments in respect of the Notes are to be made as provided in (ii) above, it will also specify that Condition 7(b) of the Terms and Conditions of the Notes will not apply to such Notes.
Negative Pledge:	See Condition 3 of the Terms and Conditions of the Notes in relation to the Senior Notes only.
Cross Default:	See Condition 10 of the Terms and Conditions of the Notes in relation to the Senior Notes only.
Status of the Senior Notes:	All Notes issued by the Issuer other than Subordinated Notes shall be Senior Notes (the " Senior Notes "). The Senior Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.
Status of the Subordinated Notes:	<p>Status and subordination</p> <p>The Subordinated Notes will constitute unsecured subordinated obligations of the Issuer and will rank (i) <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and equally subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either junior or senior to the Subordinated Notes) and (ii) junior to those obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.</p> <p>As a result, the claims of the holders of the Subordinated Notes of each Series (the "Subordinated Holders") against the Issuer will, in the event of the liquidation or bankruptcy of the Issuer, be subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms or by law to rank in priority to the Subordinated Notes.</p> <p>By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from higher ranking deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims and higher ranking subordinated claims have been satisfied.</p> <p>Events of Default of Subordinated Notes are restricted to bankruptcy and liquidation and repayment following an Event of Default may be</p>

subject to the prior permission of the Competent Authority.

The Subordinated Notes of this Series may qualify as Tier 2 capital ("**Tier 2 Notes**") as specified in the applicable Final Terms for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

No holder of Subordinated Notes may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes.

Variation or Substitution

If the applicable Final Terms indicate that the Subordinated Notes will be subject to Variation or Substitution and if a CRD IV Capital Event or a Capital Event has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required (but without any requirement for the consent or approval of the Subordinated Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time, provided that such variation or substitution shall not result in terms that are materially less favourable to the Subordinated Noteholders and that the resulting securities must have at least, *inter alia*, the same ranking, interest rate, maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Subordinated Notes.

"**CRD IV**", "**CRD IV Capital Event**" and "**Capital Event**" have the meanings ascribed thereto in Condition 7(e) (*Redemption, Substitution and Variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Notes.

Statutory Loss Absorption

Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework. Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) the Subordinated Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption.

"**Resolution Authority**", "**Applicable Resolution Framework**" and "**Statutory Loss Absorption**" have the meanings ascribed thereto in Condition 7(j) (*Statutory Loss Absorption of Subordinated Notes*) of the Terms and Conditions of the Notes.

Rating:

S&P has confirmed the following ratings to this Programme:

- Unsecured and Unsubordinated Notes: BBB- / A-3
representing respectively the long and short term rating.

A S&P issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific

class of financial obligations, or a specific financial programme (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The issue credit rating is not a recommendation to purchase, sell, or hold a financial obligation, inasmuch as it does not comment as to market price or suitability for a particular investor.

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

Moody's has confirmed the following ratings to this Programme:

- Unsecured and Unsubordinated Notes: Baa1 / P-2

representing respectively the long and short term rating.

The purpose of Moody's ratings is to provide investors with a simple system of gradation by which relative creditworthiness of securities may be noted. Gradations of creditworthiness are indicated by rating symbols, with each symbol representing a group in which the credit characteristics are broadly the same.

Moody's assigns long-term ratings to individual debt securities issued from medium-term note (MTN) programs, in addition to indicating ratings to MTN programs themselves. Notes issued under MTN programmes with such indicated ratings are rated at issuance at the rating applicable to all *pari passu* notes issued under the same programme, at the programme's relevant indicated rating, provided such notes do not exhibit any of the characteristics listed below:

- Notes containing features that link interest or principal to the credit performance of any third party or parties;
- Notes allowing for negative coupons, or negative principal;
- Notes containing any provision that could obligate the investor to make any additional payments; and
- Notes containing provisions that subordinate the claim.

For notes with any of these characteristics, the rating of the individual note may differ from the indicated rating of the programme.

Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Issuers (or supporting institutions) rated 'P-2' have a strong ability to repay short-term debt obligations.

Fitch has confirmed the following ratings to this Programme:

- Unsecured and Unsubordinated Notes: BBB+ / F2

representing respectively the long and short term rating.

Fitch's credit ratings provide an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings are used by investors as indications of the likelihood of receiving their money back in accordance with the terms on which they invested. Fitch's credit ratings cover the global spectrum of corporate, sovereign (including supranational and sub-national), financial, bank, insurance, municipal and other public finance entities and the securities or other obligations they issue, as well as structured finance securities backed by receivables or other financial assets. The rating is not a recommendation or suggestion, directly or indirectly, to buy, sell, make or hold any investment, loan or security or any Issuer. The ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security.

'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

'F2' ratings denote good intrinsic capacity for timely payment of financial commitments.

This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by S&P, Moody's, and Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Subordinated Notes will be rated as specified in the applicable Final Terms.

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

- Listing and admission to trading:** Application may be made for the Notes as described herein to be issued under the Programme to be admitted to trading on Euronext or to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (Bourse de Luxembourg). The Notes may also be listed on such other regulated or unregulated market(s) as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed or admitted to trading, as the case may be, and, if so, on which exchanges and/or markets.
- Governing Law:** The Notes will be governed by, and construed in accordance with, the laws of The Netherlands.
- Selling Restrictions:** There are selling restrictions in relation to the European Economic Area (and also specifically in respect of The Netherlands, Italy, Luxembourg and the United Kingdom), Japan and the United States, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale" below.

FORM OF THE NOTES

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Each Tranche of Notes will initially be in the form of either a temporary global Note or a permanent global Note, without interest coupons or talons. Each temporary global Note or, as the case may be, permanent global Note, which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with (i) a depository or common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) be deposited with Euroclear Netherlands. Each global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in the European System of Central Banks ("**ESCB**") credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The address of Euroclear is 1 Boulevard du Roi Albert II, B.1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy L-1855 Luxembourg and the address of Euroclear Netherlands is Herengracht 459-469, 1017 BS Amsterdam, The Netherlands.

Whilst any Note is represented by a temporary global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearance and/or settlement system(s) specified in the applicable Final Terms.

On and after the date (the "**Exchange Date**") which is not less than 40 days nor (if the temporary global Note has been deposited with Euroclear Netherlands) more than 90 days after the date on which the temporary global Note is issued, interests in the temporary global Note will be exchangeable (free of charge), upon request as described therein, either for interests in a permanent global Note without interest coupons or talons or for definitive Notes (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the temporary global Note for an interest in a permanent global Note or definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a temporary global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg which are different from the ISIN and the common code assigned to Notes of any other Tranche of the same Series. Payments of principal and interest (if any) on a permanent global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the permanent global Note without any requirement for certification. Definitive Notes will be in the standard euromarket form.

In case of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. So long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, these Notes will be tradable only in the minimum Specified Denomination increased with

integral multiples of such a smaller amount, notwithstanding that definitive Notes shall only be issued up to, but excluding, twice the minimum Specified Denomination.

A permanent global Note will be exchangeable (free of charge), in whole or (subject to the Notes which continue to be represented by the permanent global Note being regarded by the relevant clearing system(s) as fungible with the definitive Notes issued in partial exchange for such permanent global Note) in part, in accordance with the applicable Final Terms, for security printed definitive Notes with, where applicable, interest coupons or coupon sheets and talons attached. Such exchange may be made, as specified in the applicable Final Terms, only upon the occurrence of any Exchange Event.

An "**Exchange Event**" means (1) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg and/or, if applicable, Euroclear Netherlands have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (2) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 of the Terms and Conditions of the Notes which would not be required were the Notes represented by the permanent global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Terms and Conditions of the Notes upon the occurrence of an Exchange Event.

In the event of the occurrence of any Exchange Event, Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands acting on the instructions of any holder of an interest in the global Note may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date on which the relevant notice is received by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regards Notes in global form as fungible with Notes in definitive form.

In case of Notes represented by a permanent global Note deposited with Euroclear Netherlands, on the occurrence of an Exchange Event as described above, an exchange for definitive Notes will only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands.

The following legend will appear on all permanent global Notes, definitive Notes and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

"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 of 1986."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons. The following legend will appear on all global Notes held in Euroclear Netherlands:

"Notice: This Note is issued for deposit with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved".

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 of the Terms and Conditions of the Notes of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) (other than Euroclear Netherlands) gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) (other than Euroclear Netherlands) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system(s) (other than Euroclear Netherlands) on and subject to the terms of the relevant global Note. In the case of a global Note deposited with Euroclear Netherlands, the rights of Noteholders will be exercised in accordance with the Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the relevant stock exchange or other relevant authority (if any) and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each global Note and definitive Note in the standard euromarket form. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.

This Note is one of a series of Notes issued by the Issuer named in the Final Terms endorsed on, incorporated by reference into or attached to this Note (the "**Issuer**" and the "**Final Terms**", respectively) pursuant to the Agency Agreement (as defined below). References herein to the "Notes" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement (such Agency Agreement as further amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 20 March 2019 and made, *inter alia*, between the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard euromarket form (unless otherwise indicated in the Final Terms) have interest coupons ("**Coupons**") and, if indicated in the Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Any holders mentioned above include those having a credit balance in the collective depots held by *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**") or one of its participants.

The Final Terms for this Note are endorsed hereon or attached hereto or incorporated by reference herein and supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Final Terms" are to the Final Terms for this Note.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

Copies of the Agency Agreement and the applicable Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that a Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them.

Words and expressions used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any amendments to the Terms and Conditions required in connection with such additional or alternative clearing systems shall be specified in the applicable Final Terms.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s). This Note may be a Fixed Rate Note, a Floating Rate Note, a CMS-Linked Interest Note or a Zero Coupon Note or a combination of any of the foregoing, depending on the Interest Basis shown in the Final Terms.

This Note may be a Senior Note or a Subordinated Note, as specified in the applicable Final Terms.

Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. For Notes held by Euroclear Netherlands deliveries will be made in accordance with the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*"). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear SA/NV ("**Euroclear**") and/or Clearstream, Banking, S.A. ("**Clearstream, Luxembourg**") each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note which, for so long as the relevant global Note is held by a depository or common depository, in the case of a CGN, or a common safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or (except in the case of an NGN) any other relevant clearing system, will be that depository or common depository or, as the case may be, common safekeeper (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depository for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be. In case of Notes represented by a permanent global Note deposited with Euroclear Netherlands, a Noteholder shall not have the right to request delivery (*utitlevering*) of his Notes under the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") other than as set out in the global Note and in accordance with the rules and regulations of Euroclear Netherlands.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Netherlands.

2. Status of the Notes

(a) Senior Notes

This Condition 2(a) is applicable in relation to Notes specified in the Final Terms as being Senior Notes. The Senior Notes and the relative Coupons constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

(b) Subordinated Notes

This Condition 2(b) is applicable in relation to Notes specified in the Final Terms as being Subordinated Notes. The Subordinated Notes of such Series and the relative Coupons constitute unsecured and subordinated obligations of the Issuer and rank will rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured and equally subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either junior or senior to the Subordinated Notes) and (ii) junior to those obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

As a result, the claims of the holders of the Subordinated Notes of this Series and the relative Coupons (the "**Subordinated Holders**") against the Issuer are, in the event of the liquidation or bankruptcy of the Issuer, subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms or by law to rank in priority to the Subordinated Notes (collectively, "**Senior Claims**").

By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from Senior Claims have been satisfied.

The Subordinated Notes of this Series may qualify as Tier 2 capital ("**Tier 2 Notes**") as specified in the applicable Final Terms for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

(c) *No set-off*

No Subordinated Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes or related Coupons.

3. Negative Pledge (applicable in relation to Senior Notes only)

So long as any Senior Note remains outstanding, the Issuer will not create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon the whole or any part of its present or future undertakings, receivables, assets or revenues to secure any Relevant Indebtedness of any person without at the same time or prior thereto securing the Senior Notes equally and rateably therewith or providing such other security for the Senior Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purpose of this Condition:

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock or certificate in physical form which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market;

"**Permitted Encumbrance**" means an Encumbrance by the Issuer over the whole or any part of its receivables, undertaking or assets, present or future, pursuant to any securitisation, mortgage-backed financing, asset-backed financing or other similar financing transaction in accordance with normal market practice whereby (1) the value of the receivables, assets, undertakings subject to such Encumbrance is not greater than is required to allow the securitisation, mortgage-backed financing, asset-backed financing, or similar financing transaction to take place, taking into consideration the nature and performance history of the underlying assets, any rating requirements and prevailing market conditions, and (2) recourse under the Encumbrance is limited to the proceeds of sale, collection or realisation of the specific assets, receivables, undertakings secured by the Encumbrance; and

"**Encumbrance**" means any mortgage, charge, pledge, lien or other encumbrance.

4. Redenomination

(a) *Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders and the Couponholders, on giving prior notice to the Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Netherlands and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agent and other Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented for payment) by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes and Coupons will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Fixed Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 5(a)), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount;
- (vii) if the Notes are Floating Rate Notes or CMS-Linked Interest Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 14.

(b) *Definitions*

In these Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union

regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty on the functioning of the European Union.

5. Interest

"**Calculation Agent**" means the Calculation Agent so specified in the applicable Final Terms;

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date, subject in any case as provided in Condition 7(i).

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Condition, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If a Business Day Convention is specified in the applicable Final Terms, the number of days for calculating the amount of interest payable in respect of the relevant Fixed Interest Period shall also be adjusted in accordance with such Business Day Convention, unless "Unadjusted" is specified in the applicable Final Terms, in which case such amount of interest shall be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

In this Condition, "**Business Day**" means a day which is both:

- (A) 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 any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement

Express Transfer (TARGET2) System.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
- (b) if "30/360" is specified in the applicable Final Terms the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

"Calculation Amount" has the meaning ascribed to it in the relevant Final Terms;

"CGN" means Classic Global Note;

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"NGN" means New Global Note; and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as a legal tender in the country of such currency and, with respect to euro, means one cent.

Where Mid Swap Rate and Reference Rate Replacement are specified in the applicable Final Terms as being applicable and the Agent is unable to determine the applicable Mid Swap Rate at the relevant time, the applicable Mid Swap Rate will be the rate as determined in accordance with Condition 5(f) (*Reference Rate Replacement*), **provided that**, if no such rate can be determined in accordance with Condition 5(f) (*Reference Rate Replacement*) or if Reference Rate Replacement is not specified in the applicable Final Terms as being applicable, the applicable Mid Swap Rate will be the rate as last applied in relation to the Notes in respect of the immediately preceding Fixed Interest Period.

(b) *Interest on Floating Rate Notes or CMS-Linked Interest Notes*

Each Floating Rate Note and CMS-Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the rate of Interest payable in arrear on either:

- (i) Interest Payment Dates
 - (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
 - (B) if no Specified Interest Payment Date(s) is/are specified in the Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject in any case as provided in Condition 7(i). Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, means the period from (and including) an Interest Payment Date or (in relation to CMS-Linked Interest Notes) the Period End Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or (in relation to CMS-Linked Interest Notes) the next (or first) Period End Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If a Business Day Convention is specified in the applicable Final Terms, the number of days for calculating the amount of interest payable in respect of the relevant Interest Period shall also be adjusted in accordance with such Business Day Convention, unless "Unadjusted" is specified in the applicable Final Terms, in which case such amount of interest shall be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

In this Condition, "**Business Day**" means a day which is both:

- (A) 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 any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the relevant Final Terms and the provisions below relating to ISDA Determination, Screen Rate Determination or any other method of determination shall apply as specified in the relevant Final Terms. The Rate of Interest payable from time to time in respect of CMS-Linked Interest Notes will be determined in the manner specified in the relevant Final Terms and the provisions below relating to CMS-Linked Interest Rate.

(A) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating either (i) the 2000 ISDA Definitions (as amended and updated as at the Issue Date of the First Tranche of the Notes (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. or (ii) the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the First Tranche of the Notes (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.), as specified in the applicable Final Terms, (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate (LIBOR) or on the Euro-zone interbank offered rate (EURIBOR), the first day of that Interest

Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions. If the ISDA Rate cannot be determined as described above, the adjustment rules set out in the ISDA Definitions will apply. When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Calculation Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

(B) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (2) in any other case, the Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (3) if, in the case of (1) above, such rate does not appear on that page or, in the case of (2) above, fewer than three such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:
 - (A) the Issuer or an agent selected by the Issuer will request the principal Relevant Financial Centre office of each of the Reference Banks to provide to the Agent a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) the Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such quotations;
- (4) if fewer than two such quotations as referred to in (3) above are provided as requested, the Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date in the Relevant Financial Centre of the Specified Currency, deposits in the Specified Currency for the relevant Interest Period by leading banks in the Relevant Financial Centre of the Specified Currency or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the Relevant Financial Centre of the Specified Currency;

- (5) If, in the case of 2 above, five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In this Condition B, the expression "**Reference Banks**" means, in the case of (1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(C) CMS-Linked Interest Rate

Where CMS-Linked Interest Rate is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be determined as set out below according to which of the following Reference Rates is specified in the applicable Final Terms as being applicable and;

- (1) where CMS Reference Rate is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

- (2) where CMS Steepener Rate is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

$$(\text{Leverage 1} \times \text{CMS Rate 1}) - (\text{leverage 2} \times \text{CMS Rate 2}) + \text{Margin}$$

- (3) where Leverage CMS Reference Rate is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage 1} \times \text{CMS Rate} + \text{Margin}$$

- (4) where CMS Reference Rate Spread is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate 1} - \text{CMS Rate 2} + \text{Margin}$$

- (5) where Leveraged CMS Reference Rate Spread is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall

be determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage 1} \times (\text{CMS Rate 1} - \text{CMS Rate 2}) + \text{Margin}$$

"CMS Rate" means the applicable swap rate for CMS swap transactions, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate as at the Specified Time on the Period End Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Issuer or an agent selected by the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Period End Date in question. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Period End Date one only or none of the Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate last determined in relation to the Notes in respect of the immediately preceding Interest Period;

"CMS Rate 1" means the applicable swap rate for CMS swap transactions, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 1 as at the Specified Time on the Period End Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Issuer or an agent selected by the Issuer shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Period End Date in question. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Period End Date one only or none of the Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate 1 last determined in relation to the Notes in respect of the immediately preceding Interest Period;

"CMS Rate 2" means the applicable swap rate for CMS swap transactions, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 2 as at the Specified Time on the Period End Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Issuer or an agent selected by the Issuer shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Period End Date in question. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Period End Date one only or none of the Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate 2 last determined in relation to the Notes in respect of the immediately preceding Interest Period;

"Designated Maturity" means the time period specified as such in the Final Terms in relation to CMS-Linked Interest Notes;

"Period End Dates" means each date specified in the relevant Final Terms as such, provided that if no Period End Dates are so specified, each Interest Payment Date.

"Reference Banks" means, in relation to CMS Rates (i) where the Reference Currency is euro, the principal Eurozone office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Issuer or an agent appointed by the Issuer;

"Reference Currency" means each currency specified as such in the applicable Final Terms;

"Relevant Swap Rate" means:

- (i) where the Reference Currency is euro, the mid-market annual swap rate determined on the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) with a Designated Maturity determined by the Calculation Agent after consultation with the Issuer by reference to standard market practice and/or 2006 ISDA Definitions;
- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) with a Designated Maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the 2006 ISDA Definitions) with a Designated Maturity of three months; and
- (iv) where the Reference Currency is any other currency, the Reference Currency Mid-market Swap Rate as set out in the relevant Final Terms; and

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(iv) Determination of Rate of Interest and Calculation of Interest Amount

The Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Agent will calculate the amount of interest (each an **"Interest Amount"**) payable on the Floating Rate Notes and CMS-Linked Interest Notes in respect of the Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the Specified Currency), half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

- (i) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of:
 - (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and
 - (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (i) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

(c) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Calculation Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 or individually.

(d) *Notification of Rate of Interest and Interest Amount*

This Condition will be applicable (as appropriate) in relation to all Notes which are interest-bearing.

The Agent or, if applicable, the Calculation Agent will cause each Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date, or any other item related to the calculation of interest, determined or calculated by it to be notified to the Agent who will cause them to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes and CMS-Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes and CMS-Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London.

(e) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b) whether by the Agent or, if applicable, the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, if applicable, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(f) *Reference Rate Replacement*

If:

- (i) Reference Rate Replacement is specified in the applicable Final Terms as being applicable and Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined; and
- (ii) the Calculation Agent (in consultation with the Issuer) determines that the Reference Rate has ceased to be published on the Relevant Screen Page as a result of the Reference Rate ceasing to be calculated or administered when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate,

then the following provisions shall apply to the relevant Series of Notes:

- (1) the Issuer shall use reasonable endeavors to appoint an Independent Adviser to determine:
 - (A) a Successor Reference Rate; or
 - (B) if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**IA Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 5(f) during any other future Interest Period(s));

- (2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (in accordance with Condition 5(f)(1)) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) shall use reasonable endeavors to determine:
 - (A) a Successor Reference Rate; or
 - (B) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**Issuer Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 5(f) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

- (3) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 5(f):
- (A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(f));
 - (B) if the relevant Independent Adviser or the Issuer (as applicable) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines to the best of its knowledge and capability (acting in good faith and in a commercially reasonable manner) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(f)); and
 - (C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:
 - (x) changes to these Terms and Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) Additional Business Centre(s), Additional Financial Center(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Relevant Financial Centre, Relevant Time, Reference Banks and/or Relevant Screen Page applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
 - (y) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(f)); and

- (4) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 5(f)(3)(C) to the Calculation Agent and the Noteholders in accordance with Condition 14 (*Notices*).

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate or Adjustment Spread (as applicable) as described in this Condition 5(f) or such other relevant changes pursuant to Condition 5(f)(3)(C), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement.

If a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 5(f) on or before the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 5(b)(ii)(B) (*Screen Rate Determination*).

An Independent Adviser appointed pursuant to this Condition 5(f) shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Agent, the

Paying Agents, the Calculation Agent, or the Noteholders for any determination made by it (or not made by it) pursuant to this Condition 5(f).

Notwithstanding any other provision of this Condition 5(f), no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Subordinated Notes will be made pursuant to this Condition 5(f), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:

- (i) impact upon the eligibility of the Subordinated Notes for eligibility as Tier 2 Notes; and/or
- (ii) result in the Competent Authority considering such adoption and/or amendment(s) as a new issuance of the Subordinated Notes.

Any amendment to the Conditions pursuant to this Condition 5(f) with respect to Subordinated Notes, is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (provided that, at the relevant time, such permission is required to be given).

As used in this Condition 5(f):

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognized or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognized or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"Alternative Reference Rate" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"Reference Rate" shall be LIBOR, EURIBOR, Mid Swap Rate or any other reference rate specified in the applicable Final Terms, subject as provided in Condition 5(f) (*Reference Rate Replacement*).

"Relevant Nominating Body" means, in respect of a reference rate:

- (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

"Successor Reference Rate" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

6. Payments

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Melbourne); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent (in the case of any payments to be made in U.S. dollars, outside the United States (as defined below).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, CMS-Linked Interest Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Note is presented for redemption without all unmatured Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon

provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made in respect of a CGN on such global Note by such Paying Agent and in respect of an NGN pro rata in the records of Euroclear and Clearstream, Luxembourg. Such record in respect of a CGN shall be prima facie evidence and such records in respect of an NGN shall be conclusive evidence that the payment in question has been made.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(c) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), "**Payment Day**" means any day which (subject to Condition 9) is both:

- (i) 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:
 - (A) in the case of definitive Notes only: the relevant place of presentation; and
 - (B) any Additional Financial Centre specified in the applicable Final Terms; and

- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation (in the case of definitive Notes only) and any Additional Financial Centre and which if the Specified Currency is Australian or New Zealand Dollars shall be Melbourne and Wellington, respectively or (2) in relation to any sum payable in euro, a day on which the TARGET 2 System is open.

(d) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes,

and shall be deemed to exclude any amount written down or converted (if any) pursuant to Condition 7(j).

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed, written down or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for Tax Reasons*

Unless otherwise specified in the applicable Final Terms, Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or CMS-Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or CMS-Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 8) or any political subdivision or any authority of or in any Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

Further, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required pursuant to Article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that the Issuer complies with Article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds

instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer. The Competent Authority may only permit the Issuer to redeem the Subordinated Notes at any time within five years after the Issue Date if, without prejudice to this Condition 7(b), there is a change in the applicable tax treatment of the Subordinated Notes which the Issuer demonstrates to the satisfaction of the Competent Authority is material and was not reasonably foreseeable at the time of their issuance.

Each Note redeemed pursuant to this Condition 7(b) will be redeemed at its Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 7 days' notice, or such other period of notice as is specified in the applicable Final Terms, to the Noteholders in accordance with Condition 14; and
- (ii) not less than 7 days before the giving of the notice referred to in (i), notice to the Agent, (both of which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not higher than the Maximum Redemption Amount, both as indicated (if at all) in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount at their discretion) and/or Euroclear Netherlands, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 7 days prior to the date fixed for redemption. The

aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this subparagraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

Further, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required pursuant to Article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that the Issuer complies with Article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer.

(d) *Redemption of Notes at the Option of the Noteholders (Investor Put)*

If Investor Put is specified in the Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note its holder must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent and the Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them or common safekeeper or, if applicable, Euroclear Netherlands to the Agent and the Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands from time to time and, if this Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to or to the order of the Agent for notation (if applicable) or for a record of such redemption to be made in the records of Euroclear and Clearstream, Luxembourg.

(e) *Redemption, Substitution and Variation for regulatory purposes of Subordinated Notes*

If Regulatory Call is specified in the applicable Final Terms and upon the occurrence of a Capital Event, the Issuer may at its option, subject to (i) the prior written permission of the Competent Authority provided that at the relevant time such permission is required pursuant to Article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that the Issuer complies with Article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality on terms that are sustainable for the income capacity of the Issuer, and having given not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) to the Noteholders redeem at any time (in the case of Subordinated Notes other than Floating Rate Notes or CMS-Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or CMS-Linked Interest Notes), in accordance with the Conditions, all, but not some only, of the Subordinated Notes at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

A "**Capital Event**" shall occur if there is a change in the regulatory classification of the Subordinated Notes that has resulted or would be likely to result in the Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD IV Regulation) of the Issuer or reclassified as a lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date, (ii) is considered by the Competent Authority to be sufficiently certain and (iii) the Issuer has demonstrated to the satisfaction of the Competent Authority was not reasonably foreseeable at the time of their issuance as required by Article 78(4) CRD IV Regulation.

If Variation or Substitution is specified in the applicable Final Terms and if a CRD IV Capital Event or a Capital Event has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required (but without any requirement for the permission of the Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Noteholders, either substitute all, but not some only, of the Notes or vary the terms of the Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 7(e), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favourable to the Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Subordinated Notes.

Following such variation or substitution the resulting securities shall (1) have a ranking at least

equal to that of the Subordinated Notes, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Subordinated Notes, (3) have the same maturity date and redemption rights as the Subordinated Notes, (4) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution and (6) be listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

In these Conditions:

"**CRD IV Capital Event**" is deemed to have occurred if the whole of the outstanding nominal amount of the Subordinated Notes can no longer be included in full in the Tier 2 capital of the Issuer by reason of their non-compliance with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time;

"**CRD IV**" means together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

"**CRD IV Directive**" 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 from time to time);

"**CRD IV Regulation**" 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 (as amended from time to time);

"**Future Capital Instruments Regulations**" means any regulatory capital rules implementing the CRD IV Regulation or the CRD IV Directive which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Competent Authority, the European Banking Authority or other relevant authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive; and

"**Competent Authority**" means the Dutch Central Bank (*De Nederlandsche Bank N.V.*) (also referred to herein as the DNB) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer.

(f) *Early Redemption Amounts*

Subject to paragraph (j) below, for the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") equal to the product of:
 - (A) the Reference Price; and
 - (B) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where "x" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360, or on such other calculation basis as may be specified in the applicable Final Terms; and
- (iii) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at their nominal amount.

(g) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. If the Subordinated Notes to be purchased are Notes that qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given pursuant to article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRD IV Regulation (or any equivalent or substitute provision under applicable banking regulation), which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and furthermore provided that any such purchase may not take place within 5 years after the Issue Date unless permitted under applicable laws and regulations (including CRD IV as then in effect).

(h) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (g) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(i) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) The date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) Five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders, in accordance with Condition 14.

(j) *Statutory Loss Absorption of Subordinated Notes*

Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution authority) that all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) the Subordinated Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption.

Upon any write down or conversion of a proportion of the outstanding nominal amount of the Subordinated Notes, any reference in these Conditions to principal, nominal amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount of the Subordinated Notes shall be deemed to be to the amount resulting after such write down or conversion.

In addition, subject to the determination by the Resolution Authority and without the consent of the Noteholders, the Subordinated Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework, such as replacement or substitution of the Issuer, transfer of the Subordinated Notes, expropriation of Noteholders, modification of the terms of the Subordinated Notes and/or suspension or termination of the listings of the Subordinated Notes. Such determination, the implementation thereof and the rights of

Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Noteholder shall be entitled to claim any indemnification or payment in respect of any tax or other consequences arising from any such event and that any such event shall not constitute an Event of Default.

In these Conditions:

"Applicable Resolution Framework" means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU 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, or any other resolution or recovery rules which may from time to time be applicable to the Issuer including 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

"Resolution Authority" means the European Single Resolution Board, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) (also referred to herein as the DNB) or such other regulatory authority or governmental body having the power to impose Statutory Loss Absorption on the Subordinated Notes pursuant to the Applicable Resolution Framework.

8. Taxation

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction or any political subdivision or any authority of or in any Relevant Jurisdiction having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will depending on which provision is specified in the applicable Final Terms either:

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal (in the case of Senior Notes only) and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:
 - (i) in the case of Subordinated Notes only, in respect of payment of any amount of principal; or
 - (ii) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of that Noteholder or Couponholder having some connection with a Relevant Jurisdiction other than the mere holding of such Note or Coupon or the receipt of principal or interest in respect thereof; or
 - (iii) presented for payment by or on behalf of a Noteholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(c)).

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. Neither the Issuer, the Paying Agent nor any other person will be required to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, the paying agent or any other party.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

As used herein, "**Relevant Jurisdiction**" in relation to the Issuer means The Netherlands.

9. Prescription

The Notes and Coupons will become void unless claims in respect of principal and /or interest are made within a period of five years after the date on which such payment first became due.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. Events of Default

(a) In relation to Senior Notes only, if any one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing:

- (i) default is made for more than 14 days in the payment of interest or 7 days in the payment of principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 30 days next following the service on the Issuer (as the case may be) of notice requiring the same to be remedied; or
- (iii) if
 - (a) any other indebtedness for borrowed money of the Issuer, being indebtedness for borrowed money amounting in aggregate to at least EUR 75,000,000 or its equivalent in any other currency, either:
 - (i) shall become repayable prior to the due date for payment thereof by reason of default by the Issuer; or
 - (ii) shall not be repaid at maturity as extended by any days of grace permitted by law, any provision of the relevant instrument or any agreement of the parties to such instrument; or
 - (b) any guarantee or indemnity given by the Issuer, in respect of a sum amounting in aggregate to at least EUR 75,000,000 or its equivalent in any other currency, in respect of indebtedness for borrowed money of any party shall not be honoured when due and called upon unless remedied by the Issuer within 15 business days of receipt of a written notice from a borrowing party substantiating a default under a borrowing agreement; or
- (iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction where either:
 - (a) prior consent thereto has been given by an Extraordinary Resolution of the Noteholders; or
 - (b) under which the continuing entity effectively assumes all of the rights and obligations of the Issuer; or
- (v) if:
 - (a) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due; or

- (b) the Issuer is deemed unable to pay its debts pursuant to or for the purposes of any applicable law in its jurisdiction of incorporation or is adjudicated or found bankrupt or insolvent; or
- (vi) if:
 - (a) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws; or
 - (b) an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or a material part of the undertaking or assets; or
 - (c) an encumbrancer takes possession of the whole or a material part of the undertaking or assets of the Issuer; or
 - (d) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of the Issuer and in any such case (other than the appointment of an administrator) is not discharged within 14 days; or
- (vii) if:
 - (a) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws; or
 - (b) the Issuer makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or
 - (c) any meeting is convened to consider a proposal for an arrangement or composition with the creditors generally (or any class of the creditors) of the Issuer;

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(f)) together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) In relation to Subordinated Notes,

(i) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction where either:

- (a) prior consent thereto has been given by an Extraordinary Resolution of the Noteholders; or
- (b) under which the continuing entity effectively assumes all of the rights and obligations of the Issuer; or

(ii) if the Issuer is declared bankrupt,

this will constitute an event of default in respect of Subordinated Notes. Subject to the Issuer obtaining prior written permission from the Competent Authority in the case of Subordinated Notes qualifying as Tier 2 Notes (provided that at the relevant time such permission is required), then any Noteholder of Subordinated Notes may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Subordinated Note(s) held by such Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe; and
- (iii) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

14. Notices

- (a) *Notes in Global Form*: so long as any Tranche of Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Noteholders of that Tranche will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to the accountholders in respect of the relevant Notes. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in the European Union (which is expected to be the Financial Times). Notices to Noteholders of any Tranche may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the applicable Final Terms for this purpose.
- (b) *Notes admitted to Listing, Trading and/or Quotation*: so long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Noteholders of that Tranche will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if:
 - (i) in the case a Tranche of Notes admitted to listing and trading on Euronext Amsterdam (so long as such Notes are admitted to listing and trading on Euronext Amsterdam and any applicable laws, rules or regulations so require), published in such manner as may be required by applicable laws, rules and regulations from time to time; and/or
 - (ii) in the case of a Tranche of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by applicable laws, rules and regulations from time to time;
- (c) *In any other cases*: where both Condition 14(a) and Condition 14(b) are inapplicable, notices will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the European Union (which is expected to be the Financial Times).
- (d) *General*

For the avoidance of doubt, where both Condition 14(a) and Condition 14(b) apply, notices must be given in the manner specified in Condition 14(a) and in the manner specified in Condition 14(b) in order to be deemed to have been validly given. Any notice given in accordance with Condition 14(a) or Condition 14(b) above will be deemed to have been validly given on the date and time of first such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners). Couponholders will be deemed for all purposes to have notice of the contents of any notice validly given to Noteholders in accordance with this Condition 14 (*Notices*).

(e) *Notices by Noteholders*

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of Notes in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes and Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (iii) in accordance with Condition 7(e), substitution of the Subordinated Notes or variation of the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Any amendment to Condition 7(j) or any other amendment which otherwise impacts the eligibility of the Subordinated Notes for eligibility as Tier 2 Notes is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (provided that, at the relevant time, such permission is required).

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall

be consolidated and form a single Series with the outstanding Notes.

17. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes and the Coupons and any non-contractual obligation arising out of or in connection thereto, are governed by, and shall be construed in accordance with, the laws of The Netherlands including the choice of court agreement as set out below.

The Issuer submits for the exclusive benefit of the Noteholders and the Couponholders to the jurisdiction of the courts of Amsterdam, The Netherlands, judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes and the Coupons may be brought in any other court of competent jurisdiction (including any proceedings relating to any non-contractual obligations arising out of or in connection thereto).

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

LeasePlan Corporation N.V.

Legal Entity Identifier (LEI): 724500C60L930FVHS484

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

**under the EUR 15,000,000,000
Debt Issuance Programme**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

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

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") in the Base Prospectus dated 20 March 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available, free of charge, from the office in London of Deutsche Bank AG, London Branch in its capacity as Issuing and Principal Paying Agent and on the investors section of the Issuer's website <https://www.leaseplan.com>. Any information contained in or accessible through any website, including <https://www.leaseplan.com>, does not form part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in the

Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Terms and Conditions of the Notes (the "**Conditions**") in the Base Prospectus dated [original date] [as supplemented by a supplement dated [date]] which are incorporated by reference in the Base Prospectus dated 20 March 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [current date], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [as supplemented by a supplement dated [date]] and are attached hereto.] Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date]. The Base Prospectus is available, free of charge, from the office in London of Deutsche Bank AG, London Branch in its capacity as Issuing and Principal Paying Agent and on the investors section of the Issuer's website <https://www.leaseplan.com>. Any information contained in or accessible through any website, including <https://www.leaseplan.com>, does not form part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in the Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.] *[The Base Prospectus with the 'original date' must be approved by the competent authority pursuant to the Prospectus Directive.]*

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU), and includes any relevant implementing measures in the Relevant Member State.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such final terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | | |
|----|-------|--|---|
| 1. | (i) | Issuer: | LeasePlan Corporation N.V. |
| 2. | (i) | Series Number: | [] |
| | (ii) | Tranche Number: | [] |
| | (iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert earlier Tranches] on [[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below [which is expected to occur on or about [insert date]].] |
| 3. | | Specified Currency or Currencies: | [] |
| 4. | | Aggregate Nominal Amount: | |
| | – | Series: | [] |
| | – | Tranche: | [] |
| 5. | | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |

6. (i) Specified Denominations: []
 [[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000].]
(All Notes will have a minimum Specified Denomination of at least EUR 100,000 (or its equivalent in any other currency)).
- (ii) Calculation Amount: [] *(If only one Specified Denomination, the Specified Denomination. If more than one Specified Denomination insert the largest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (i) Issue Date: []
 (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
8. Maturity Date: [Fixed rate – specify date/ Floating rate/CMS-Linked rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[specify Reference Rate] +/- [] per cent. Floating Rate]
 [CMS-Linked Interest Notes]
 [Zero Coupon]
 (See paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
 (further particulars specified below)
11. Change of Interest Basis: [In respect of the period from (and including) the Interest Commencement Date up to (but excluding) [•], [[•] per cent. per annum Fixed Rate / [specify Reference Rate] +/- [] per cent. per annum Floating Rate] and from (and including) [•] up to (but excluding) [•], [[•] per cent. per annum Fixed Rate / [specify Reference Rate] +/- [] per cent. per annum Floating Rate] (see paragraphs 14 and 15 for further details)/Not Applicable]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(See paragraph [14/15/16] below)]
13. (i) Status of the Notes: [Senior Notes / Subordinated [Tier 2] Notes]
 [(ii)] [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [from (and including) [] up to (but excluding) [] [the aggregate of [] per cent. and the Mid Swap Rate per annum] payable in arrear on each Interest Payment Date
- ["Mid Swap Rate" means the [semi-] annual mid swap rate for [Euro][U.S. Dollar] swap transaction with a maturity of [•] years, expressed as a percentage, displayed on Bloomberg ICAE screen page [•] (or such other page as may replace that page on Bloomberg, or such other service as may be designated by the [Managers]/[Dealer] in consultation with the Issuer) at [•] [a.m./p.m.] ([•] time) on the [second] Business Day prior to [•].]
- (ii) Interest Payment Date(s): [] in each year [up to and including the Maturity Date] [in each case subject to adjustment in accordance with the [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [and [] as Additional Business Centre(s) for the definition of "Business Day"][, Unadjusted]]
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []/Not Applicable]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (vi) [Determination Dates: [[] in each year/ Not Applicable]
(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (vii) Reference Rate Determination: [Yes/No]
– Reference Rate Replacement: [Applicable/Not Applicable]
(Only applicable in case of Fixed Rate Notes that are subject to a reset.)
15. **Floating Rate/CMS-Linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period/Specified Interest Payment Dates: []
- (ii) Specified Interest Payment Date: [Not Applicable/[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/ not subject to any adjustment as the Business Day Convention set out in (iv) below is specified to be Not Applicable]
- (iii) First Interest Payment Date: []

- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (v) Unadjusted: [No/Yes/Not applicable]
(Only applicable in case a Business Day Convention applies. Insert "No" if the amount of interest payable in respect of the relevant Interest Period should also be adjusted in accordance with the applicable Business Day Convention. Insert "Yes" if the amount of interest should be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the applicable Business Day Convention.)
- (vi) Additional Business Centre(s): [specify/Not Applicable]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/CMS Rate]
- (viii) Screen Rate Determination: [Yes/No]
- Reference Rate: [for example, LIBOR or EURIBOR]
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate due to the fallback provisions in the Conditions)
 - Relevant Time: [For example, 11.00 a.m. London time (in case of LIBOR)/Brussels time (in case of EURIBOR)]
 - Relevant Financial Centre: [For example, London (in case LIBOR)/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)(in case of EURIBOR)]
 - Reference Rate Replacement: [Applicable/Not Applicable]
- (ix) ISDA Determination: [Yes/No]
- ISDA Definitions [2000 ISDA Definitions/2006 ISDA Definitions]
 - Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (x) CMS-Linked Interest Notes [Yes/No]

–	Reference Rate:	[CMS Reference Rate] / [CMS Steepener Rate] / [Leveraged CMS Reference Rate] / [CMS Reference Rate Spread] / [Leveraged CMS Reference Rate Spread] applies
–	Period End Dates:	[•] in each year [as adjusted] in accordance with the Business Day Convention [unadjusted]
–	Designated Maturity:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
–	Reference Currency:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
–	Relevant Screen Page:	ISDAFIX[•][For [CMS Rate 1: ISDAFIX[•] and for CMS Rate 2 ISDAFIX[•]]
–	Interest Determination Date(s):	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
–	Specified Time:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
–	Leverage 1:	[•]
–	Leverage 2:	[•]
–	Reference Currency Mid-market	[•]

(xi) Margin(s): [+/-] [] per cent. per annum

(xii) Minimum Rate of Interest: [] per cent. per annum

(xiii) Maximum Rate of Interest: [] per cent. per annum

(xiv) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)]

16. Zero Coupon Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) [Amortisation / Accrual] Yield: [] per cent. per annum

(ii) Reference Price: []

(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Actual/Actual (ISDA)
Actual/365 (Fixed)
/Actual/365(Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
18. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
19. Regulatory Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Minimum percentage of the outstanding nominal amount of the Notes for the purposes of Condition 7(e): [100 per cent./specify other]
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): [] days
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
20. Final Redemption Amount of each Note: [] per Calculation Amount
21. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default: []
22. Variation or Substitution: [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event [, and in respect of global Notes deposited with Euroclear Netherlands only in the limited circumstances as described in the Securities Giro Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands].]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date, which only applies to Temporary Global Notes which have a denomination which does not consist of a Specified Denomination with integral multiples thereof.]
[Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event[, and in respect of global Notes deposited with Euroclear Netherlands only in the limited circumstances as described in the Securities Giro Act (*Wet giraal effectenverkeer*)].]
24. New Global Note Form: [Applicable/Not Applicable]
25. Additional Financial Centre(s): [Not Applicable/ give details] (Note that this item relates to the place of payment and not interest periods for the purpose of calculating the amount of interest to which item 15(vi) relates)
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]
27. Redenomination: [Not Applicable/The provisions in Condition 4 apply]
28. Whether Condition 8 (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8(b) and Condition 7(b) of the Notes apply: [Condition 8(a) applies and Condition 7(b) does not apply/Condition 8(b) and Condition 7(b) apply]
29. Calculation Agent: [Not Applicable/give details]
30. Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][*appears*]/[*does not appear*]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation (Regulation (EU) 2016/1011)]/[Not Applicable]

[THIRD PARTY INFORMATION]

[(Relevant third party information) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Amsterdam / official list of the Luxembourg Stock Exchange/ other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [] with effect from [].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: The Notes to be issued [have [not] been / are expected to be] rated:
[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]
[Not Applicable.]
[and endorsed by [insert details including full legal name of credit rating agency/ies]]

Insert one (or more) of the following options, as applicable:

[[*Insert full legal name of credit rating agency/ies*] [is]/[are] established in the EEA and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]]. [[*Insert full legal name of credit rating agency/ies*] [is]/[are] established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**.) [[*Insert full legal name of credit rating agency/ies*] [is]/[are] not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").]

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

(Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. [REASONS FOR THE OFFER

Reasons for the offer:

[]

(See "Use of Proceeds" wording in Base Prospectus – if the reasons for the offer are different from general corporate purposes (including making profit and/or hedging certain risks) include those reasons here. In case Green Bonds are issued, the category and prescribed eligibility criteria of the Green Projects must be specified.)

5. [Fixed Rate Notes only – YIELD

Indication of yield:

[]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. OPERATIONAL INFORMATION

ISIN Code:

[]

Common Code:

[]

CFI:

[]

FISN:

[]

Other relevant code:

[]

Debt Issuance Programme Number: 004439

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):

[Not Applicable/give name(s), address(es) and number(s)]

[If Euroclear Netherlands is selected, and in item 23 Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date is selected, further legal advice is required.]

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

[]

Names and addresses of additional Paying Agent(s) (if any):

[]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes.

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

If syndicated, names of Managers:

[Not Applicable/*give names*]

Stabilisation Manager(s) (if any):

[Not Applicable/*specify*]

If non-syndicated, name of Dealer:

[Not Applicable/*give name*]

U.S. Selling Restrictions:

[Reg. S Compliance Category []; TEFRA C/TEFRA D/ TEFRA not applicable]

USE OF PROCEEDS

Except as otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes described herein will be applied by the Issuer for its general corporate purposes (which include making a profit and/or hedging certain risks). If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms if so required pursuant to applicable law.

In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for projects and activities that promote climate and other environmental purposes ("**Green Projects**"). Such Notes may also be referred to as "Green Bonds". If such Green Bonds will be issued, the applicable Final Terms will specify the category and prescribed eligibility criteria of Green Projects that will be used for the proceeds of the Green Bonds.

DESCRIPTION OF LEASEPLAN CORPORATION N.V. ("LPCorp")

INTRODUCTION

LPCorp was incorporated by notarial deed of 27 February 1963 as a public limited liability company (*naamloze vennootschap*) under the laws of The Netherlands, for an indefinite period. LPCorp is registered with the Trade Register of the Dutch Chamber of Commerce under number 39037076. LPCorp has its statutory seat in Amsterdam, The Netherlands and its registered office at Gustav Mahlerlaan 360, 1082 ME Amsterdam, The Netherlands. The general telephone number of LPCorp is: +31 20 709 3000.

LPCorp is a bank and is authorised by the DNB to pursue the business of a bank in The Netherlands in accordance with Article 2.11 of the FMSA. It holds shares in the respective legal entities that have been established in the various countries where LeasePlan is active. LPCorp is actively managing this international network of operating entities. In the areas of (among other things) procurement, IT development, marketing & product development, human resources, operations, car remarketing and risk management an internationally harmonised and coordinated strategy is pursued. As LPCorp is operating in many countries, its contractual obligations are subject to the laws of differing jurisdictions. Throughout this section LeasePlan is used as reference to the group of companies which is headed by LPCorp as common shareholder, and which has common business characteristics.

On 21 March 2016, the Issuer announced the completion of the acquisition of all of its shares from Global Mobility Holding B.V. by LP Group B.V. Following the acquisition, TDR Capital (United Kingdom), sovereign wealth funds ADIA (United Arab Emirates) and GIC (Singapore), pension funds PGGM (The Netherlands) and ATP (Denmark) and Broad Street Investments indirectly own 100 per cent. of the Issuer's issued and outstanding share capital. The total value of the transaction amounted to approximately € 3.7 billion. The acquisition has been financed with an equity investment of approximately half of the total purchase price, a mandatory convertible note of € 480 million and an offer of notes comprising of euro-denominated senior secured notes due 2021 and U.S. dollar-denominated senior secured notes due 2021 in total amounting to approximately € 1.6 billion. None of the debt raised to finance the acquisition has been borrowed by the Issuer and the Issuer is not responsible for the repayment of such debt. LP Group B.V. plans to maintain the Issuer's diversified funding strategy going forward, supported by its investment grade rating. The members of the Supervisory Board associated with the Issuer's former (indirect) shareholders have resigned and new members have been appointed. The Supervisory Board now consists of seven members, five of which are independent. Two members of the Supervisory Board, Mr E.J.B. Vink and Mr M. Dale, are associated with the consortium of shareholders as they have been appointed as Supervisory Board members while continuing to hold positions within PGGM and investment funds managed by TDR Capital, respectively, which are beneficial (indirect) shareholders of the Issuer.

As at 31 December 2018, the Issuer's group employed 7,158 total average FTE's and its serviced fleet comprised 1.822 million vehicles of various brands worldwide. As at 31 December 2018, the total book value of leases and lease receivables was € 20.4 billion.¹

PROFILE

LeasePlan is a global fleet management and driver mobility provider. LeasePlan operates in more than 30 countries across Europe, North and South America and the Asia-Pacific region and holds a leading market position based on total fleet size in the majority of LeasePlan's markets². LeasePlan offers a comprehensive portfolio of fleet management solutions covering vehicle acquisition, leasing, insurance, full-service fleet management, strategic fleet selection and management advice, fleet funding, ancillary fleet and driver services and car remarketing. It capitalises on its status as a bank by centrally supporting the group's financing activities. Euro Insurances, LeasePlan's own insurance subsidiary, supports the insurance solutions offered by the group companies as part of their integrated service offer. The group

¹ A total of "Property and equipment under operating lease and rental fleet" and "Amounts receivable under finance lease contracts".

² Sources: LeasePlan country data and analysis; data from local leasing and/or rental associations and external research agencies.

companies rank among the major players³ in their respective local markets, and many are market leader in terms of fleet size⁴.

The Group operates two businesses. The first, the Car-as-a-Service (CaaS) business purchases, funds and manages new vehicles for its customers, providing a complete end-to-end service for typical contract duration of three to four years. The second business, CarNext.com, is a pan-European digital marketplace for high quality used cars seamlessly delivering any car, anytime, anywhere and is supplied with vehicles from the Group's own fleet as well as third-party suppliers.

LeasePlan purchases, funds and manages vehicles for its customers, providing a complete end-to-end service through its CaaS business for a typical contract duration of three to four years. At the termination of the initial lease contracts, LeasePlan seeks to maximise the value of vehicles coming off contract by selling them through the most profitable channel or, increasingly, by re-leasing the used vehicles through its used car platform, CarNext.com.

LeasePlan launched LeasePlan Bank in 2010, an online savings bank in The Netherlands and as at September 2015, Germany aimed at retail clients. LeasePlan Bank attracted deposits of around EUR 6.40 billion by the end of 2018 and 154,000 retail accounts.

LeasePlan is one of the few organisations with the broad geographical presence necessary to offer a global service in vehicle leasing and fleet and vehicle management to large multinational companies. LeasePlan International B.V., a subsidiary of LPCorp plays an important role in sales and marketing of cross border services and manages the accounts of large international customers worldwide.

LPCorp's long term credit ratings are: BBB- (stable outlook) from S&P, Baa1 (stable outlook) from Moody's and BBB+ (stable outlook) from Fitch.

SHAREHOLDERS

LP Group B.V. is the sole shareholder of LeasePlan Corporation N.V. LP Group B.V. is held by, among others, TDR Capital, sovereign wealth funds: ADIA and GIC and pension funds: PGGM and ATP. None of the shareholders of LP Group B.V. has a(n indirect) controlling interest in LeasePlan Corporation N.V.

CREDIT INSTITUTION AND RISK WEIGHTING

LPCorp is a licensed bank (under Article 2:11 of the FMSA) in The Netherlands. This license was granted by the DNB in September 1993.

As from 1 January 2014, LPCorp is subject to CRD IV. This causes material changes in the measurement of both the common equity tier 1 capital ("**CET 1 Capital**") and the total risk exposure amounts.

The increase of the CET 1 Capital from EUR 2.849 billion as per the end of December 2017 to EUR 3.031 billion as per 31 December 2018 is the result of the inclusion of the eligible result for the financial year 2018, partially offset by dividend, increased other reserves and regulatory adjustments.

The total risk exposure amount increased from EUR 15.7 billion as per 31 December 2017 to EUR 16.6 billion at the end of 2018 under the advanced and standardised approaches that LPCorp uses for its CRD IV solvency calculations. This increase is mainly due to the increase of the lease contract portfolio.

The CET 1 Capital ratio increased from 18.1 per cent. as per 31 December 2017 to 18.3 per cent. as per 31 December 2018 which remains in excess of both the internal targets and minimum requirements by the DNB.

MANAGING BOARD

The Managing Board of LPCorp currently consists of the following members:

Name	Born	Title	Member of Managing Board since
Tex Gunning	1950	Chairman and Chief Executive Officer	2016
Yolanda Paulissen	1969	Chief Strategic Finance and Investor Relations Officer	2017

³ Sources: LeasePlan country data and analysis; data from local leasing and/or rental associations and external research agencies.

⁴ Sources: LeasePlan country data and analysis; data from local leasing and/or rental associations and external research agencies.

Name	Born	Title	Member of Managing Board since
Franca Vossen	1972	Chief Risk Officer	2017

Since 7 November 2018, the Managing Board has had a vacancy for the position of the Chief Financial Officer. Toine van Doremalen (SVP Corporate Control) is acting as interim Chief Financial Officer and is directly reporting to the Managing Board.

Outside their function in LPCorp, the Managing Board members' principal activities consist of holding several executive and non-executive board memberships.

The Issuer is aware of the fact that each Managing Board member indirectly holds shares through Stichting Administratiekantoor Gewone Aandelen Lincoln Participation Manco, which is a beneficial (indirect) shareholder of the Issuer. Other than these circumstances, the Issuer is not aware of any potential conflicts of interest between any duties to the Issuer and the private interests and/or other duties of the Managing Board members of LPCorp. The Managing Board members avoid any form of conflicting interest in the performance of their duties. The Issuer's Articles of Association provide that where a Managing Board member has a direct or indirect personal conflict of interests with LPCorp or the enterprise connected with it, he/she shall not participate in deliberations and the decision making process with respect to such matter. If as a result thereof the Managing Board is incapable of adopting a resolution the decision shall be referred to and adopted by the Supervisory Board. Further rules with respect to conflicts of interests have been adopted separately in the Managing Board regulations.

Pursuant to the Dutch Corporate Governance Decree of 20 March 2009 implementing further accounting standards for annual reports ("*Besluit Corporate Governance*") and based on the listing of LPCorp debt securities issued on regulated markets in the EU, LPCorp is subject to the lighter regime under the Corporate Governance Decree, pursuant to which the Corporate Governance Statement in the annual report (directly or incorporated by reference) must contain information on the main features of LPCorp's internal control and risk management system in relation to the financial reporting process of LPCorp and its group companies. In addition thereto, the Corporate Governance Statement also requires information be contained about LPCorp's diversity policy with respect to the composition of its Managing Board and its Supervisory Board. LPCorp is obliged to specify the objectives of the policy, how the policy has been carried out and the results thereof in the last financial year. In the event LPCorp has not implemented a diversity policy, it has to disclose the reasons why not in the statement. The Corporate Governance Report in the 2018 annual report contains information on the main features of the internal control and risk management system in relation to the financial reporting process of the company and their group companies.

SUPERVISORY BOARD

M. Dale

Founder of TDR Capital.

A. van Hövell-Patrizi

CRO and member of the management board of Aegon N.V.

S. van Schilfgaarde

CEO and member of the Management Board of Royal FloraHolland.

H. von Stiegel

Executive Chairperson of Ariya Capital Group Ltd., Chairperson of Women Corporate Directors Kenya, member of the board of the London Metal Exchange and Britam Asset Managers (K) Limited.

J.B.M. Streppel, Chairman

Non-executive director of RSA Insurance Group plc; deputy councilor of the Enterprise Chamber of the Amsterdam Court of Appeals; member of the Supervisory Board of Stichting Arq; Chairman of the Foundation Continuity Philips Lighting N.V. and a member of the advisory board of Van Lanschot Kempen N.V.

E.J.B. Vink

Head of Private Equity at PGGM.

Mr E.J.B. Vink and Mr M. Dale have been appointed as Supervisory Board members while continuing

to hold positions within PGGM and investment funds managed by TDR Capital, respectively, which are beneficial (indirect) shareholders of the Issuer. In addition, Mr M. Dale, or entities in which he has a beneficial interest, are investors in investments funds managed by TDR Capital and hold certain profit entitlements in respects of such investment funds. Other than these circumstances, the Supervisory Board members avoid any form of conflicting interest in the performance of their duties. The Issuer's Articles of Association provide that where a Supervisory Board member has a direct or indirect personal conflict of interests with the Issuer or the enterprise connected with it, he/she will not participate in the deliberations and the decision making process with respect to such matter. The other Supervisory Board members will deliberate and take the decision. If the Supervisory Board is incapable of adopting a resolution the decision shall be referred to and adopted by the Issuer's general meeting, except however that if the quorum referred to under Article 20 paragraph 2 (ii) of the Articles of Association of the Issuer cannot be reached, all Supervisory Board members may resolve by unanimous vote that the Supervisory Board comprising of only the members who are not conflicted shall remain capable of adopting the resolution by absolute majority without a quorum being required. Further rules with respect to conflict of interests have been adopted separately in the Supervisory Board Regulations.

The chosen address of the members of the Supervisory Board and the Managing Board is the registered office of LPCorp.

A seventh Supervisory Board member is in process of being appointed.

CAPITALISATION

The following table sets out the capitalisation of LPCorp at the dates specified below (before profit appropriation).

	31 December	
	2018	2017
<i>thousands of euros</i>		
Capital and reserves	2,912	2,757.4
Net results	423.6	466.6
Shareholders' equity	3,335.6	3,224.0
Minority interests	0	0

RECENT DEVELOPMENTS

Any material press release, or any summary thereof, issued by LPCorp can be obtained at the registered office of LPCorp at Gustav Mahlerlaan 360, 1082 ME Amsterdam, The Netherlands and from the website of LPCorp at <http://www.leaseplan.com>. Information on the above mentioned website does not form part of this Base Prospectus and may not be relied upon in connection with any decision to invest in the Notes.

Set forth below are the principal recent developments in the business of LPCorp since 31 December 2018:

- **Dividend distribution:** LeasePlan, supported by its shareholders, has decided that no final dividend will be paid for 2018 in order to further strengthen the company's capital position, to fund investments in initiatives such as digital and CarNext.com and to compensate for expenses related to 2018 strategic initiatives such as the IPO preparation.
- **Initial Public Offering:** In October 2018, LPCorp cancelled its IPO plans due to market conditions. Various strategic alternatives continue to be explored but LPCorp currently does not envisage an IPO in the near future.
- **Strategy:** LeasePlan is currently in the process of implementing its new strategy, which includes the following initiatives:

Zero Emissions Strategy

LeasePlan aims to take a leadership role in the transition from internal combustion engines to alternative powertrains. LeasePlan has therefore set itself the ambitious goal of achieving net zero emissions from its total fleet by 2030, supporting the effective implementation of the Paris Agreement and climate-related Sustainable Development Goals. And to lead by example, LeasePlan aims to transition its own employee fleet to an electric vehicle fleet by 2021. To help

customers in the transition, LeasePlan will educate on what is next in low-emission vehicles and facilitate the uptake of low-emission vehicles with attractive customer propositions, including charging infrastructure. To further support its sustainability ambitions, LeasePlan became a founding partner of EV100, a new global business initiative designed to fast-track the uptake of electric vehicles and infrastructure among large global corporations, launched by The Climate Group around the UN General Assembly in September 2017. In 2018, LeasePlan was one of the co-founders of the Zero Emission Vehicle (ZEV) Challenge, a global coalition to speed up the transition to electric mobility. The ZEV Challenge is organised by The Climate Group and C40. It aims to bring together states, regions, cities, businesses and NGOs to send a clear signal to the automotive industry: the demand for electric vehicles (EVs) is increasing. In addition, under an exclusive partnership, LeasePlan will provide operational leasing solutions for SAIC's Maxus zero emission electric LCVs in continental Europe. Our new partnership with SAIC will enable us to serve the growing need for zero emission LCVs. The CO2 performance of LeasePlan's serviced fleet is continuously improving.

CarNext.com

LeasePlan is currently reviewing various strategic alternatives with respect to CarNext.com. As part of this strategic review, LeasePlan may decide to separate CarNext.com as an asset light, commission-based online sales platform, whereby LeasePlan and other third party vendors would sell their used cars via the CarNext.com platform. The review is still in a preliminary stage and no decisions have yet been reached.

- **Green Bond:** In March 2019, LeasePlan issued its inaugural Green Bond, being a EUR 500 million 5 year senior unsecured transaction.
- **Regulatory Capital:** LeasePlan is continuously monitoring and reviewing its regulatory capital position under the applicable regulatory framework in light of its strategic objectives. Options LeasePlan is actively evaluating include the issuance of hybrid capital (for example additional tier 1 and/or tier 2 instruments) by LeasePlan Corporation N.V.

FINANCIAL STATEMENTS OF LEASEPLAN CORPORATION N.V.

The consolidated financial statements of LPCorp for the years ended 31 December 2017 and 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and with Dutch law.

TAXATION

I TAXATION IN THE NETHERLANDS

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note, Coupon or Talon and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. For the purpose of this summary the term "Note" includes any Coupon or Talon.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a holder of a Note, being an individual or a non-resident entity, does not have nor will have a substantial interest (aanmerkelijk belang) or – in the case of such holder being an entity – a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the holder has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company. Generally, an entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to "The Netherlands" or "Dutch", it refers only to the European part of the Kingdom of The Netherlands.

Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note or otherwise being regarded as owning a Note for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settler, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note, Coupon or Talon.

1. Withholding Tax

All payments of principal and interest by the Issuer under the Notes can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Notes have a maturity that does not exceed 50 years.

2. Taxes on Income and Capital Gains

Residents

Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates (up to 25 per cent. in 2019).

Resident individuals

An individual holding a Note who is, or is deemed to be, resident in The Netherlands for Dutch income tax purposes will be subject to Dutch income tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates (up to 51.75 per cent. in 2019) if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, such individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. For 2019, the deemed return ranges from 1.94 per cent. to 5.60 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). The applicable rates will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (30 per cent. in 2019)

Non-residents

A holder of a Note which is not and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

3. Gift or Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

4. Value Added Tax

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue or acquisition of a Note, payments of principal or interest under a Note or payments in consideration for a disposal of a Note.

5. Other Taxes and Duties

There is no Dutch registration tax, stamp duty, or any other similar tax or duty payable in The Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of a Note or the performance of the Issuer's obligations under a Note.

6. Residence

A holder of a Note will not be and will not be deemed to be resident in The Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

II LUXEMBOURG TAXATION

The following information is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This information is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.

A holder of the Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

All payments of interest (including accrued but unpaid interest) and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended (the "**Law**") which provides for a 20 per cent. withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Law) paid by a paying agent within the meaning of the Law established in Luxembourg to or for the immediate benefit of an individual Luxembourg resident for tax purposes who is the beneficial owner of such payment. When the paying agent is established in Luxembourg, the responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

In addition, pursuant to the Law, Luxembourg resident individuals who are the beneficial owners of savings income paid or ascribed by paying agents located in a Member State of the European Union other than Luxembourg or a Member State of the European Economic Area can opt to self declare and pay a 20 per cent. tax on these savings income. In this case, the responsibility for the declaration and payment of the tax is assumed by the individual resident beneficial owner of the interest or similar income.

The 20 per cent. withholding tax as described above or the 20 per cent. tax are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

III The Proposed financial transactions tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate and on 16 March 2016 it completed the formalities required to leave the enhanced co-operation on FTT.

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

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

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement dated 20 March 2019 (such agreement, as further amended, restated and/or supplemented, the "**Programme Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme. The Programme Agreement provides that the obligation of any Dealer to subscribe for Notes under any such agreement is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes.

United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes 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 a United States person, except in certain transactions permitted by United States tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has severally represented and agreed and each further Dealer appointed under the Programme will be required to severally represent and agree that, except as permitted by the Programme Agreement, and as described below, it will not offer, sell or deliver the Notes of any Series (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified by such Dealer (or, in the case of a sale of Notes to one or more dealers on a syndicated basis, by the Dealer acting as lead manager), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting 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. Each Dealer has represented and agreed that neither it, its affiliates (as defined in Rule 405 of the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

In respect of Bearer Notes where TEFRA D is specified in the applicable Final Terms, each relevant Dealer represents, undertakes and agrees that:

- (a) except to the extent permitted under United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period it will not offer or sell, any Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;
- (b) it has, and throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury regulation section including, without limitation,

regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010);

- (d) with respect to each affiliate that acquires Bearer Notes from it for the purpose of offering or selling such Notes during the restricted period, it repeats and confirms the representations and agreements contained in clauses (a), (b) and (c) on such affiliate's behalf or agrees that it will obtain from such affiliate for the benefit of the Issuer, the representations, undertakings and agreements contained in clauses (a), (b) and (c); and
- (e) each Dealer agrees that it will obtain from any distributor (within the meaning of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer, for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of clauses (a), (b), (c), (d) and (e) as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Final Terms, each relevant Dealer represents, undertakes and agrees that:

- (a) it understands that under United States Treasury Regulation Section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**"), Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance;
- (b) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Bearer Notes within the United States or its possessions in connection with the original issuance of the Bearer Notes; and
- (c) in connection with the original issuance of the Bearer Notes it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such prospective purchaser or such Dealer is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of the Bearer Notes.

Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder, including the C Rules.

Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell and deliver Notes only in compliance with any applicable additional selling restrictions.

Prohibition of Sales to EEA Retail Investors

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

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2016/97/EU (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU, the "**Prospectus Directive**"); and

- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

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

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of or otherwise in compliance with all applicable laws, regulations and ministerial guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan as defined under item 5, Paragraph 1, article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended).

The Netherlands

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended). No such mediation is required in respect of (a) the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (b) the transfer and acceptance of Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in the Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987, attached to the Royal

Decree of 11 March 1987, (*Staatscourant* 129) (as amended), each transfer and acceptance should be recorded in a transaction Note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Notes. For the purposes of this paragraph "Zero Coupon Notes" means Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer 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 a solicitation 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 regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus or of any other document relating to the Notes in the Republic of Italy, except:

- (i) to "qualified investors" (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Luxembourg

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless:

- (i) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") pursuant to (i) part II of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended which implements the Prospectus Directive or (ii) any Luxembourg law applying Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") (as applicable, the "**Luxembourg Prospectus Law**"), if Luxembourg is the home Member State as defined under the Luxembourg Prospectus Law; or
- (ii) if Luxembourg is not the home Member State as defined under the Luxembourg Prospectus Law, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Directive or the Prospectus Regulation, as applicable, and with a copy of the said prospectus; or
- (iii) the offer of the Notes benefits from an exemption from or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg Prospectus Law.

Republic of France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions

have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*prestataires de service d'investissement de gestion de portefeuille pour le compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus or (only in case of Notes which are not being offered to the public in a Relevant Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) and not admitted to trading on a regulated market within the meaning of the Prospectus Directive in a Relevant Member State) in the relevant Final Terms.

GENERAL INFORMATION

Authorisation

The continued establishment of the Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Managing Board of LPCorp of 21 February 2019. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer have been given for the issue of Notes and for the Issuer to undertake and perform their obligations under the Programme Agreement, the Agency Agreement and the Notes.

Listing

Application may be made for the Notes to be issued under the Programme to be admitted to trading on Euronext or on the regulated market of the Luxembourg Stock Exchange (Bourse de Luxembourg) and any other regulated market within the EEA as specified in the applicable Final Terms.

For listing purposes, the Luxembourg Stock Exchange has allocated the number 004439 to the Programme.

Documents Available

For the period of twelve (12) months following the publication of this Base Prospectus, copies of the following documents will, when published, be available free of charge during normal office hours from the registered offices of the Issuer and from the specified office of the Agent:

- (i) the articles of association (*statuten*) of the Issuer and an English translation thereof;
- (ii) the publicly available audited consolidated and unconsolidated annual financial statements (including the auditor's reports thereon) for the two most recent financial years of LPCorp and the most recently publicly available unaudited interim financial statements of LPCorp (in English);
- (iii) the Programme Agreement and the Agency Agreement (which contains the forms of the temporary and permanent global Notes, the Definitive Notes, the Coupons and the Talons);
- (iv) a copy of this Base Prospectus and any further prospectus or prospectus supplement prepared by the Issuer for the purpose of updating or amending any information contained herein or therein; and
- (v) the Final Terms for each Tranche of Notes which are admitted to trading on a regulated market.

Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and the Clearnet S.A. Amsterdam Branch Stock Clearing. The appropriate common code and ISIN code for each Tranche allocated by Euroclear, Clearstream, Luxembourg and the Clearnet S.A. Amsterdam Branch Stock Clearing, and any other relevant security code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

Significant or Material Change

There has been no significant change in the financial position of the Issuer, or the Issuer and the group of companies headed by the Issuer taken as a whole, and there has been no material adverse change in the prospects of the Issuer, or the Issuer and the group of companies headed by the Issuer taken as a whole since 31 December 2018.

Litigation

The Issuer is not aware of any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) in the twelve (12) months preceding the date of this Base Prospectus, which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer or the Issuer and the group of companies headed by the Issuer taken as a whole.

Auditors

KPMG has audited LPCorp's financial statements in accordance with generally accepted auditing standards in The Netherlands for the financial years ended 31 December 2017 and 31 December 2018 and issued unqualified independent auditor's reports thereon.

The KPMG auditor who signed the financial statements on behalf of KPMG is a member of the Dutch Professional Organisation of Accountants (*Nederlandse Beroepsorganisatie van Accountants*). KPMG's business address is Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands.

KPMG is governed by Dutch law in the Netherlands and is subject to inspection by the AFM. The AFM has granted KPMG a license to perform financial statement audits of public interest entities.

KPMG has given its consent to the inclusion in the Base Prospectus of the incorporation by reference of their independent auditor's reports.

Post-Issuance Information

Other than in relation to Green Bonds, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 724500C60L930FVHS484.

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Registered office of the Issuer

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Paying agent

ABN AMRO Bank N.V.

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To the Dealers in The Netherlands

Allen & Overy LLP

Apollolaan 15
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Auditor

KPMG Accountants N.V.

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The Netherlands

Amsterdam listing agent

ABN AMRO Bank N.V.

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The Netherlands

Arranger

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10
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The Netherlands

Dealers

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