



1 May 2020

Koninklijke KPN N.V.

(Incorporated in The Netherlands as a public limited company with its corporate seat in Rotterdam)

Global Medium Term Note Programme

Under the Global Medium Term Note Programme (the **Programme**) described in this prospectus (the **Prospectus**), Koninklijke KPN N.V. (the **Issuer**, which expression shall include any Substituted Debtor (as defined in Condition 16), the **Company** or **KPN**) may from time to time issue notes (the **Notes**, which expression shall include Senior Notes and Subordinated Notes (each as defined below)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). Subject as set out herein, the Notes will not be subject to any maximum maturity but will have, in the case of Senior Notes, a minimum maturity of one month.

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.

This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The period of validity of this Prospectus is up to (and including) 12 months from the date of the approval of this Prospectus. This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA) or in the United Kingdom.

Application has been made to Euronext Amsterdam N.V. for Notes issued under the Programme up to the expiry of 12 months from the date of this Prospectus to be admitted to trading on Euronext in Amsterdam (**Euronext Amsterdam**). The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

References in this Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading and listing on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU (the Markets in Financial Instruments Directive). In addition, Notes issued under the Programme may be listed or admitted to trading, as the case may be, on any other stock exchange or market specified in the applicable Final Terms. Application may also be made to have certain Series of Notes accepted for trading in the Private Offerings, Resales and Trading through Automated Linkages System (**PORTAL**) of the National Association of Securities Dealers, Inc. The Issuer may also issue unlisted Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) or any U.S. state securities laws and may not be offered or sold in any state or jurisdiction of the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the Notes are only being offered and sold to non-U.S. persons outside the United States in offshore transactions in reliance upon Regulation S under the Securities Act, and, in the United States, only to Institutional Accredited Investors (**IAIs**) or “qualified institutional buyers” (**QIBs**) as defined in, and in reliance upon, Rule 144A under the Securities Act (**Rule 144A**) or any other applicable exemption. See *Form of the Notes* for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see *Subscription and Sale and Transfer and Selling Restrictions*.

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 event a supplementary Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Amounts payable on Notes may be calculated by reference to the London Inter-Bank Offered Rate (**LIBOR**) or the Euro Interbank Offered Rate (**EURIBOR**) as specified in the relevant Final Terms. As at the date of this Prospectus, the administrator of LIBOR, ICE Benchmark Administration Limited (**IBA**), and the European Money Markets Institute (**EMMI**), the administrator of EURIBOR, are included in European Securities and Markets Authority's (**ESMA**) register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

This Prospectus is issued in replacement of an earlier prospectus dated 5 April 2019.

Arranger

NatWest Markets

Dealers

**ABN AMRO
BNP PARIBAS
Deutsche Bank
ING
NatWest Markets
UniCredit Bank**

**Barclays
Credit Suisse
Goldman Sachs International
J.P. Morgan
Rabobank**

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in *Form of the Notes* and *Terms and Conditions of the Notes* below shall have the same meanings in this overview

Issuer: Koninklijke KPN N.V.

History and development of the Issuer

The Issuer was incorporated under the laws of the Netherlands as a public limited liability company on 1 January 1989. On 28 June 1998, its name was changed from Koninklijke PTT Nederland N.V. to Koninklijke KPN N.V. The Issuer has its corporate seat in Rotterdam, the Netherlands. It is registered under number 02045200 at the Dutch Trade Register, and its executive offices are located at Wilhelminakade 123, 3072 AP Rotterdam, the Netherlands.

New Issuer: The Programme Agreement provides that, upon satisfaction of certain conditions precedent, a further issuer, being a subsidiary of the Issuer, may be joined as an issuer under the Programme. In such event, a new prospectus giving details of such new issuer will be prepared.

Description: Global Medium Term Note Programme.

Arranger: NatWest Markets Plc

Dealers: ABN AMRO Bank N.V.

Barclays Bank Ireland PLC

Barclays Bank PLC

BNP Paribas

Coöperatieve Rabobank U.A.

Credit Suisse Securities (Europe) Limited

Deutsche Bank Aktiengesellschaft

Goldman Sachs International

ING Bank N.V.

J.P. Morgan Securities plc

NatWest Markets N.V.

NatWest Markets Plc

UniCredit Bank AG

Issuing and Principal
Paying Agent, Exchange
Agent and Transfer
Agent:

Citibank, N.A., London Branch

Registrar:

Citigroup Global Markets Europe AG

Size:

The Programme amount is unlimited.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

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, Danish kroner, euro, Hong Kong dollars, Japanese yen, New Zealand dollars, Renminbi, Sterling, Swedish kronor, Swiss francs and U.S. dollars.

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 and Transfer and Selling Restrictions*) including the following restrictions applicable at the date of this Prospectus.

Notes having a maturity of less than one year

Notes having a maturity of less than one (1) year will, if the proceeds of their issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a redemption value of at least £100,000 or its equivalent, see *Subscription and Sale and Transfer and Selling Restrictions*.

Maturities:

Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Senior Notes, to a minimum maturity of one month.

Issue Price:

Notes may be issued on a fully-paid or a partly-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 issued in either bearer or registered form as described in *Form of the Notes*. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Bearer Notes having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment

Act of 2010) (the **TEFRA D Rules**) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the **TEFRA C Rules**) or (ii) the Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

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.

Floating Rate Notes: Floating Rate Notes will bear interest either at a rate determined 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 on the basis of EURIBOR or LIBOR, as applicable, appearing 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 Floating Rate Notes Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the Day Count Fraction so specified.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption: The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) 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.

Notes having a maturity of less than one (1) year may be subject to restrictions on their denomination and distribution, see *Certain restrictions – Notes having a maturity of less than one year* above.

Make-whole Redemption:	The applicable Final Terms may specify that the Issuer may redeem, in whole or in part, the Notes then outstanding at any time prior to their stated maturity, at their relevant Make-whole Redemption Amount as specified in the applicable Final Terms.
Issuer Residual Call:	The applicable Final Terms may specify that the Issuer may redeem, in whole, but not in part, the Notes then outstanding at any time prior to their stated maturity if the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, at their relevant Residual Call Early Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, unless the Issuer has at any time notified the Noteholders that it is exercising the Issuer Make-whole Redemption Call set out Condition 6(c)(C) in respect of the Notes.
Denomination of Notes:	The Notes will be issued in such denominations as may be specified in the applicable Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or in the United Kingdom or offered to the public in an EEA Member State or in the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 or, where it is a Note to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access, €1,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see <i>Certain restrictions – Notes having a maturity of less than one year</i> above.
Taxation:	Payments in respect of the Notes will be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in the Netherlands, subject to certain exceptions as provided in Condition 7. If the applicable Final Terms provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 6(b) will not apply to the Notes.
Negative Pledge:	See Condition 3.
Cross Default:	See Condition 9(iii).
Status of the Senior Notes:	The Senior Notes will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions) equally with all other unsecured and unsubordinated obligations of the Issuer.
Status and other terms of Subordinated Notes:	The Subordinated Notes (being those Notes that specify their status as Subordinated) and the Coupons relating to them constitute unsecured and subordinated obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves. In the event of, <i>inter alia</i> , the insolvency or liquidation of the Issuer, the payment obligations of the Issuer under or in respect of the Subordinated Notes and the Coupons relating to them shall rank in right of payment after unsubordinated unsecured creditors of the Issuer, and

any set-off by holders of a Subordinated Note shall be excluded until all obligations of the Issuer vis-à-vis its unsubordinated unsecured creditors have been satisfied.

Substitution: The Issuer may substitute for itself as principal debtor under the Notes any company of which more than 90 per cent. of the shares are directly or indirectly held by the Issuer (a **Substituted Debtor**) on the terms and in the manner provided in Condition 16.

If a Substituted Debtor becomes the principal debtor in respect of any of the Notes, it will publish a supplement to this Prospectus in accordance with the applicable rules and regulations.

Listing and admission to trading: Application has been made to Euronext Amsterdam for Notes issued under the Programme up to the expiry of 12 months from the date of this Prospectus to be admitted to trading on Euronext Amsterdam.

The Notes may be listed on such other or further stock exchange or stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Unlisted Notes may also be issued. The applicable Final Terms 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 stock exchange and/or markets.

Rating: The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union or in the United Kingdom and registered under the CRA Regulation will be disclosed in the Final Terms. A security 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.

Each of Moody's Service España S.A. (**Moody's**), S&P Global Ratings Europe Limited (**S&P**) and Fitch Ratings Ltd. (**Fitch**) are credit rating agencies established in the European Union or in the United Kingdom and are registered under the CRA Regulation.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, the laws of the Netherlands.

Selling Restrictions: There are selling restrictions in relation to the United States, the European Economic Area (including the Netherlands and France), the United Kingdom, Hong Kong, The People's Republic of China, Singapore and Japan, 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 and Transfer and Selling Restrictions* below.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the material risks currently deemed to be 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 currently unknown and the Issuer does not represent that the statements below regarding the risks of investing in any Notes are exhaustive.

Prospective investors should carefully review the entire Prospectus and should reach their own views before making any decision on the merits and risks of investing in the Notes. Before making an investment decision with respect to the Notes, prospective investors should consult their own financial, legal and tax advisers to carefully review and assess the risks associated with an investment in the Notes and consider such an investment decision in the context of the investor's personal circumstances.

RISK FACTORS CONCERNING THE ISSUER

A. Risks related to the Issuer's financial situation

Adverse macro-economic conditions as a result of Covid-19 could have a negative impact on KPN's financial condition and prospects.

The economic climate could deteriorate as a result of the Covid-19 pandemic. Disruptions due to Covid-19 are expected to have a material adverse effect on economic growth and economic activity globally and in the Netherlands. If macro-economic conditions worsen in the Netherlands, this could lead to declining spending and potential insolvency of customers in both the Consumer and Business market and consequently higher bad debt, and could materially adversely affect KPN's financial condition and prospects as a result of lower future revenue, lower profitability (a substantial part of KPN's cost structure is fixed and cannot be lowered in the short to medium term) and lower cashflows.

KPN operates in a capital-intensive business and may not have sufficient liquidity to fund its capital expenditures and investments over the longer term.

KPN requires significant capital expenditures and investments (EUR 1.1bn per year in the period 2019- 2021) to improve and maintain its networks and add customers, including expenditures for equipment and related labour costs. Generally, advancements in the information and telecommunications industry (the development of faster networks and new products requiring mobile internet access) and the behaviour of KPN's customers (for example, accelerated growth in internet usage and expectations of higher speeds) may require it to invest in the capacity of its network at a faster pace than KPN currently anticipates, and at greater additional expense. Currently, KPN's main investments in its infrastructure are in the modernisation of its mobile network and making it 5G ready and in accelerated roll-out of fiber, targeting 1 million additional FttH connections by the end of 2021, as compared to the end of 2018. Inability to make the necessary investments in its network and infrastructure could lead to lower revenues as well as lower market shares, lower cash flow generation and a deterioration of the overall financial condition of KPN.

KPN cannot provide assurance that its business will generate sufficient cash flows from operations or that future debt and equity financing will be available to it on acceptable terms or in an amount sufficient to enable it to, over the longer term, fund its capital expenditures or investments or renew its debt financing as principal repayments come due. Forces over which KPN has little or no control, such as competition, technological

innovation, regulatory changes, the loss of its current distribution partners which could require additional capital expenditure for new stores or distribution channels and general market conditions all impact KPN's operating performance, and therefore the cash it has available to fund these expenditures and service its debt. Furthermore, rating agency action may negatively affect KPN's ability to obtain funds from financial institutions or capital markets and may increase its financing costs by increasing the interest rates at which it is able to refinance existing debt or incur new debt. In addition, sustained turbulence in the capital markets could further restrict KPN's ability to access additional funding.

The telecom and IT market is characterised by increasing competition, accelerating changes in customer behaviour, accelerating technological developments, increasing price pressure and shrinking markets. Due to these developments, high investments in KPN's assets such as technical infrastructure (access and core networks), IT infrastructure, licenses and goodwill may not be recovered as KPN's business models to generate revenue and cash flow streams could change in future. Also, changes in assumptions such as profitability, network penetration, long-term growth and discount rates could negatively affect the value of cash generating units. These factors could lead to impairments of assets, licenses and goodwill.

KPN's large investments in its fiber and mobile infrastructure including licenses, may not be recovered or returns on these investments may be lower than anticipated. If KPN's future cash flows from operations and other capital resources are insufficient, KPN may be unable to fund its strategy, which includes planned capital expenditures, investments, maintenance of its credit rating and sustaining an acceptable leverage ratio, and as a result, could have a material and adverse effect on KPN's business, results of operations, financial condition and prospects.

A deterioration of KPN's credit ratings could materially adversely affect KPN's ability to obtain future financing and the terms of that financing and the market price of KPN's debt securities.

KPN currently has a BBB long-term issuer default rating with stable outlook from Fitch; BBB with a stable outlook from S&P, and a Baa3 senior unsecured rating with stable outlook from Moody's, however a credit rating may be subject to revision by the assigning rating agency at any time. KPN operates in a capital intensive industry and uses significant debt financing to fund its investments and operations. If KPN were to be assigned lower credit ratings, it could be more difficult or more expensive for KPN to obtain financing in the future or to refinance its existing debt. Either prolonged limited access to debt capital markets or significantly higher future debt servicing costs could materially adversely affect KPN's financial position and prospects and could negatively impact the market price of KPN's debt securities.

KPN's financial results could be adversely affected by changes in interest rates.

KPN is subject to interest rate risk, principally related to its outstanding debt obligations of EUR 6.7bn per 31 December 2019. Changes in interest rates could result in higher interest expense in the future either directly for its debt obligations which are subject to floating interest rates or upon future refinancing of its debt obligations which have fixed interest rates. Interest rates are highly sensitive to many factors, including government monetary policies and domestic and international economic and political conditions, as well as other factors beyond KPN's control. KPN operates in a capital intensive sector and has significant debt financing outstanding. A significant part of KPN's cashflow from operations is used to make interest payments on its debt obligations, therefore a significant increase in interest payments could materially adversely affect KPN's financial results.

KPN has significant deferred income tax assets which may not be recoverable.

As at 31 December 2019, KPN reported deferred income tax assets totalling EUR 662 million. Deferred income tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits based on KPN's Business Plan will be available against which the temporary differences, tax credits and tax losses can be utilised. Moreover, deferred tax assets recognised for incurred losses are limited

in time, as under current legislation losses can only be compensated with profits made in the 6 years after the year in which the loss was incurred, and with the profit made in the year before the loss is incurred.

Both the recognised and unrecognised deferred income tax assets are reassessed at each reporting date. Recognised deferred income tax assets reflect management's expectation of realizable amounts. If KPN's actual results fall behind expectations, this could over time result in de-recognition of (part of) KPN's deferred income tax assets of EUR 662 million as at 31 December 2019. Furthermore, under current legislation, as a main rule, a loss cannot be compensated with future profits if a change of control has occurred.

B. Risks related to the Issuer's business activities and industry

KPN is exposed to significant competition in all areas of its business from existing and potential new telecommunications service or IT service providers and network operators and competitors from other industries.

KPN is subject to significant competition for all its products and services in the fixed-line and mobile telecommunications markets, along with IT services for business customers. Compared to most other European countries, the Netherlands is characterized by a high penetration of high-speed, high-quality fixed and mobile broadband access. The fixed network topography consists of two nationwide operators with extensive broadband coverage and a few smaller local or regional players. Competitors include cable network operators, mobile network operators, MVNO's and branded resellers as well as non-traditional voice, data and IT service providers. KPN also competes with domestic and international business service providers in the provision of IT services for business customers.

KPN could face increased competition on services and network access from current competitors as well as new market entrants and OTT players offering cheaper and/or better alternatives to traditional connectivity. Competition in retail and wholesale markets can occur based on price, content, increase of investment in customer acquisition or retention costs, subscription options, coverage and service quality. These factors could lead to lower market shares and adversely affect KPN's results of operations, financial condition and prospects.

KPN may not be able to develop and monetise sufficient new business initiatives and opportunities in the future to compensate declining older generation products and services, which may jeopardise KPN's profitability.

The sectors in which KPN competes are subject to rapid and significant changes in technology, with which KPN may have difficulty competing successfully.

The fixed and mobile telephony, fixed and mobile broadband internet, iTV and business IT markets are characterised by rapid and significant changes in technology, customer demand and behaviour, and as a result feature a constantly changing competitive environment. The telecommunications industry is experiencing continuous structural changes, including new revenue models and new (disruptive) technologies introduced by KPN's competitors, new market entrants and OTT players. These structural changes, together with the accompanying products, or other technological developments are exerting substantial pricing pressure on KPN's products and services and may increase KPN's subscriber acquisition and retention costs. Technologies such as IP-based connections (**VoIP**) (over fixed and mobile technologies), mobile instant messaging, Wi-Fi, internet protocol TV (**IP TV**) or cloud computing for retail and/or business customers have had and are expected to have a continued effect on the telecommunications industry and on KPN's business. As a consequence of these or other developments, new and established information and telecommunications technologies or products may not only fail to complement each other, but in some cases may even substitute or decrease demand for each other. KPN is also investing in new technologies, which may have slower than expected customer acceptance. Also the roll-out of such new technologies may be slowed down by limited or lack of supply of products by third parties (e.g. as a result of Covid-19) and, as a consequence, delay the availability of such new technology for KPN's customers. If KPN is unable to effectively anticipate, react to or access technological changes in the telecommunications market, KPN could lose customers, fail to attract

new customers, experience lower **Average Revenue Per User (ARPU)** or incur substantial or unanticipated costs and investments in order to maintain its customer base, all of which could have a material adverse effect on its business, financial condition and results of operations. The introduction of new products and services such as new propositions may not be successful and/or timely. This could lead to lower profitability as well as lower market shares.

Customer churn may increase, and revenues and margins could be significantly lower than expected, if KPN fails to offer customer propositions that respond to customer demand.

One of KPN's primary revenue drivers is its number of customers. The success of KPN's business and its ability to limit churn by retaining existing customers or to win new customers depends upon the introduction of new or enhanced products and services, flexible pricing models, high quality customer service, and improved network capabilities in response to evolving customer expectations, new technologies, or the offerings of its competitors. Any of the new or enhanced products, services or pricing models KPN introduces may fail to achieve market acceptance, or products or services introduced by KPN's competitors may prove more appealing to customers, who may discontinue using KPN's services, either of which would, in turn, increase KPN's customer churn. An increase in customer churn may lead to a reduced number of total customers, increased acquisition and retention costs which would increase operating costs but may not result in a corresponding increase in revenue, the need to reduce other costs to preserve margins, or lower overall revenues and margins, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Failure of KPN's telecommunications systems or security measures could significantly disrupt its operations, which could negatively affect KPN's reputation, reducing its customer base and resulting in lower revenue.

KPN's success largely depends on the continued and uninterrupted performance of its information technology, network systems and of certain hardware and datacentres. The hardware supporting a large number of critical systems for KPN's network and those of its clients is housed in locations that are geographically close to each other or that could be exposed to similar risks at the same time. As a result, these systems are vulnerable to damage from a variety of sources, including fire, power loss, malicious human acts, telecommunications failures, natural disasters (e.g. caused by climate change) and pandemics (e.g. the 2019-nCoV virus and the disease caused by it, Covid-19), and the disaster recovery, security, information protection and service continuity protection measures that KPN has undertaken or may in the future undertake, and its monitoring of network performance, may be insufficient to identify problems and prevent losses. Moreover, despite security measures, KPN's servers are potentially vulnerable to physical or electronic break-ins, cyber-attacks, computer viruses and similar disruptive problems each of which, in the individual or in the aggregate, could negatively affect KPN's levels of customer satisfaction and reputation.

Moreover, in the event of a power outage or data loss, KPN does not have a backup or alternative supply source for all components of its network. Despite the presence of certain data backup systems and similar precautions KPN has taken, unanticipated problems affecting its systems could cause failures in its information technology systems or disruption in the transmission of signals over KPN's network. Sustained or repeated system failures that interrupt KPN's ability to provide service to its customers or otherwise meet its business obligations in a timely manner would adversely affect KPN's reputation and result in a loss of customers and reputational damage, and may trigger claims for payment of damages or contractual remedies. The occurrence of any of these eventualities could have a material adverse effect on KPN's business, financial condition, results of operations and prospects.

Furthermore, KPN's technical equipment and systems have been and may continue to be subject to occasional malfunctioning due to technical shortcomings in KPN's own network or with other surrounding equipment. KPN might incur liabilities or reputational damages as a result thereof, which could materially and adversely affect its business, results of operations, financial condition and prospects.

KPN is subject to risk related to reliance on a well-recognised brand.

In 2019, KPN commenced the execution of its strategic decision to simplify its brand portfolio and focus fully on the KPN brand. Telfort stores were closed down and the migration of existing Telfort prepaid mobile customers to the KPN brand was started. The acquisition of new customers via the Telfort brand was ended per 1 May 2019.

As a result of KPN's strategy to focus on its main KPN brand, a larger part of KPN's services is offered under the KPN brand, making KPN more exposed to reputational damage to the KPN brand. KPN's brand and reputation could be damaged as a result of service interruptions, operational issues and loss, theft or manipulation of customer data. Any damage to KPN's brand or reputation could result in loss of customers and, as a consequence have a material adverse impact on KPN's results of operations, financial condition and prospects.

KPN's success depends on the ability to attract and retain key personnel without whom KPN may not be able to manage its business effectively.

KPN's operations are currently managed by senior management and key employees. The loss of any of its senior management or key employees could significantly impede KPN's financial plans, product development, network completion, marketing and other plans. In addition, competition for qualified senior management and skilled experts in the telecommunications industry is intense. KPN's success in implementing its business plans largely depends on its continued ability to attract and retain experienced senior management as well as highly skilled employees. KPN cannot assure that it will be successful in hiring and retaining such qualified personnel. Furthermore, integration of new senior management would require additional time and resources, which could adversely affect KPN's ability to successfully implement its strategy. If any of KPN's senior management or other key personnel ceases employment with KPN, its business, results of operations, financial position and prospects could be harmed.

KPN may not be able to attract and retain qualified and diverse staff members, as the war for talent increases rapidly. This could lead to insufficient competency in KPN's workforce. Also, employees or new candidates may have negative perceptions or uncertainties about KPN's future. If KPN does not meet the diversity goals and 'social return' requirements, this could impact KPN's future profitability, customer satisfaction and reputation. Restructurings could lead to less motivated personnel and/or key personnel leaving the company and thus loss of knowledge and continuity.

Dependence on suppliers and outsourcing: KPN depends on hardware, software and content suppliers and other service providers who may choose to discontinue or be forced to discontinue their services or products, seek to charge prices that are not competitive or choose not to renew contracts with KPN.

KPN has important relationships with suppliers of hardware, software, content and related services that KPN uses to operate its fixed and mobile telephony, fixed and mobile broadband internet, TV and business telecommunications systems. In certain cases, KPN has made substantial investments in the equipment or software of a particular supplier, making it difficult for KPN to quickly change supply and maintenance relationships in the event that its initial supplier refuses to or is unable to offer KPN favourable prices or ceases to produce equipment or provide the support that KPN requires. Certain of KPN's suppliers in Asia, deliver important network equipment e.g. in KPN's radio access network which may be difficult or costly to replace, may face governmental or regulatory restrictions on imports into the European Union, or may experience disruptions in their ability to deliver their products and services as a result of natural disasters (e.g. caused by climate change) or pandemics (e.g. the 2019-nCoV virus and the disease caused by it, Covid-19). In the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers have expired, are exceeded by those in KPN's contracts with its customers or if the suppliers are insolvent. In addition, there can be no assurances that KPN will be able to obtain the hardware, software, services and content it needs for the operation of its business, in a timely manner, at competitive terms and in adequate amounts.

The success of KPN's business increasingly depends on the quality and variety of the TV and other content it delivers to its customers. As KPN does not produce most of its own content, it depends on agreements, relationships and cooperation with broadcasters and collective rights associations. If KPN is unable to obtain or retain attractively priced competitive content on its network, demand for its existing and future TV and other content services could decrease, thereby limiting its ability to maintain or increase revenues from these services, which could have an adverse effect on KPN's business, results of operations, financial condition and prospects. Furthermore, contractual obligations as included in agreements with KPN customers may not be properly translated into the relevant third-party supplier contracts.

Risks in relation to outsourcing of services may adversely affect KPN's business and may cause higher costs than initially anticipated.

Over recent years, KPN has outsourced or offshored certain parts of its operations, including the outsourcing of a large part of its back office, network, and IT operations, and may do so with other parts of its operations in the future. KPN may experience an adverse effect on its customer satisfaction if its service partners do not deliver the service quality agreed in the outsourcing contracts, and certain business customers may object to outsourced services being provided by KPN at all. KPN could also be damaged by negative public perception of outsourcing or perception of inadequate customer service, particularly if it increases the role outsourcing or offshoring plays in the provision of certain customer service functions. Furthermore, should any of these arrangements be terminated by either contract party, including as a result of bankruptcy or insolvency by KPN's outsourcing partners, this could result in delays or disruptions to KPN's operations and could result in it incurring additional costs, including if the outsourcing counterparty increases pricing or if KPN is required to locate alternative service providers or in-source previously outsourced services. KPN may also incur higher costs if it decides to or is required by its customers to perform these services in-house, particularly if it must do so on short notice. In addition, it is possible that persons who provide services for KPN on a contractual basis may be recharacterised as KPN's employees, in which case KPN would be required to pay social insurance contributions and tax, on a retroactive basis for such persons, including a potential fine and/or surcharge. The occurrence of any of these eventualities could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

KPN's business may be adversely affected by actual or perceived health risks and other environmental requirements relating to mobile telecommunications transmission equipment and devices, including the location of antennas.

Various reports have alleged that there may be health risks associated with the effects of electromagnetic signals from antenna sites, mobile handsets and other mobile telecommunications devices. KPN cannot assure investors that further medical research and studies will not establish a link between electromagnetic signals or radio frequency emissions and these health concerns. The actual or perceived risk of mobile telecommunications devices, press reports about risks or customer litigation relating to such risks could adversely affect the size or growth rate of KPN's customer base and result in decreased mobile usage or increased litigation costs. In addition, these health concerns may cause authorities in the jurisdictions in which KPN operates to impose more onerous regulations on the construction of base stations or other telecommunications network infrastructure. In particular, public concern over actual or perceived health effects related to electromagnetic radiation may result in increased costs related to KPN's networks, which may hinder the completion or increase the cost of network deployment, reduce the coverage of KPN's network and hinder the commercial availability of new services. If actual or perceived health risks were to result in decreased mobile usage, increased customer litigation or more burdensome regulation, KPN's business, results of operations, financial condition and prospects could be materially and adversely affected.

KPN is also subject to a variety of laws and regulations relating to land use and the protection of the environment, including those governing the storage, management and disposal of hazardous materials and the clean-up of contaminated sites. KPN could incur substantial costs, including clean-up costs, fines, sanctions and third-party claims for property damage or personal injury, as a result of violations of, or liabilities under,

such laws and regulations, which could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

KPN could be acquired by a third party, without consent of KPN's Boards (hostile or uncontrolled take over). Activist shareholders could attempt to change the strategic direction of the company.

KPN may be subject to legal and business challenges in the operation of the company due to actions instituted by activist shareholders. Such investor activism could result in uncertainty of the direction of the Company, substantial costs and diversion of management attention and resources, which could harm KPN's business and hinder execution of KPN's strategy, make it difficult to attract and retain qualified personnel and business partners, and could materially adversely affect the market price of KPN's debt securities as well as KPN's ability to obtain future financing and the terms of that financing.

Although the Foundation Preference Shares B KPN (*Stichting Preferente Aandelen B KPN*) may decide to exercise its call option (as more fully described in section "Foundation Preference Shares B KPN") with a view to enabling KPN to determine its position in relation to the circumstances referred to above and seek alternatives, there is no guarantee that the adverse effects referred to above could be prevented. Furthermore, as the Foundation is an independent entity there is no guarantee that the Foundation would exercise its call option nor that such exercise would be effective.

C. Legal and regulatory risk

KPN may fail to obtain or renew its spectrum licenses.

KPN's current principal spectrum licenses have specified terms and are due for renewal in the future. New spectrum bands will become available for mobile and will be open for application (usually by means of an auction). Upon spectrum license renewal, KPN is often required to pay various licensing fees and satisfy certain other conditions. KPN's ability to renew or acquire spectrum and other licenses and the terms of acquisition or renewal to which those licenses are subject are determined by a number of factors, some of which are beyond KPN's control, including the prevalent regulatory and political environment at the time of renewal. As a condition for renewal, KPN may also be required to agree to new and more onerous terms and service requirements. The loss of, or failure to renew any of KPN's spectrum licenses, or a renewal on unfavourable terms, or failure to obtain new spectrum licenses could have a material adverse effect on KPN's business, financial condition and results of operations.

The preparations for an auction in 2020 of the 700, 1400 and 2100 Mhz bands are ongoing, and is currently expected to start in June 2020. Although the 3.5 Ghz band at European level is seen as the primary band for 5G, severe restrictions on the use of this spectrum still apply in the Netherlands, to prevent interference with the use of this band by an earth satellite station of the Dutch Ministry of Defence. This spectrum will be released for 5G. Although no formal date for actual use is defined, at least parts of this band are expected to be available by the end of 2022. An auction is announced to be scheduled in 2022.

The terms of certain of KPN's licenses require KPN to meet certain conditions, including, for example, meeting minimum quality, service and network coverage standards. If KPN fails or is unable to comply with the conditions on its licenses or with the legal and regulatory regime requirements more generally, KPN may be subject to fines and/or other administrative actions or may have one or more of its licenses or concessions suspended or revoked. The suspension or revocation of any of KPN's licenses or concessions could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

KPN is subject to monitoring and regulation by regulatory bodies, which may increase its costs and otherwise adversely affect its business.

Most of KPN's network activities are monitored by a national regulatory authority (**NRA**), in the Netherlands mainly the Authority for Consumers & Markets (**ACM**) and the Agentschap Telecom of the Ministry of

Economic Affairs and Climate. Such governmental regulation and supervision, as well as future changes in laws, regulations or government policy (or in the interpretation of existing laws or regulations) that affect KPN, its competitors or its industry, strongly influence how it operates and will operate its various businesses. Adverse regulatory developments could expose its business to a number of risks as well as limit growth, curtail revenues and impact KPN's service offerings, lead to increased operating expenses and higher levels of capital expenditure or investment. In addition, regulation may restrict KPN's operations and subject KPN to further competitive pressure, including pricing restrictions, interconnection and other access obligations, obligations to protect customer interests, and restrictions or controls on content. Furthermore, KPN's competitors often engage in litigation to challenge certain regulatory decisions which impact their and KPN's businesses, and there is a risk that the results of such litigation could alter KPN's or its competitors' current regulatory environment such that KPN's business or results of operations would be negatively impacted. Moreover, there is a risk of non-compliance associated with the complexity of regulation. Failure to comply with current or future regulation could expose KPN's business to various sanctions, including fines and reputational damage.

Furthermore, KPN's ability to introduce new products and services may also be affected if it does not accurately predict how existing or future laws, regulations or policies would apply to such products and services, which could prevent KPN from realising a return on its investment in their development. Complying with existing regulations is burdensome, and future changes may increase KPN's operational and administrative expenses and limit its revenues, which in turn could have a material adverse effect on its business, financial condition and prospects.

Geopolitical developments may impact KPN's choice in vendor selection, partnerships and shareholders.

Both at the European and national level increased attention has been given to security concerns in relation to control over telecom operators via investment and to potential security risks in networks. A Foreign Direct Investment Screening Regulation will come to effect on 11 October 2020, aimed at information exchange between EU member states on potential risks for national security and public order in relation to investments. At national level, there is a draft under discussion in Parliament for a sector specific regulation creating new powers for the government to prevent undesirable control (related to security risks for public order or national security) over telecom operators which have a significant role in the market. Furthermore, discussions have started at EU level on security requirements for 5G networks, resulting in an EU 5G Toolbox, with various measures member states can implement to avoid security risks in relation to new 5G networks that will be developed. In the Netherlands, legislation has come into effect in December 2019 which allows the minister to impose specific security requirements for network equipment (including software and systems) and to mandate operators not to use equipment from certain vendors in specifically designated critical parts of their networks. As a result, KPN may be mandated to replace equipment in its networks and services or may be restricted in choice of new equipment. Also, such sanctions could significantly impact business continuity of those suppliers and consequently could harm KPN's availability and use of network equipment.

Third parties may claim that KPN infringes their intellectual property rights, which could adversely affect KPN's business.

Though KPN takes steps to protect its intellectual property rights, there can be no guarantee that third parties will not claim that KPN has infringed or is infringing their intellectual property rights. Moreover, KPN cannot guarantee that a court or other adjudicative body will find any of KPN's intellectual property rights to be valid in the event they are challenged by a third party or that they conform to required technical standards. Furthermore, the fact that KPN has received ownership of, or licenses under, certain intellectual property rights from its contract partners is no guarantee that its activities do not infringe the intellectual property rights of third parties.

If a third party claims that KPN has infringed its intellectual property rights, this may have an adverse effect on KPN's ability to store or distribute certain of its products or services or specific parts thereof. Furthermore, any claims of infringement by a third party, even those without merit, will require administrative handling and follow-up as well as cause distraction, for example investigating and responding to cease and desist letters,

and could cause damage to KPN's reputation and the value of its brand, cause KPN to incur substantial defence costs and distract its management and employees from its business. In addition, KPN may be required to seek a license for the use of the infringed intellectual property, which may not be available to it on commercially reasonable terms or at all.

KPN has been found in the past, and in the future may be found, to have significant market power in the markets in which it operates, the regulation of which may adversely affect its business.

The European Regulatory Framework for Electronic Communications Networks and Services provides a legal basis to impose measures on entities deemed to have significant market power in any of the markets in which they operate. KPN has been designated as having significant market power in the call termination markets on its individual fixed and mobile networks in the Netherlands, resulting in regulation of FTRs and MTRs on those networks. As of 20 December 2020, single EU maximum rates will be defined for mobile and fixed call termination services, that may be lower than current nationally defined rates. The designation of KPN and Vodafone Ziggo as having significant market power jointly in the wholesale fixed access market in the Netherlands has been annulled by the Court (in highest instance) on 17 March 2020 and thereby this market is currently unregulated. Also, the market for FttO is unregulated. For fixed telephony since 2017 only wholesale regulation on the market for two simultaneous calls remains regulated. The decision on the market for High Quality Wholesale Broadband Access (including leased lines) is postponed upon serious doubts expressed by the European Commission. Regulatory changes in relation to the evaluation of which companies have significant market power in certain markets are ongoing and could adversely affect KPN's competitive position and margins in the future.

A finding that KPN has significant market power in a given market subjects it to increased regulatory monitoring and review, potential pricing regulation and could require KPN to provide other service providers access to its network for purposes of providing competing services at regulated prices, as well as impose other restrictions on how it operates its networks and markets its services. Furthermore, if competition authorities were to view KPN's significant market power as being relevant to a finding of market dominance, KPN may not be able to successfully expand its business by means of mergers or acquisitions in markets in which it is found to have significant market power or would obtain significant market power as the result of a given merger or acquisition.

KPN's revenues may decline as result of new or amended tariff regulation concerning call termination, roaming or international calls

Since 15 June 2017, the EU Roaming Regulation requires operators to offer roaming services within the EU/EEA at national rates, except for limited fair use application (for data roaming and to exclude usage by people without structural link with the relevant country). Amendment of the Roaming Regulation upon the evaluation, or application of similar rules extending the scope outside the EU/EEA may limit revenues further. In light of the evaluation of the Roaming Regulation the European Commission instructed Axon Consulting to prepare a cost model for calculating costs for mobile wholesale roaming. The outcome of the model indicates a variation of costs for the various EU countries of between 0,5-1,5 EUR/Gb by 2025 (compared to the regulated tariffs of 2,5 EUR/Gb as of 2021). The proposals of the Commission will likely set new tariff caps based on the outcome of the cost model, which could adversely affect KPN's results from operations and prospects. There is no indication of the proposed levels, but the cost models indicate a potential for a relevant decrease.

D. Internal Control Risk

Customer churn may increase, and revenues could be lower than expected if KPN fails to maintain the confidentiality, integrity or availability of KPN's networks, systems or (customer) data as a result of cyber-attacks or terrorism.

Keeping KPN's systems safe in the face of ever-more sophisticated cyber-attacks demands constant vigilance

and rapid adaptability. If KPN cannot maintain or improve the confidentiality, integrity or availability of its networks, systems or (customer) data as a result of cyber-attacks or terrorism, this could have a material adverse effect on KPN's business, results of operations, financial condition and prospects, and could ultimately impact KPN's continuity.

KPN collects and processes customer data as part of its daily business and the leakage of such data may violate laws and regulations which could result in fines, loss of reputation and customer churn and adversely affect KPN's business.

KPN accumulates, stores and uses data in the ordinary course of its operations that is protected by data protection laws. Although KPN takes precautions to protect customer data in accordance with the applicable privacy requirements of the European Union and of the jurisdictions where it operates, KPN may fail to do so and certain customer data may be leaked or otherwise used inappropriately. KPN works with independent and third-party sales agents, service providers and call centre agents, and although KPN's contracts with these third parties restrict the use of customer data, KPN cannot provide assurances that they will abide by the contractual terms. Violation of data protection laws may result in fines, loss of reputation and customer churn and could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

RISK FACTORS CONCERNING THE NOTES

A. Risks related to the structure of an issuance of Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may 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.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes and could affect the market value of an investment in the relevant Notes.

Changes or uncertainty in respect of LIBOR and/or EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Notes

Various interest rate benchmarks (including the London Inter-Bank Offered Rate (**LIBOR**)) and the Euro Interbank Offered Rate (**EURIBOR**) are the subject of recent national and international regulatory guidance

and proposals for reform. Some of these reforms are already effective, including the Benchmarks Regulation, whilst others are still to be implemented.

Under the Benchmarks Regulation new requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulations, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have the following currently known effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR or EURIBOR were unavailable, the rate of interest on Floating Rate Notes which reference LIBOR or EURIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR or EURIBOR rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR or EURIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR was available. The fall-back provisions for both ISDA Determination and Screen Rate Determination in this respect could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR.

The discontinuation of LIBOR or EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 4(b)(vii) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR or EURIBOR, becomes unavailable, and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. This could have a material adverse effect on the value of and return on any such Notes. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Advisor (as defined in the Conditions) (including the possibility that a license or registration may be required for such Independent Advisor under the applicable legislation), the relevant fallback provisions may not operate as intended at the relevant time.

Under the Benchmark Regulation, the Independent Advisor may be considered an ‘administrator’. This is the case if it is considered to be in control over the provision of the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario. This would mean that the Independent Advisor has control over the (i) administration of the arrangements for determining such rate, (ii) collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Independent Advisor to be considered an ‘administrator’ under the Benchmark Regulation, the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario may be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario, are published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR, or any other interest rate benchmark was available, may apply to the Notes until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for the relevant Reference Rate is available. This could have a material adverse effect on the value of and return on any such Notes which could affect the ability of the Issuer to meet its obligations under the Notes.

Pursuant to the applicable fallback provisions contained in Condition 4(b)(vii), the Independent Advisor will have the discretion to determine whether a successor interest rate for LIBOR, EURIBOR or any other interest rate benchmark is available which will determine the way in which the interest rate is set, which may lead to a conflict of interests of the Issuer (being responsible for the compensation of the Independent Advisor), the Independent Advisor and Noteholders including with respect to certain determinations and judgments that the Independent Advisor may make pursuant to Condition 4(b)(vii) that may influence the amount receivable under the Notes. The Independent Advisor and the Issuer might have conflicts of interests that could have an adverse effect on the interests of the Noteholders as the Independent Advisor has discretionary power in deciding the applicability of a benchmark and/or replacement of amendment of a benchmark. Potential

investors should be aware that the Issuer may be involved in general business relationship or/and in specific transactions with the Independent Advisor as the latter party will be an independent financial institution or other independent financial advisor experienced in the international capital markets who may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Consequently, the Issuer and the Independent Advisor might have conflicts of interests that could have an adverse effect to the interests of the Noteholders in respect of the determination of the interest rate as a result of a benchmark and/or replacement of amendment of a benchmark.

As a result, any change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark may impact the ability of the Issuer to meet its obligations under the Notes which in turn could have a significant effect on the value or liquidity of, and the amount payable under, the Notes.

Notes issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount or premium from their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Furthermore, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank *pari passu* among themselves. In the event of the insolvency (bankruptcy (*faillissement*) or a moratorium (*surseance van betaling*)) or dissolution (*ontbinding*) or liquidation (*vereffening*) of the Issuer, the payment obligations of the Issuer under the Subordinated Notes will rank in right of payment after unsubordinated unsecured creditors of the Issuer (and any set-off by holders of a Subordinated Note will be excluded until all obligations of the Issuer vis-à-vis its unsubordinated unsecured creditors have been satisfied), but will rank at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Notes, and in priority to the claims of shareholders of the Issuer. Accordingly, although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is an enhanced risk that an investor in Subordinated Notes will lose all or some of this investment should the Issuer become insolvent.

B. Risks related to Notes

The condition of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting, or, as the case may be, did not sign the written resolution and including those Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Principal Paying Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of any of the provisions of Notes which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 of the Conditions of the Notes. Any such modification, waiver or substitution may be contrary to the interest

of one or more Noteholders and as a result the Notes may no longer meet the requirements or investment objectives of a Noteholder.

The value and return of the Notes could be materially adversely impacted by a change in Dutch law or administrative practice and the jurisdiction of the courts of the Netherlands

The conditions of the Notes are based on Dutch law in effect at the date of this Prospectus, as supplemented. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Netherlands, the official application, interpretation or the administrative practices after the date of this Prospectus. Such changes in laws may include amendments to a variety of tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Any such change could materially adversely impact the value of any Notes affected by it.

Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving any series of Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. The laws of the Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes and the application of the laws of the Netherlands may therefore lead to a different interpretation of, amongst others, the conditions of the Notes than the investor may expect if the equivalent law of his home jurisdiction were applied. This may lead to the Notes not having certain characteristics as the investor may have expected and may impact the return on the Notes.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

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 in excess of the minimum Specified Denomination 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 would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as the 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 may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Therefore, 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.

Payments in respect of the Notes may become subject to Dutch conditional withholding tax

On 17 December 2019, Dutch Parliament adopted the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). The Dutch Withholding Tax Act 2021 was published in the Dutch State Gazette (*Staatsblad*) on 27 December 2019 and introduces a conditional withholding tax on interest and royalties that will apply from 2021. The conditional withholding tax is an anti-abuse measure and will apply to interest and royalty payments by a Dutch entity (broadly defined) directly or – if certain requirements are met – indirectly, to an affiliated entity or permanent establishment of such entity (i) in a low-tax jurisdiction or (ii) in cases of abuse. For this purpose, 'low-tax jurisdictions' are jurisdictions which are on the Dutch list for low-tax jurisdictions. The Dutch list for low-tax jurisdictions includes jurisdictions (i) with a statutory corporate tax rate of less than 9 per cent. and/or (ii) that are on the EU list for non-cooperative jurisdictions. The list is updated annually. Generally, an entity is affiliated if it can directly or indirectly control the decisions made by the other entity on its activities (a qualifying interest). This is for example the case if it has more than 50% of the voting rights. The controlling entity can either be the paying or the receiving entity. Furthermore, an entity is affiliated, if a third party has a

qualifying interest in both the paying and receiving entity. An entity is also affiliated if it has an interest, but not a qualifying interest in the Dutch entity, but it is part of a cooperating group of entities which as a total has a qualifying interest in the Dutch entity that makes the payment.

In case payments made by the Issuer in respect of the Notes are, as of 1 January 2021, subject to the conditional withholding tax on interest payments, the Issuer may become obliged to pay additional amounts (as described under “*Terms and Conditions of the Notes — Taxation*”) on the Notes. In that case the Issuer may redeem the relevant Notes as described in “*Terms and Conditions of the Notes — Redemption and Purchase, Redemption for Tax Reasons*”. If so redeemed, an investor may not be able to reinvest the redemption proceeds for the Notes at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

C. Risks related to the market in respect of the Notes

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop (for example, Notes may be allocated to a limited pool of investors). If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in 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 significantly change (including changes due to devaluation of the Specified Currency or revaluation 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 (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) 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.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

The value of the Notes may be affected by the creditworthiness and the credit rating of the Issuer, the credit rating of the Notes and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

In general, European (including United Kingdom) regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the United Kingdom 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 and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU and non-UK 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). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

D. Risks related to Notes denominated in Renminbi

Renminbi is not completely freely convertible; there are still significant restrictions on remittance of Renminbi into and outside the People's Republic of China (the PRC) which may adversely affect the liquidity of Notes denominated in RMB (RMB Notes).

Renminbi is not completely freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the U.S. dollar, despite significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions under current accounts. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually. Currently the RMB Clearing Banks in the permitted areas designated by the Peoples' Bank of China (**PBOC**) as Renminbi settlement centres and Renminbi participating banks have been permitted to engage in the settlement of Renminbi trade transactions. This represents a current account activity.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund on 1 October 2016, there is no assurance that the PRC government will continue to liberalise control over cross-border RMB remittances in the future or that new PRC regulations will not be promulgated in the

future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under RMB Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. The PBOC has also entered into settlement agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions in a number of financial centres and cities (each a **RMB Clearing Bank**) and these RMB Clearing Banks have been permitted to engage in the settlement of Renminbi trade transactions. However, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described in the Conditions applicable to RMB Notes, the Issuer can make payments in other currencies as set out in the conditions of the Notes.

Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, Renminbi experienced a substantial devaluation as a result of adjustments made by the PBOC to the Renminbi to U.S. dollar exchange rate. Any future actions by the PBOC may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to RMB Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar or other applicable foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the conditions of the Notes), the Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the conditions of the Notes allow the Issuer to make payment in other foreign currencies at the prevailing spot rate of exchange, all as provided in more detail in the conditions of the Notes. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against other foreign currencies, the value of a holder's investment in other foreign currency terms will decline.

Investment in RMB Notes is subject to interest rate risks

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with fluctuations in interest rates. If a holder of RMB Notes tries to sell any RMB Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of RMB Notes will only be made to investors in the manner specified in the terms and conditions of the relevant RMB Notes

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. All Renminbi payments to investors in respect of RMB Notes will be made solely (i) for so long as the RMB Notes are represented by global certificates held with the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of Euroclear, Clearstream, Luxembourg or the applicable alternative clearing system as applicable, or (ii) for so long as the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than as provided in Condition 5(f)(ii), the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

There may be PRC tax consequences with respect to investment in the RMB Notes

In considering whether to invest in the RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholder's investment in the RMB Notes may be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

IMPORTANT INFORMATION

This Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. When used in this Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

This Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer accepts responsibility for the information contained in this Prospectus and any future supplements of this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Any information from third-parties has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in the Final Terms which will be delivered to Euronext Amsterdam on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange or stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see *Documents Incorporated by Reference*), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the AFM.

This Prospectus has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will (i) only be admitted to trading on an EEA regulated market (as defined in MiFID II), or a specific segment of an EEA regulated market, to which only qualified investors (as defined in the Prospectus Regulation) can have access (in which case they shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public in an EEA Member State pursuant to an exemption under Article 1(4) of the Prospectus Regulation (and for these purposes, references to the EEA include the United Kingdom).

An investor intending to acquire or acquiring any Notes from an offeror will do so, and offers and sales of the Notes to an investor by an offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Prospectus and any Final Terms will not contain such information. The investor must look to the offeror at the time of such offer for the provision of such information. The Issuer has no responsibility to an investor in respect of such information.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this 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 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 Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers, in their capacity as such, as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer or for any act or omission of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the 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.

Neither the delivery of this 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 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. However, the previous statement in no way detracts from the Issuer's obligation to prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent offer of Notes to the public or issue of Notes to be listed on Euronext Amsterdam in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes. 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 Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes outside the Netherlands or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the Netherlands and France), the United Kingdom, Hong Kong, The People's Republic of China, Singapore and Japan (see *Subscription and Sale and Transfer and Selling Restrictions* below).

IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) and in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2016/97/EU (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore

offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market

The Final Terms in respect of any Notes may 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 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.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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 such 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 Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

All references in this Prospectus to **U.S. dollars, U.S.\$** and **\$** refer to the currency of the United States of America, those to **euro, EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, those to **Japanese yen, yen** and **¥** refer to the currency of Japan, those to **CHF** refer to the currency of Switzerland, those to **Sterling** and **£** refer to the currency of Great Britain and those to **Renminbi, RMB** and **CNY** refer to the currency of The People's Republic of China.

Descriptions of those abbreviated terms which are related to the Issuer's business are set out in the Glossary of Terms.

SUITABILITY OF INVESTMENT

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 Prospectus or 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 Notes with principal or interest payable in one or more currencies, or 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 for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, 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.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

U.S. INFORMATION

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its territories or to U.S. persons, except in certain transactions permitted by U.S. tax regulations (see *Subscription and Sale and Transfer and Selling Restrictions*). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder.

This Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs and Institutional Accredited Investors (each as defined under *Form of the Notes*) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised.

Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Purchasers of Definitive IAI Registered Notes (as defined under *Form of the Notes*) will be required to execute and deliver an IAI Investment Letter (as defined under *Terms and Conditions of the Notes*). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in *Subscription and Sale and Transfer and Selling Restrictions*. Unless otherwise stated, terms used in this paragraph have the meanings given to them in *Form of the Notes*.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are ‘restricted securities’ within the meaning of the Securities Act, the Issuer has undertaken in an Amended and Restated Agency Agreement dated 1 May 2020 (the **Agency Agreement**) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as ‘restricted securities’ within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

The Issuer is a public limited liability company incorporated under the laws of the Netherlands. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Netherlands upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Netherlands predicated upon civil liabilities of the Issuer or such directors and officers under laws other than the Netherlands law, including any judgment predicated upon United States federal securities laws.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

The risks and uncertainties include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in the Netherlands and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate.

Any forward looking statements contained in this Prospectus speak only as at the date of this Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Articles of Association of the Issuer which is available at https://ir.kpn.com/download/companies/koninkpnnv/Other%20Information/20180420_Koninklijke%20KPN%20NV_AoA.PDF;
- (b) the publicly available report on the quarterly results of the Issuer for the first quarter of 2020 (the **Q1 2020 Results**), which is available at https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN_Q1_2020_Results_Press_release.pdf;
- (c) the publicly available audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2019 (prepared in accordance with International Financial Reporting Standards as adopted by the EU (**IFRS-EU**) and with Part 9 of Book 2 of the Dutch Civil Code) which appear on pages 98 to 157 (inclusive) of the KPN Integrated Annual Report 2019 (the **2019 Annual Report**) which is available at https://ir.kpn.com/download/companies/koninkpnnv/Results/Integrated_Annual_Report_2019.pdf and the independent auditor's report which appears on pages 165 to 173 (inclusive) of the 2019 Annual Report;
- (d) the publicly available audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 (prepared in accordance with IFRS-EU and with Part 9 of Book 2 of the Dutch Civil Code) which appear on pages 112 to 175 (inclusive) of the KPN Integrated Annual Report 2018 (the **2018 Annual Report**) which is available at https://ir.kpn.com/download/companies/koninkpnnv/Quarterly%20Reports/8_Integrated_Annual_Report_2018.pdf and the independent auditor's report which appears on pages 184 to 192 (inclusive) of the 2018 Annual Report; and
- (e) to the extent they apply to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes, the Terms and Conditions of the Notes contained in previous Prospectuses dated 9 April 2009, pages 60 to 87 (inclusive) which is available at https://ir.kpn.com/download/companies/koninkpnnv/AnleihePresentations/Prospectus_2009_7.pdf; dated 9 April 2010, pages 60 to 87 (inclusive) which is available at https://ir.kpn.com/download/companies/koninkpnnv/AnleihePresentations/KPN_GMTN_Base_Prospectus_2010_6.pdf; dated 4 April 2011, pages 67 to 94 (inclusive) which is available at https://ir.kpn.com/download/companies/koninkpnnv/AnleihePresentations/KPN_GMTN_Prospectus_2011_4.PDF; dated 27 April 2012, pages 70 to 99 (inclusive) which is available at https://ir.kpn.com/download/companies/koninkpnnv/AnleihePresentations/Prospectus_2012_3.pdf; dated 31 March 2016, pages 86 to 116 (inclusive) which is available at https://ir.kpn.com/download/companies/koninkpnnv/AnleihePresentations/KPN_GMTN_Prospectus_2016.PDF, prepared by the Issuer in connection with the Programme.

The Issuer will provide, without charge, upon request of such person, a copy of any or all of the documents which are incorporated herein by reference. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus. Copies of documents incorporated by reference in this Prospectus can also be obtained from <https://ir.kpn.com/websites/kpn/English/10/investor-relations.html>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

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

FORM OF THE NOTES

The Notes of each Series will either be in bearer form (**Bearer Notes**), with or without interest coupons (**Coupons**) attached, or in registered form (**Registered Notes**), without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on Regulation S and within the United States in reliance on Rule 144A under the Securities Act or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially represented by a temporary bearer global Note (the **Temporary Bearer Global Note**) (or, if so specified in the applicable Final Terms, a permanent bearer global Note (the **Permanent Bearer Global Note**)), without interest coupons or talons which in either case will:

- (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**) and/or any other agreed clearing system or be deposited with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Nederland**); and
- (b) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or be deposited with Euroclear Nederland.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note and issued in compliance with the TEFRA D Rules, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not United States persons or persons who have purchased for resale to any United States 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 Principal Paying 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 more than 90 days after the date on which a Temporary Bearer Global Note is issued, interests in the Temporary Bearer Global Note will be exchangeable (free of charge), upon request as described therein, either for interests in a Permanent Bearer Global Note without interest coupons or talons or for definitive Bearer Notes (as indicated in the applicable Final Terms), in each case (if the Bearer Notes are issued in compliance with the TEFRA D Rules) against certification of beneficial ownership as described in the second sentence of this paragraph unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date, unless upon due presentation of the Temporary Bearer Global Note for exchange as aforesaid, delivery of any of the definitive Bearer Notes or Coupons is improperly withheld or refused.

Definitive Bearer Notes will be in the standard euomarket form. Definitive Bearer Notes and global Bearer Notes will be to bearer.

Payments of principal and interest (if any) on a Permanent Bearer Global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification. A Permanent Bearer Global Note will be exchangeable (free of charge), in whole or (subject to the Bearer Notes which continue to be represented by the Permanent Bearer Global Note being regarded by the relevant clearing system(s) as fungible with the definitive Bearer

Notes issued in partial exchange for such Permanent Bearer Global Note) in part, in accordance with the applicable Final Terms for security printed definitive Bearer Notes with, where applicable, interest coupons or coupon sheets and talons attached. Such exchange may be made, as specified in the applicable Final Terms, either: (i) upon not less than 30 days' written notice being given to the Principal Paying Agent by a relevant clearing system (acting on the instructions of any of its participants) as described therein or (ii) upon the occurrence of an Exchange Event, subject to mandatory provisions of applicable laws and regulations. If and for as long as a Permanent Bearer Global Note is deposited with Euroclear Nederland, such laws include the Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and delivery (*uitlevering*) will only be possible in the limited circumstances prescribed by the Securities Giro Transfer Act.

An **Exchange Event** means (1) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg and/or if applicable Euroclear Nederland has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative 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 7 which would not be required were the Bearer Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event, a relevant clearing system or the common depository or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, acting on the instructions of any holder of an interest in the global Bearer Note may give notice to the Principal Paying Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Principal Paying 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 Principal Paying Agent. Global Bearer Notes and definitive Bearer Notes will be issued pursuant to the Agency Agreement (as defined under *Terms and Conditions of the Notes* below). At the date hereof, neither Euroclear nor Clearstream, Luxembourg, as opposed to Euroclear Nederland, regard Bearer Notes in global form as fungible with Bearer Notes in definitive form.

The following legend will appear on all Bearer Notes which have an original maturity of more than one year and on all interest coupons (including talons) relating to such Notes (other than Temporary Bearer Global Notes) which are issued in compliance with the TEFRA D Rules:

'ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.'

The sections referred to 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 Bearer Notes held in Euroclear Nederland:

'Notice: This Note is issued for deposit with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ('Euroclear Nederland') 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.'

Notice: The custody of this global certificate by Euroclear Nederland shall be subject to Euroclear Nederland's conditions as in force from time to time. The Issuer hereby declares that it will abide by these conditions.'

Registered Notes

Each Tranche of Registered Notes offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (**Regulation S Global Notes**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable

to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to ‘qualified institutional buyers’ within the meaning of Rule 144A under the Securities Act (**QIBs**) or (ii) to ‘accredited investors’ (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions (**Institutional Accredited Investors**) and who execute and deliver an IAI Investment Letter (as defined under *Terms and Conditions of the Notes*) in which they agree, among other things, to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (**Rule 144A Global Notes** and, together with Regulation S Global Notes, the **Registered Global Notes**).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**) for its own account or for the accounts of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a common depository or common safekeeper, as the case may be, for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (**Definitive IAI Registered Notes**). Unless otherwise set forth in the applicable Final Terms, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under *Subscription and Sale and Transfer and Selling Restrictions*. Institutional Accredited Investors that hold Definitive IAI Registered Notes may not elect to hold such Notes through DTC, Euroclear or Clearstream, Luxembourg, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144A under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under *Subscription and Sale and Transfer and Selling Restrictions*. The Registered Global Notes and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (1) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or, DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, or (2) in the

case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg 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, in any such case, no successor clearing system is available, or (3) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Registered Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC and/or Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (3) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 15 days after the date on which the relevant notice is received by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see *Subscription and Sale and Transfer and Selling Restrictions*.**

General

Pursuant to the Agency Agreement the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg, and where applicable, a CUSIP and CINS number by DTC by the Listing Department of Euronext Amsterdam which are different from the ISIN, common code, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined under Regulation S) applicable to the Notes of such Tranche.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 of the Terms and Conditions. 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 Nederland) 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 Nederland) 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 Nederland) on and subject to the terms of the relevant global Note. In the case of a global Bearer Note deposited with Euroclear Nederland, the rights of Noteholders will be exercised in accordance with the provisions of such global Bearer Note and the provisions of the Securities Giro Transfer Act (*Wet giraal effectenverkeer*). In addition, holders of interests in a global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interests in a global Note in accordance with DTC's standard operating procedures.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of 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 such 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 its agents 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 such nominal amount of such Notes, for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC 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.

APPLICABLE FINAL TERMS

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

FINAL TERMS

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

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.

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

[Date]

Koninklijke KPN N.V.

Legal entity identifier (**LEI**): 549300Y00JZHAL7FVP81

Incorporated in the Netherlands as a public limited liability company
(*naamloze vennootschap*) with its corporate seat in Rotterdam

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Global Medium Term Note Programme

[The Notes will only be admitted to trading on [insert name of relevant *QI* market/segment], which is [an EEA regulated market/a specific segment of an EEA regulated market] (and, for these purposes, reference to the

¹ Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

EEA includes the United Kingdom) (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.]²

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 1 May 2020 [and the supplement[s] to it dated [●]] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein which have been prepared for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. The Base Prospectus and the Final Terms have been published on ir.kpn.com.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the prospectus dated [●] which are incorporated by reference in the prospectus dated 1 May 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus dated 1 May 2020 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus has been published on ir.kpn.com.

[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 terms or information constitute 'significant new factors' and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one (1) year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: Koninklijke KPN N.V.
2. (i) Series Number: []
(ii) Tranche Number: []
(iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [date]][Not Applicable]
3. (i) Specified Currency or Currencies: []
(ii) Relevant Currency: [] (*only relevant in relation to Condition 5(f)(ii) when the Specified Currency is Renminbi, otherwise, delete*)

² Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.

4. Aggregate Nominal Amount:
- (i) Series: []
- (ii) Tranche: []
5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]*] (if applicable)
6. (a) Specified Denominations: []
(in the case of Registered Notes this means the minimum integral amount in which transfers can be made) []
(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent) unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access)
(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:
"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")
- (b) Calculation Amount⁽¹⁾
(Applicable to Notes in definitive form) *(If only one Specified Denomination, insert the Specified Denomination.*
If more than one Specified Denomination, insert the highest 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]*
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: *[Specify date or for Floating rate notes – Interest Payment Date falling in or nearest to [specify month and year].⁽²⁾*
9. Interest Basis: *[[] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
(see paragraph [15]/[16]/[17] below)

10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount
11. Change of Interest Basis *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 16 below and identify there]* [Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[Issuer Refinancing Call]
[Issuer Make-whole Redemption Call]
[Issuer Residual Call]
[(see paragraph [18]/[19]/[20]/[21]/[22] below)]
[Not Applicable]
13. Status of the Notes: [Senior/Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated]

Provisions Relating to Interest (if any) Payable

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year⁽³⁾ up to and including the Maturity Date/*[specify other]*
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount⁽¹⁾
(Applicable to Notes in definitive form)
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]
(Applicable to Notes in definitive form)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (vi) [Determination Date[s]: [[] 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 (NB: This will need to be amended in the case of regular interest payments which are not of equal duration) (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

16. Floating Rate Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Specified Period(s)/Specified Interest Payment Dates:

[]

(ii) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]

(iii) Additional Business Centre(s):

[]

(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:

[Screen Rate Determination/ISDA Determination]

(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):

[] (the **Calculation Agent**)

(vi) Screen Rate Determination:

[Yes/No]

– Reference Rate:

[] month [LIBOR/EURIBOR]

– 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 (or any successor thereto) 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 or amend the fallback provisions appropriately)

(vii) ISDA Determination: [Yes/No]

– Floating Rate Option: []

– Designated Maturity: []

– Reset Date: []

(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)

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

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

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

(xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
(See Condition 4 for alternatives)

17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

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

(ii) Reference Price: []

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

Provisions Relating to Redemption

18. Issuer Call: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption []
Date(s):
- (ii) Optional Redemption [[] per Calculation Amount]
Amount(s):
- (iii) If redeemable in part:
 - (A) Minimum Redemption Amount: []
 - (B) Maximum Redemption Amount: []
- (iv) Notice period (if other than set out in the Conditions): []

(N.B. When setting notice periods, 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. Issuer Refinancing Call: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Date from which Issuer Refinancing Call may be exercised:

(Insert date three months prior to Maturity Date of the Notes)

- (ii) Notice period (if other than set out in the Conditions): []

(N.B. When setting notice periods, 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. Make-whole Redemption Call [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Notice period (if other than [] set out in the Conditions):

(N.B. When setting notice periods, 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.)

- (ii) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount in addition to those set out in Condition 6(c)(C): []/[Not Applicable]

- (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual/Quarterly]

- (iv) Make-Whole Redemption Margin: []

- (v) Quotation Agent: []/[Not Applicable]

- (vi) Reference Dealers: [give details]

- (vii) Reference Security: [give details]

21. Issuer Residual Call [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Notice period (if other than [] set out in the Conditions):

(N.B. When setting notice periods, 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.)

- (ii) Residual Call Early Redemption Amount: [●] per Calculation Amount

22. Investor Put: [Applicable/Not Applicable/Applicable – Change of Control]
- (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 set out in the Conditions): []
- (N.B. When setting notice periods, 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.)*

23. Final Redemption Amount: [[] per Calculation Amount]

24. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount/As set out in Condition 6(e)]
- (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

General Provisions Applicable to the Notes

25. Form of Notes:
- (i) Form
- [Bearer Notes:
- [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 30 days' notice given at any time/only upon an Exchange Event, subject to mandatory provisions of applicable laws and regulations].]
- [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date. [subject to mandatory provisions of applicable laws and regulations].]
- [Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 30 days' notice given at any time/only upon an Exchange Event, subject to mandatory provisions of applicable laws and regulations].]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary/Permanent Global Note exchangeable for Definitive Notes.)

[Registered Notes:

Regulation S Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*).]

- | | | |
|------|---|--|
| (ii) | New Global Note | [Yes] [No] |
| 26. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | [Not Applicable/give details] |
| | | <i>(Note that this paragraph relates to the date and place of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which paragraph 16(iii) relates)</i> |
| 27. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [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/No] |
| 28. | For the purposes of Condition 13, notices to be published in the Financial Times: | [Yes/No] |
| 29. | Condition 7(a) or 7(b) of the Notes applies: | [Condition 7(a) applies and Condition 6(b) does not apply/Condition 7(b) applies and Condition 6(b) applies] |

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 Koninklijke KPN N.V.

By:

Duly authorised

- (1) For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY 0.01, CNY 0.005 for the case of Renminbi denominated Fixed Rate Notes, being rounded upwards.”
- (2) Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, it will be necessary to use the second option here.
- (3) Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.”

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/specify other relevant regulated and, if relevant, listing on an official list] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/specify other relevant regulated and, if relevant, listing on an official list] with effect from [].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading []

2. RATINGS

Ratings: The Notes to be issued [have been][are expected to be] rated [] by [*Insert the legal name of the relevant credit rating agency*]

[Each of] [*name of credit rating agency/ies*] is established in the [European Union/United Kingdom] and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

[Save for [any fees]/[the fees of [*insert relevant fee disclosure*]] payable to the Managers/Dealer, so far as the Issuer is aware, no person involved in the issue 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. – *Amend as appropriate if there are other interests*]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: See “Use of Proceeds” in the Base Prospectus/*Give details*]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details)

- (ii) Estimated net proceeds: []

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]

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

(i) ISIN: []

(ii) Common Code: []

(iii) CUSIP: []

(iv) CINS: []

(v) CFI: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(vi) FISN: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(vii) 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) and number(s)]

(viii) Delivery: Delivery [against/free of] payment

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

(x) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]
[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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[include this text for Registered Notes which are to be held under the NSS]* 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 satisfaction of the Eurosystem eligibility criteria.] *[include this text if "yes" selected in which case Bearer Notes must be issued in NGN form]*

[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 [(and registered in the name of a nominee of one of the ICSDs acting as common Safekeeper] *[include this text for Registered Notes which are to be held under the NSS]*. 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.]] *[include this text if "no" selected]*

7. DISTRIBUTION

- (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilisation Manager[s] (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (iv) U.S. Selling Restrictions: [Rule 144A; Reg. S Compliance Category 2; TEFRA D Rules applicable/TEFRA C Rules applicable/TEFRA not applicable]
- (v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)
- (vi) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange 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 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 Koninklijke KPN N.V. (the **Issuer**, which expression shall include any Substituted Debtor (as defined in Condition 16)) 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 each Specified Denomination in the Specified Currency, (ii) definitive Notes in bearer form (**Bearer Notes**) issued in exchange (or part exchange) for a global Note in bearer form, (iii) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange (or part exchange) for a global Note in registered form) and (iv) any global Note. The holders of the Notes and the Coupons (as defined below) are deemed to have notice of, are entitled to the benefit of and are subject to the provisions of an Amended and Restated Agency Agreement dated 1 May 2020 (the **Agency Agreement**), as further amended and/or supplemented and/or restated from time to time and made between the Issuer, Citibank, N.A. as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citigroup Global Markets Europe AG as registrar (the **Registrar**, which expression shall include any successor registrar), Citibank, N.A. as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and as transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents** (such agents being together referred to as **Agents**), which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes in the standard euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable 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. Registered Notes and global Notes do not have Coupons or Talons attached on issue. Any reference herein to **Noteholders** shall mean (in the case of Bearer Notes) the holders of the Notes, and (in the case of Registered Notes) the persons in whose names the Notes are registered, 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 a participant of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Nederland**).

The Final Terms for this Note is endorsed hereon or attached hereto or applicable hereto or incorporated by reference herein and supplements these Terms and Conditions. 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) identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the applicable Final Terms are available free of charge at the registered office of the Issuer and at the specified offices of the Paying Agents and in an electronic form on the website of the Issuer (ir.kpn.com).

The Noteholders and the Couponholders are deemed to have notice of, are entitled to the benefit of and are subject to all the provisions of the applicable Final Terms which are binding on them.

Words and expressions defined in the Agency Agreement or 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, and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Form(s) specified in the applicable Final Terms, provided that in the case of any 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 (which for this purpose shall include the United Kingdom) in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 (the **Prospectus Regulation**), the minimum Specified Denomination shall be €100,000 or, where it is a Note to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access, €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Senior Note or a Subordinated Note as indicated in the applicable Final Terms. This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending on the Interest Basis and Redemption/Payment Basis indicated in the applicable Final Terms.

Bearer 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 Bearer Notes and Coupons will pass by delivery and title to Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. For Notes held by Euroclear Nederland deliveries will be made in accordance with the 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 and the Agents may deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note 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 Bank 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 of 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 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 Bearer Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (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.

For so long as the Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note (as defined in Condition 2(h)), DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

References to Euroclear and/or Clearstream, Luxembourg and/or DTC 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 Nederland.

2. **Transfers of Registered Notes**

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) *Transfers of Registered Notes in definitive form*

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request and that the transfer is in compliance with the transfer restrictions set forth in such Registered Note. Any such transfer will be subject to such regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in

definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) *Transfers of interests in Regulation S Global Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:
 - (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) to a person who is an Institutional Accredited Investor, together with, in the case of (B), a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an **IAI Investment Letter**); or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period such certification requirements will no longer apply to such transfers.

(f) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case

of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

- (ii) to a transferee who takes delivery of such interest through a Legended Note:
 - (A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
 - (B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) *Exchanges and transfers of Registered Notes generally*

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) *Definitions*

In this Condition, the following expressions shall have the following meanings:

Distribution Compliance Period means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

Institutional Accredited Investor means ‘accredited investors’ (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions;

Legended Notes means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) issued to QIBs which bear certain legends regarding U.S. restrictions on transfer;

QIB means a ‘qualified institutional buyer’ within the meaning of Rule 144A;

Registered Global Note means a Regulation S Global Note or a Rule 144A Global Note;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes sold in the United States to QIBs in reliance on Rule 144A or otherwise in private transactions exempt from the registration requirements of the Securities Act; and

Securities Act means the United States Securities Act of 1933, as amended.

3. **Status of the Notes and Negative Pledge**

(a) *Status of the Senior Notes*

The Senior Notes and the relative Coupons constitute direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions) equally with all other unsecured and unsubordinated obligations of the Issuer.

(b) *Negative Pledge relating to the Senior Notes*

So long as the Senior Notes or any relative Coupons remain outstanding, the Issuer will not secure by lien, pledge or other charge upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer without at the same time securing the Senior Notes equally and rateably with such Public Debt or providing such other security as the Senior Noteholders may approve by an Extraordinary Resolution (as defined in the Agency Agreement). **Public Debt** means any loan, debt, guarantee or other obligation which is represented by bonds or notes or other securities which have an initial life exceeding two years and which are capable of being listed on any stock exchange or over-the-counter or other similar securities market.

(c) *Status and Subordination of the Subordinated Notes*

The Subordinated Notes (being those Notes that specify their status as Subordinated) and the Coupons relating to them constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. In the event of the insolvency (bankruptcy) (*faillissement*) or moratorium (*surseance van betaling*) or dissolution (*ontbinding*) or liquidation (*vereffening*) of the Issuer, the payment obligations of the Issuer under or in respect of the Subordinated Notes and the Coupons relating to them, shall rank in right of payment after unsubordinated unsecured creditors of the Issuer, and any set-off by holders of a Subordinated Note shall be excluded until all obligations of the Issuer vis-à-vis its unsubordinated unsecured creditors have been satisfied, but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the obligations of the Issuer under or in respect of the Subordinated Notes, and in priority to the claims of shareholders of the Issuer.

4. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the notes are in definitive form, 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 these Terms and Conditions, **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.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded 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.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if 'Actual/Actual (ICMA)' is specified in the applicable Final Terms:
 - (A) 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 (1)

the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or

- (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) 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 and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) 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;
- (ii) 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 12 30-day months) divided by 360.

In these Terms and Conditions:

Determination Period means the 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); and

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

(b) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

Each Floating Rate 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:

- (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 applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls on 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.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date) or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on 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 4(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 Specified Period 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.

In these Terms and Conditions, **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 London and 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 and Renminbi, 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 or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) or any successor thereto is open or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (A) ISDA Determination for Floating Rate Notes

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 sub-paragraph (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 (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of 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 (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 inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, 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.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

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) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no offered quotation appears or, in the case of (2), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being 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 Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Determination Date (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 4(ii)(B):

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, and in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent after consultation with the Issuer.

Specified Time means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR).

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specify 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.

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

The Calculation 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 Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (x) the Notes represented by such Global Note or (y) such Registered Notes; or
- (B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, 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. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (1) if 'Actual/Actual (ISDA)' or 'Actual/Actual' 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);
- (2) if 'Actual/365 (Fixed)' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (3) 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;
- (4) if 'Actual/360' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

- (5) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

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 of 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 a number, in which the day immediately following the last day of 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;

- (7) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) 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 (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (v) Notification of Rate of Interest and Interest Amount.

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) following the commencement of the relevant Interest Period. 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 are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

- (vi) 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) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, if

applicable, the other 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 Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vii) Benchmark Discontinuation

- (A) If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Advisor, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Condition 4(b)(vii)(B) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4(b)(vii)(D)) and any Benchmark Amendments (in accordance with Condition 4(b)(vii)(E)).

In the absence of bad faith or fraud, the Independent Advisor shall have no liability whatsoever to the Issuer, the Paying Agents or the Noteholders for any determination made by it pursuant to this Condition 4(b)(vii).

- (B) If (i) the Issuer is unable to appoint an Independent Advisor or (ii) the Independent Advisor appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(vii) prior to the relevant Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this paragraph of Condition 4(b)(vii) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 4(b)(vii).
- (C) If the Independent Advisor determines in its discretion that:
- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(b)(vii)(D)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 4(b)(vii); or
 - (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(b)(vii)(D)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 4(b)(vii).
- (D) If the Independent Advisor determines in its discretion (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (E) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(b)(vii) and the Independent Advisor determines

in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 4(b)(vii)(F), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Principal Paying Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(b)(vii)).

In connection with any such variation in accordance with this Condition 4(b)(vii)(E), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

- (F) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(b)(vii) will be notified promptly by the Issuer to the Principal Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (G) No later than notifying the Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two authorised signatories of the Issuer:
 - (i) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(b)(vii); and
 - (ii) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (H) Without prejudice to the obligations of the Issuer under Condition 4(b)(vii)(A), (B), (C), (D) and (E), the Reference Rate and the fallback provisions provided for in Condition 4(b)(ii)(B) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(b)(vii)(F).
- (I) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

(J) As used in this Condition 4(b)(vii):

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

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Advisor, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (iii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Advisor determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) (if the Independent Advisor determines that no such industry standard is recognised or acknowledged) the Independent Advisor determines to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Advisor determines in accordance with Condition 4(b)(vii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"Benchmark Event" means:

- (i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Reference Rate that it has ceased, or will, by a specified date within the following six months, cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified date within the following six months, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (v) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

"**Benchmark Amendments**" has the meaning given to it in Condition 4(b)(vii)(E).

"**Independent Advisor**" means an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 4(b)(vii).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

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

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(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 Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. Payments

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and Renminbi will be made by transfer to an account in the relevant Specified Currency 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;
- (ii) payments in Renminbi will be made by transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong; and
- (iii) 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 (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

(b) *Presentation of definitive Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Fixed Rate Notes in definitive bearer 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 relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note in bearer form 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 issued.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer 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 in bearer form (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 Bearer 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 Bearer Note.

(c) *Payments in respect of global Bearer Notes*

Payments of principal and interest (if any) in respect of Notes represented by any global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Bearer Note against presentation or surrender, as the case may be, of such global Bearer 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 Bearer Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Bearer Note by such Paying Agent (and such record shall be *prima facie* evidence that the payment in question has been made) or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *Payments in respect of Registered Notes*

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency, (in the case of a payment in Renminbi) a bank in Hong Kong and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifth day (in the case of any sum

payable in Renminbi) and on the fifteenth day (in the case of any sum payable in a currency other than Renminbi) (whether or not such fifth day or fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the nominal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) *General provisions applicable to payments*

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, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear and/or Clearstream, Luxembourg or DTC, 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 and its possessions)) 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 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.

(f) *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 any further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which, subject to Condition 8, is:

- (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 Notes in definitive form, the relevant place of presentation; and
 - (B) any Additional Financial Centre specified in the applicable Final Terms; andeither (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, 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 or (2) in relation to any sum payable in Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed or (3) in relation to any sum payable in euro, a day on which the TARGET2 System or any successor thereto is open; and
- (ii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) *Payment of Relevant Currency Equivalent*

Notwithstanding all other provisions in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments due under the Notes or Coupons in Renminbi in Hong Kong, the Issuer shall, on giving not less than three and not more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment in whole or in part in the Relevant Currency on the due date for payment at the Relevant Currency Equivalent of any such Renminbi denominated amount.

In such event, payments of the Relevant Currency Equivalent of the relevant amounts due under the Notes or Coupons shall be made in accordance with Condition 5(a)(i), 5(a)(iii) or Condition 5(d), as applicable.

In this Condition 5(f)(ii):

Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

Illiquidity means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to make a payment under the Notes or Coupons;

Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert into Renminbi any amount due in another currency into the amount of Renminbi in respect of the Notes or Coupons in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer and/or any of its respective affiliates to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer and/or its affiliates due to an event beyond its control, to comply with such law, rule or regulation);

Non-transferability means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer and/or any of its affiliates to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer and/or its affiliates due to an event beyond its control, to comply with such law, rule or regulation);

Rate Calculation Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and the principal financial centre of the Relevant Currency (which is, in the case of euro, a day on which the TARGET2 System is operating);

Rate Calculation Date means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Conditions;

Relevant Currency means the currency specified in the Final Terms;

Relevant Currency Equivalent means the Renminbi amount converted into the Relevant Currency using the Spot Rate for the relevant Rate Calculation Date; and

Spot Rate, for a Rate Calculation Date, means the spot rate between Renminbi and the Relevant Currency, as determined by the Calculation Agent (or if none has been appointed, an agent appointed by the Issuer for this purpose) at or around 11.00 a.m. (Hong Kong time) on such date in good faith and in a reasonable commercial manner; and if a spot rate is not readily available, the Calculation Agent or such agent appointed under this Condition may determine the rate taking into consideration all available information which the Calculation Agent or such agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the PRC domestic foreign exchange market.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f)(ii) by the Calculation Agent or such agent appointed under this Condition, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Agents and all holders of the Notes.

(h) *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 7;
- (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) the Residual Call Early Redemption Amount (if any) of the Notes; and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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 7.

6. Redemption and Purchase

(a) *At Maturity*

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

(b) *Redemption for Tax Reasons*

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 on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (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 7 as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes. Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

(A) Issuer Call

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

- (i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13; and

- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), 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, or determined in the manner 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 or not more than a Maximum Redemption Amount, in each case as may be specified 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 nominal amount, at their discretion), DTC and/or Euroclear Nederland, 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 13 not less than 15 days prior to the date fixed for redemption. 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 paragraph (A) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 5 days prior to the Selection Date.

(B) Issuer Refinancing Call

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

- (i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), at any time, or from time to time, on or after the date specified in the applicable Final Terms (being three months prior to the Maturity Date of the Notes) redeem all or some of the Notes then outstanding on such redemption date (the **Refinancing Repurchase Date**) at their nominal amount together, if appropriate, with interest accrued to (but excluding) the Refinancing Repurchase Date.

In the case of a partial redemption of Notes, the relevant provisions of Condition 6(c)(A) shall apply *mutatis mutandis* to this Condition 6(c)(B).

(C) Issuer Make-whole Redemption Call

If the Issuer Make-whole Redemption Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Principal Paying Agent or, in the case of a redemption of Registered Notes, the Registrar, the Quotation Agent and such other parties as may be specified in the applicable Final Terms,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), on the dates specified in the applicable Final Terms redeem all or some only of the Notes then outstanding on such redemption date (each such date, a **Make-whole Redemption Date**) at their relevant Make-whole Redemption Amount.

Calculation Date means the third Business Day (as defined in Condition 4 above) prior to the Make-whole Redemption Date.

Make-whole Redemption Amount means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual, a semi-annual or a quarterly basis (as specified in the applicable Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Principal Paying Agent and such other parties as may be specified in the applicable Final Terms.

Make-whole Redemption Margin means the margin specified as such in the applicable Final Terms.

Make-whole Redemption Rate means the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time (CET)).

Quotation Agent means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the applicable Final Terms.

Reference Dealers means each of the banks, as specified in the applicable Final Terms, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Reference Security means the security specified as such in the applicable Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 13 (Notices).

Similar Security means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes, the relevant provisions of Condition 6(c)(A) shall apply *mutatis mutandis* to this Condition 6(c)(C).

(D) Issuer Residual Call

Unless the Issuer has at any time notified the Noteholders that it is exercising the Issuer Make-whole Redemption Call set out Condition 6(c)(C) in respect of the Notes, if Issuer Residual Call is specified in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), at the Residual Call Early Redemption Amount specified in the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption.

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

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest

accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 6(d) in any multiple of their lowest Specified Denomination.

If the Notes are in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of the Notes its holder must deliver such Notes at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by 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 or, as the case may be, the Registrar (the **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg 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 the Principal Paying Agent for notation accordingly. If this Note is in definitive form and not held through Euroclear or Clearstream, Luxembourg, the Put Notice must be 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 Investor Put – Change of Control is specified in the applicable Final Terms, the following provisions will apply. If there occurs a Change of Control (as defined below) and within the Change of Control Period (as defined below) a Rating Downgrade (as defined below) in respect of that Change of Control occurs (together called a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 6(b)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its nominal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

Rating Agency means Moody's Investors Service España S.A., S&P Global Ratings Europe Limited or Fitch Ratings Ltd. and their respective successors or affiliates or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control (i) if within the Change of Control Period any rating previously assigned to the Issuer by any two Rating Agencies (if three Rating Agencies have assigned a rating to the Issuer) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer) is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a noninvestment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Issuer by any two Rating Agencies shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating), or (ii) if at the time of the Change of Control there is no rating assigned to the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Issuer (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control) provided, in each case, that a Rating Downgrade otherwise

arising by virtue of a particular change in rating, or failure to obtain an investment grade rating (as described above) shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in or withdrawing the rating, or failing to award an investment grade rating (as described above), to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer that the withdrawal, reduction or such failure was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ('Relevant Person(s)') acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly or acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer.

Change of Control Period means the period ending 90 days after the occurrence of the Change of Control.

The **Optional Redemption Date** is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6(d).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 6(d) in relation to a Change of Control, the holder of that Note must deliver such Note, on any Business Day (as defined in Condition 4) in the city of the specified office of the relevant Paying Agent, falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, to any Paying Agent, as well as a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 6(d). The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a **Receipt**) in respect of the Notes so delivered. Payment by the Paying Agents in respect of any Notes so delivered shall be made either to the bank account duly specified in the relevant Put Notice or, if no account was so specified, by cheque on or after the Optional Redemption Date against presentation and surrender of such Receipt at the specified office of any Paying Agent. A Put Notice once given shall be irrevocable.

(e) *Early Redemption Amount*

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the 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;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the Early Redemption Amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price specified in the applicable Final Terms;

AY means the Accrual Yield expressed as a decimal specified in the applicable Final Terms; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be 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 will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days 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 will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days 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 will be 365).

(f) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) 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 and/or the Registrar for cancellation.

(g) *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 any Notes purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be re-issued or resold.

(h) *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) or (d) above or upon its becoming due and repayable as provided in Condition 9 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 (e) (iii) 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 Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. Taxation

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of 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 the Netherlands or any political subdivision or any authority thereof or therein 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 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) 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 his having some connection with the Netherlands other than the mere holding of such Note or Coupon or the receipt of principal or interest in respect thereof; or
 - (ii) 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
 - (iii) 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.

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 Principal Paying Agent or the Registrar, 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.

8. 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 the relevant payment first becomes 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 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default

Senior Notes

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

- (i) there is failure for more than 14 days in the payment of any principal or interest in respect of any Note when and as the same is due to be paid; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure continues for a period of 30 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer fails in the due repayment of borrowed money in an amount which exceeds €50,000,000 (or its equivalent in other currency or currencies) and such failure continues for a period of 14 days after notice of such failure has been received by the Issuer or the Issuer fails to honour a guarantee or indemnity in respect of an amount in excess of €50,000,000 (or its equivalent in other currency or currencies) and such failure continues for a period of 14 days after notice of such failure has been received by the Issuer, provided however always that in each case no Event of Default shall be deemed to have occurred if the Issuer is contesting its liability in good faith or shall have been ordered not to make such payment by a competent court; or
- (iv) the Issuer becomes bankrupt or subject to a moratorium (*surseance van betaling*) or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except if such order or resolution is made or passed for the purposes of any merger, consolidation or reconstruction in the case where either (a) prior consent thereto has been given by Extraordinary Resolution of the Noteholders or (b) the surviving or resulting company assumes all of the rights and obligations of the Issuer with respect to the Notes); or
- (v) the Issuer ceases to carry on the whole or substantially the whole of its business except for the purposes of any merger, consolidation or reconstruction in the case where either (a) prior consent thereto has been given by Extraordinary Resolution of the Noteholders or (b) the surviving or resulting company assumes all of the rights and obligations of the Issuer with respect to the Notes;

then each Noteholder may by written notice to the Issuer, at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the principal of and all interest accrued on its Notes to the date of payment to be forthwith due and payable, and the same shall become immediately due and payable, unless prior to the time when such written notice is received all such defaults have been cured.

Subordinated Notes

In the case of Subordinated Notes only, if the following event (an **Event of Default**) shall occur and is continuing:

the Issuer becomes bankrupt or subject to a moratorium (*surseance van betaling*) or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except if such order or resolution is made or passed for the purposes of any merger, consolidation or reconstruction in the case where either (a) prior consent thereto has been given by Extraordinary Resolution of the Noteholders or (b) the surviving or resulting company assumes all of the rights and obligations of the Issuer with respect to the Notes),

then each Noteholder may by written notice to the Issuer, at the specified office of the Principal Paying Agent or the Registrar (in the case of Registered Notes), effective upon the date of receipt thereof by the Principal Paying Agent or the Registrar, declare the principal of and all interest accrued on its Notes to the date of payment to be forthwith due and payable, and the same shall become immediately due and payable, unless prior to the time when such written notice is received all such defaults have been cured.

10. 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 Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) 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.

11. Agents

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

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

- (i) so long as the Notes are listed or admitted to trading on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent, (in the case of Bearer Notes) and a Transfer Agent, which may be the Registrar, (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (ii) there will at all times be a Paying Agent with a specified office in a city in a member country of the European Union;
- (iii) there will at all times be a Principal Paying Agent and a Registrar;
- (iv) there will at all times be a Paying Agent with a specified office situated outside the Netherlands; and
- (v) so long as any of the Registered Global Notes are registered in the name of a nominee for DTC, there will at all times be an Exchange Agent with a specified office in New York City.

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 5(e). 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 13.

The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent. In the case of a change of any of the Paying Agents, a notice will be published in accordance with Condition 13.

12. 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 any 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 8. 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.

13. Notices

All notices regarding the Bearer Notes shall be published (i) in at least one daily newspaper of wide circulation in the Netherlands, (ii) if so specified in the applicable Final Terms, in a leading English language daily newspaper of general circulation in London and (iii) if and for so long as the Bearer Notes are listed on Euronext Amsterdam, by the delivery of the relevant notice to Euronext Amsterdam and through a press release which will also be made available on the website of the Issuer (kpn.com). In the case of (ii) above, it is expected that any such publication will be made in the Financial Times in London. Any such notice will be deemed to have been given on the date of the first publication in all the newspapers and/or via other channels through which such publication is required to be made.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of the relevant authority of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules and regulations of that stock exchange.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees), so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Where the identity of all the holders of the Notes is known to the Issuer, the Issuer may (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees) give notices individually to such holders in lieu of publication as provided above.

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

Whilst any of the Notes are represented by a global Note deposited with Euroclear Nederland, the Issuer, the Agents and Euroclear Nederland shall mutually agree on such rules for form and contents of communications between them as they may deem practical for the purpose of giving effect to these Terms and Conditions.

14. 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 or 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. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three quarters in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three quarters in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

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

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or 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 error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

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 13 as soon as practicable thereafter.

15. 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.

16. Substitution of the Issuer

- (a) The Issuer (which for the purpose of this Condition, save where the context requires otherwise, includes any previous substitute of the Issuer) under this Condition may and the Noteholders and the

Couponholders hereby irrevocably agree in advance that the Issuer under this Condition may at any time substitute any company (incorporated in any country in the world), of which more than 90 per cent. of the shares or other equity interest carrying voting rights are directly or indirectly held by the Issuer, as the principal debtor in respect of the Notes (any such company, the **Substituted Debtor**), provided that:

- (i) such documents shall be executed, and notices be given, by the Substituted Debtor and the Issuer as the Principal Paying Agent may deem reasonably necessary to give full effect to the substitution and pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholders to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the principal debtor in respect of the Notes and Coupons in place of the Issuer;
- (ii) in accordance with and subject to Condition 7, no taxes or duties shall be required to be withheld or deducted at source in the territory where the Substituted Debtor is incorporated, domiciled or resident (unless the withholding or deduction would be borne by the Substituted Debtor, in which case sub-clause (b) of Condition 7 shall apply);
- (iii) all necessary governmental and regulatory approvals and consents for such substitution and for the giving by Koninklijke KPN N.V. of the Guarantee (as defined below) in respect of the obligations of the Substituted Debtor shall have been obtained and be in full force and effect;
- (iv) Condition 9 shall be deemed to be amended so that it shall also be an Event of Default under the said Condition if the Guarantee (as defined below) shall cease to be valid or binding on or enforceable against Koninklijke KPN N.V.;

and (if the Substituted Debtor is not Koninklijke KPN N.V.) upon the Notes and Coupons becoming valid and binding obligations of the Substituted Debtor, Koninklijke KPN N.V. undertakes that it will irrevocably and unconditionally guarantee in favour of each Noteholder and Couponholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee of Koninklijke KPN N.V. to be substantially in the form scheduled to the Agency Agreement and herein referred to as the **Guarantee**).

- (b) The Substituted Debtor shall forthwith give notice of the substitution to the Noteholders and the Couponholders in accordance with Condition 13.

17. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, the laws of the Netherlands.

The Issuer irrevocably agrees, for the benefit of the Noteholders and the Couponholders, that the courts of Amsterdam are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the Amsterdam courts.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE COMPANY

Certain references in the section below (included in the form of footnotes) have been made to information published by third parties. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Dealers do not take any responsibility for the accuracy thereof.

INFORMATION ABOUT THE ISSUER

BUSINESS OVERVIEW

KPN is a leading telecommunications and IT services provider in the Netherlands. KPN offers retail customers a range of services including fixed and mobile internet, TV and telephony through single and multi-play offerings. KPN offers small-, medium-, and large-size corporate business customers a portfolio of services including fixed and mobile telephony and internet and a range of end-to-end solutions in core connectivity and close to core IT services such as cloud, security and workspace. KPN also provides connectivity solutions to wholesale partners on its fixed and mobile networks.

In 2019, KPN has increased its focus on its core service offerings through divestments of non-core assets.

Consumer

Consumer provides retail customers in the Netherlands a broad range of services in the areas of communication, information, entertainment and commercial services through single play and multi-play offerings. The offered services include fixed and mobile telephony, mobile data, internet and TV.

As at 31 December 2019, KPN provided TV services to approximately 2.33 million subscribers, consisting of 2.17 million IPTV customers and 0.16 million other TV connections such as Digitenne and analogue TV. As of 31 December 2019, KPN provided broadband internet service to approximately 2.85 million subscribers in the Netherlands, of which 2.25 million in a fixed-mobile bundle.

Products and services

KPN has made the strategic decision to simplify its brand portfolio and focus fully on the KPN brand. This way, resources can be pooled and the best of all KPN's brands can be offered to a wider group of customers. Brand integration commenced in the second quarter of 2019.

The Telfort stores have been closed and the migration to KPN of existing Telfort prepaid mobile customers has started, while the acquisition of new customers via the Telfort brand was ended on 1 May 2019. KPN will maintain the XS4ALL brand and foster its front-end strengths while integrating the technology at the back-end.

In 2019, KPN introduced KPN Hussel, a modular proposition that enables consumers and small businesses to combine mobile and fixed telephone, internet and entertainment services of their choice in a single subscription, taking only the services to suit their need. With the diversity of content such as TV, film and music changing so fast, KPN Hussel is a flexible proposition ready for new innovations and partnerships.

In 2019, KPN's fixed-mobile and converged postpaid customers base increased. The converged household base grew 4% to 1.4 million, representing 49% of broadband customers (2018: 46%). The converged postpaid customer base grew 8% to 2.4 million, representing 63% of postpaid customers (2018: 57%). Fixed-mobile penetration for the KPN brand postpaid customers reached 73% (2018: 70%).

Business

In the Business segment, KPN has identified three main areas of customer need: client interaction, organizational performance and employee productivity. These customer needs are translated into clearly targeted segment propositions that combine network, ICT and security services. The business market portfolio ranges from access & connectivity, cloud & workspace and security & business continuity.

In the Business segment, KPN emphasizes customer value over volume. To achieve this strategy, KPN is focusing on a flexible, simplified product portfolio and network upgrades with improved access speeds for customers. A simplified portfolio allows KPN to innovate faster for its customers and strengthen its relationships with a focused number of partners.

In July 2019, KPN Smart Combinations was introduced, a modular and converged proposition for large and corporate enterprises that combines network, ICT and security services. Smart Combinations are being introduced in phases. Cloud communications and secure networking were introduced in 2019. Connected Workplace will be introduced in 2020.

Simplification

As part of KPN's portfolio simplification, ISDN (1/2) single/multiple and PSTN multiple are being phased out. The service for ISDN (1/2) single/multiple and PSTN multiple was ended for new customers in September 2019, and the definitive shutdown of the service is expected in April 2020. Customers can switch to alternatives such as KPN ÉÉN MKB, KPN Small Business, KPN Smart Combinations or KPN Business Connect, which offer improved customer experience and value creation. By the end of 2019, 74% of SME customers and 53% of large enterprise (LE) customers eligible for migration had migrated from traditional fixed voice or legacy broadband services.

Security integration

In April 2019, all of KPN's security services were integrated under the name of KPN Security, creating a complete package of security solutions.

As at 31 December 2019, KPN served approximately 1.8 million mobile business customers, and had approximately 0.5 million fixed access lines (voice and broadband).

Wholesale

KPN provides connectivity solutions to KPN's fixed and mobile wholesale partners via KPN's fixed and mobile networks. Wholesale services include access to copper and fiber networks such as wholesale line rental, wholesale broadband access and wholesale fiber and value-added services. Wholesale customers can purchase access to passive network infrastructure alone or together with active operator services, which allow telecom operators and service providers to offer their own services to end customers. Wholesale also provides customers with cloud computing and other services.

In 2019, KPN renewed its partnerships with Nuts Group (formerly NLE) and M7 on a future-oriented fixed access portfolio. KPN entered into contracts with a number of service integrators for TV services in hospitality organizations. KPN Wholesale manages the strategic partnership between KPN and iBasis with the new owner Tofane, which now enables international carrier services for KPN's customers.

Following the sale of NLDC, NLDC will continue to deliver data-center services to KPN as a preferred supplier and services to customers will continue uninterrupted. In terms of roaming, KPN connected AT&T, Swisscom and Orange France to its LTE-M network. Customers of Telenor Denmark, AT&T, Verizon and KDDI can now use VoLTE while roaming on the KPN network.

Product development

KPN strives to further streamline its wholesale product portfolio and migrate wholesale customers to flexible technologies. The migration of fixed wholesale customers from regulated unbundled local loop (ULL) services to commercially agreed virtual unbundled local access (VULA) and wholesale broadband access (WBA) services continued in 2019. KPN also announced the expansion of its VULA/WBA service to future fiber roll-out based on PON technology. In terms of mobile services, wholesale customers now have access to 4G, which means 3G can be switched off. Interconnections with other operators are now based on IP rather than legacy technologies. KPN's internet and interconnect exchange NL-IX introduced a so-called converged exchange proposition in 2019. This proposition fulfils the need of large digital-driven companies for managed and secure data interconnectivity between their networks, data-centers and main application and security providers. As at 31 December 2019, wholesale customers amounted to 0.8 million mobile customers and 1.0 million wholesale lines.

Converged smart infrastructure

At the end of 2019, KPN reached 2.47 million homes passed with 'Fiber to the Home' (FttH). The number of new FttH connections increased from around 1,000 per week in the early months of the year to around 4,000 per week by year-end. KPN is in the process of switching from Active Optical Network (AON) to Passive Optical Network (PON) technology at the endpoints of its network, allowing it to provide fiber connections to households in a faster and more efficient manner.

KPN decided to install two PON technologies, G-PON, which enables 1 Gbps connections, and XGS-PON, which allows for 10 Gbps connections to homes. The 10 Gbps connections are not being used yet, but installing them now in streets will prepare the network for the future, when demand for broadband capacity will be even higher. In 2019 1 Gb PON connections were installed for around 7,000 homes passed. In the copper network, efforts continued to increase speed by switching customers from DSL to VDSL connections. The average maximum download speed for broadband fixed increased to 236Mbps at the end of 2019.

In 2019, KPN continued modernizing its mobile network and making it ready for 5G. Higher order MIMO (multiple input, multiple output, 4x2, 4x4, 8x8) and 'massive' MIMO (64x64) technology for KPN's mobile sites antennas was introduced. MIMO technology boosts connection capacity by increasing the number of channels per antenna and user speeds. MIMO technology is used in rural areas and nationwide, and the even more powerful massive MIMO for antennas in cities and other densely populated areas.

KPN started to gradually enhance the link between KPN's antennas and KPN's fixed core network, upgrading backhaul capacity from 1 Gbps to 10 Gbps. Thanks to modernization of the mobile network and the introduction of MIMO technology, KPN will be able to provide broadband internet access across the Netherlands, including in sparsely populated rural areas. As well as getting ready for 5G, KPN invests in improving its 4G network by increasing the number of frequency bands with two new bands at sites where hardware is replaced. The average 4G download speed increased to 68 Mbps by the end of 2019.

In 2019, around 640 of KPN's approximately 5,000 sites were modernised to make them 5G-ready. KPN aims to have replaced all antennas and radio hardware and to be 100% 5G-ready by end 2021.

In July 2019, KPN finished updating the Digtenne wireless TV network in July by transferring to the new technical standard for digital ether television, DVB-T2, with the associated HD image quality.

Core network

KPN has two strategic objectives for the simplification of its infrastructure. The first objective is to reduce the number of core networks from five to one by the end of 2021. KPN has already shut down two of these networks. KPN intends to shut down two more networks by 2021, leaving just one core network.

Another strategic objective is to reduce the number of lines using older-generation technologies, which already declined from approximately 1.5 million at the start of 2018 to 175k by the end of 2019. In 2019, KPN finished the migration of PSTN single services. ISDN (1/2) and PSTN multiple services will be phased out in April 2020. Looking ahead to 2020 -2021, KPN will further rationalise its infrastructure by shutting down more services. KPN also intends to shut down its 3G network in 2022.

Focused innovation and digitalization

Spearheading innovation at KPN are three interconnected departments that work closely together: KPN Ventures, KPN Open Innovation Hub and KPN Technology Labs.

KPN Ventures

KPN Ventures invests in scalable innovations by providing capital and enabling access to KPN's network infrastructure, KPN's customer base and KPN's expertise.

KPN Open Innovation Hub

KPN Open Innovation Hub develops the innovations of tomorrow, constantly seeking interesting companies to partner with and ensuring KPN's collaborations deliver value.

KPN Technology Labs

KPN Technology Labs are a collection of multidisciplinary telecommunications labs. Ideas for products or services are tested by the public in the technology labs.

KPN's innovation efforts are focused on growth sectors connected to KPN's telecom and IT activities. Focus areas for innovation are security, connected things (Internet of Things and smart home), data-driven digital business models and IT services, for example in digital healthcare.

Privacy & Security

As a large company and a telecom provider, KPN is extensively governed by laws and regulations around privacy. To KPN, safeguarding privacy goes beyond legislation or compliance frameworks. It is a crucial component of the trustworthiness and reliability KPN wants to offer KPN's stakeholders. It is therefore important to embed ethical awareness of and responsibility for privacy in the mindset of all employees. All employees are subject to the KPN Code of Conduct which includes guidelines on how to deal with customer information and privacy.

KPN works continuously to improve security for its customers and society, by making the KPN network and use of the network safer. KPN's security approach is based on the security lifecycle model: prevent, detect, respond and verify. KPN's Security Strategy & Policy team works to prevent vulnerabilities and incidents, while the REDteam of ethical hackers proactively detects vulnerabilities across the organization. KPN has a Security Operations Center (SOC) to monitor its networks and infrastructures 24/7 and reactively detect vulnerabilities, and a Computer Emergency Response Team (CERT) to provide rapid incident response. KPN employs a team of senior security officers to verify the implementation and effectiveness of its security measures.

Finally, the Labs team is an R&D innovation unit which aims to improve security for customers, also oriented towards the future.

Intellectual property

KPN's current portfolio of intellectual property rights consists of 267 registered trademarks relating to KPN's

core brands, and approximately 317 patent families. KPN believes it takes appropriate steps to protect its intellectual property rights and generates value from these rights where appropriate. In order to protect these rights, KPN currently uses a combination of patents, trademarks, service marks, trade secrets, copyrights, database protection, confidentiality agreements with its employees and third parties and protective contractual provisions. Approximately 70 of the patent families which KPN owns are declared essential for the commercial exploitation of telecommunication technology and services.

KPN continues to invest in the growth of its intellectual property rights portfolio, among others, through KPN's targeted long-term research and development program in close cooperation with TNO-IC and other research and development institutes and universities.

Properties

KPN's principal tangible fixed assets are its fixed copper and fiber infrastructure in the Netherlands and the equipment in place in support of its mobile networks in the Netherlands.

KPN owns and leases administrative facilities, operational network facilities, and retail facilities throughout the Netherlands.

Insurance

KPN buys insurance coverage in amounts it believes are consistent with its risk management policies and with customary industry practices. KPN's insurance policies include insurance for property/business interruption, liability against claims from third parties, personal accidents, directors and officers liability, cybersecurity incidents and -liability and crime. KPN's intention is to maintain insurance coverage consistent with its risk management policies and industry standards, although the coverage may change and insurance premiums may increase.

KPN believes that its existing insurance coverage, including the amounts of coverage and the conditions, provides sufficient protection, taking into account the costs for the insurance coverage and the potential risks to its business operations. However, KPN cannot guarantee that no losses will be incurred or that no claims will be filed against it that go beyond the type and scope of the existing insurance coverage.

Legal and tax proceedings

KPN is involved in a number of legal and tax proceedings that have arisen in the ordinary course of its business, including commercial, regulatory or other proceedings. KPN periodically carefully assesses the likelihood that legal and tax proceedings may lead to a cash outflow, and recognizes provisions in such cases/matters if and when required.

However, the outcome of legal proceedings can be difficult to predict with certainty and KPN can offer no assurances in this regard. In some cases, the impact of a legal proceeding may be more strategic than financial and such impact cannot properly be quantified.

LEGAL STRUCTURE AND CORPORATE GOVERNANCE

General

Koninklijke KPN N.V. is a public limited liability company (*naamloze vennootschap*) and was incorporated under Dutch law by a notarial deed dated 1 January 1989. KPN has its statutory seat in Rotterdam, the Netherlands, with its registered office at Wilhelminakade 123, 3072 AP Rotterdam, the Netherlands. KPN is registered with the Dutch Trade Register under number 02045200. The telephone number of KPN is +31 (0)70 343 43 43. KPN trades under the name KPN. The Articles of Association were most recently amended on 20 April 2018.

Corporate objects

KPN's corporate objects, as set out in article 4 of the Articles of Association, are to participate in and to manage other enterprises and companies, among such, companies that operate in the field of the transmitting, storing and converting of information, as well as to manage and dispose of information, to manage and finance subsidiaries, group companies, dependent companies and participations, among which to guarantee the debts of those companies and participations, and further to engage in any activity which may be related or conducive to the aforementioned objects.

Share capital

Authorised and issued share capital

At the date of this Prospectus, KPN's authorised share capital amounts to EUR 720,000,000 divided into:

- (a) 9,000,000,000 Ordinary Shares with a nominal value of EUR 0.04 each, of which 4,202,844,404 Ordinary Shares are issued; and
- (b) 9,000,000,000 Preference Shares B with a nominal value of EUR 0.04 each, of which none has been issued.

All issued Ordinary Shares are paid up.

All Ordinary Shares are in registered form.

Shareholders may request the Company to convert their registered shares to bearer shares, but not vice versa.

Please see also "Foundation Preference Shares B KPN" below.

Material subsidiaries

KPN is the holding company of a group that includes the following material subsidiaries (held directly or indirectly by KPN), as per 31 December 2019, all of which are engaged in KPN's business:

Name	Country of incorporation	Percentage of capital and voting rights held by KPN (directly or indirectly)
KPN B.V.:	The Netherlands	100
• ApplicationNet B.V.	The Netherlands	100
• CAM IT Solutions B.V.	The Netherlands	100
• Dearbytes B.V.	The Netherlands	100
• GroupIT B.V.	The Netherlands	100
• InSpark Holding B.V.	The Netherlands	100
• KPN Finance B.V.	The Netherlands	100
• KPN Internedservices B.V.	The Netherlands	100
• KPN Security B.V.	The Netherlands	100
• Reggefiber Group B.V.	The Netherlands	100
• Solcon Internetdiensten B.V.	The Netherlands	100
• Telfort Zakelijk B.V.	The Netherlands	100
• XS4ALL Internet B.V.	The Netherlands	100
• Yes Telecom Netherlands B.V.	The Netherlands	100
• KPN Mobile N.V.:	The Netherlands	100
• KPN Mobile International B.V.	The Netherlands	100
KPN Ventures B.V.	The Netherlands	100
• Getronics B.V.:	The Netherlands	100
• Getronics Finance Holdings B.V.	The Netherlands	100
- Getronics Pensions UK Ltd.	United Kingdom	100
- Getronics US Operations, Inc.	United States of America	100

On 30 September 2019, KPN completed the sale of its subsidiary NLDC B.V. to DWS. On 29 November 2019, KPN announced and completed the sale of web-hosting subsidiary Argweb B.V. to TWS Holding B.V. On 2 December 2019, KPN completed the sale of its International Network Services to GTT Communications, Inc., a global cloud networking provider to multinational clients and operator of a Tier 1 IP network. On 1 April 2020, KPN completed the sale of KPN Consulting B.V. to Cegeka Nederland Holding B.V.

Foundation Preference Shares B KPN

The Foundation Preference Shares B KPN (*Stichting Preferente Aandelen B KPN*) (the **Foundation**) was established in 1994 under the laws of the Netherlands. The Foundation has its statutory seat in The Hague, the Netherlands, with its head office at Wilhelminakade 123, 3072 AP Rotterdam, the Netherlands. The Foundation is registered with the Dutch Trade Register under the number 41012966. The email address of the Foundation is info@prefs-kpn.nl.

The Foundation's objects are to "protect KPN's interests (which includes the interests of stakeholders, such as customers, shareholders and employees), by, amongst others, protecting KPN from influences that may threaten the continuity, independence and identity". Consequently, in the event of any circumstances where KPN is subject to influences as described above and taking public security considerations into account, the board of the Foundation may decide to exercise the call option (as described below) and thereby acquiring Preference Shares B, and by exercising the rights attaching to those Preference Shares B, with a view to enabling KPN to determine its position in relation to the circumstances as referred to above, and seek alternatives.

KPN and the Foundation entered into a call option agreement and a put option agreement both dated 3 June 1994. Under the call option agreement, which is not limited in time, the Foundation is entitled to subscribe for Preference Shares B up to a maximum corresponding to 100% of the issued and outstanding share capital in the form of Ordinary Shares, as outstanding immediately prior to the exercise of the call option, less one Preference Share B and any Shares already issued to the Foundation. Upon exercise of the call option, the Foundation is required to pay 25% of the nominal value (currently, EUR 0.04 per Preference Share B). The Board of Management can decide to request the Foundation to pay the remainder. Such decision is subject to the approval of the Supervisory Board.

Under the put option agreement, KPN is entitled to issue and sell Preference Shares B to the Foundation up to a maximum number corresponding to 100% of the issued share capital, as outstanding immediately prior to the exercise of the put option, or as many Preference Shares B as KPN and the Foundation agree on. However, on 11 April 2006 the General Meeting did not renew the Board of Management's authority to issue Preference Shares B. As a result, KPN is currently not able to exercise the put option.

The Foundation has credit facilities to enable it to pay the amount to be paid up on the Preference Shares B. The Preference Shares B must be paid up for at least 25% of the nominal value. If Preference Shares B are issued, KPN must convene a General Meeting, to be held not later than two years after the date on which the Preference Shares B were issued for the first time. The agenda for that General Meeting must include a resolution to repurchase or cancel the Preference Shares B. If this resolution is not adopted, KPN must convene another General Meeting, held in each case within two years of the previous meeting. The agenda of that meeting must include a resolution to repurchase or cancel the Preference Shares B. This must be repeated until no Preference Shares B remain outstanding. This obligation does not apply if the Preference Shares B are issued pursuant to a resolution of, or with cooperation by, the General Meeting. The Board of Management has concluded that the Board of the Foundation is independent from KPN in accordance with parts c and d of the first subsection of article 5:71 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

The members of the Board of the Foundation are J.H. Schraven (Chairman), A.P. Aris, P. Wakkie, F.J.G.M. Cremers and F. van der Wel.

Corporate governance

The Dutch Corporate Governance Code finds its statutory basis in Book 2 of the Dutch Civil Code and applies to KPN as KPN has its registered office in the Netherlands and its Ordinary Shares are listed on a stock exchange.

The Corporate Governance Code defines a company as a long-term form of collaboration between the principal corporate bodies of a company. For KPN, these corporate bodies include the Board of Management, the Supervisory Board and the General Meeting. The Board of Management weighs up values and considers the interests of the various stakeholders involved, supervised by the Supervisory Board. According to the Dutch Corporate Governance Code, good corporate governance results in effective decision-making in a manner which enhances shareholder value and enables a company to maintain a culture of integrity, transparency and trust.

Corporate social responsibility governance

Corporate social responsibility (CSR) is embedded in KPN's organizational structure. CSR themes are defined and approved by the Board of Management, including their ambitions and KPIs. Every CSR theme is assigned to a member of the senior management who, as theme owner, is responsible for stakeholder dialog, targets, progress and results. Each theme owner heads a committee, consisting of management of the key departments involved in this theme. The theme owners report to KPN's CSR Manager, who is responsible for the overall reporting, approach and cohesion. The CSR Manager reports to the Director Corporate Communication & CSR, who in turn reports to the CEO. Four times a year, CSR data is included in the overall set of business KPIs that is reported to and discussed with the Board of Management. In order to obtain sufficient outside

reflection, stakeholder dialogues are held with external experts to advise KPN on its approach to CSR in general and more in-depth on the CSR themes. Climate-related risks and opportunities are considered integral to the governance of operations and CSR.

BOARD OF MANAGEMENT AND SUPERVISORY BOARD

Introduction

Set out below is a summary of relevant information as well as a brief summary of certain significant provisions of the Articles of Association and Dutch corporate law in force on the date of this Prospectus concerning the Board of Management and the Supervisory Board.

Management structure

KPN has a two-tier management structure with a Board of Management and a Supervisory Board. KPN qualifies as a ‘large company’ (*structuurvennootschap*) within the meaning of the Dutch Civil Code and applies the relevant rules of Dutch corporate law.

Board of Management

Powers, responsibilities and functioning

The Board of Management is responsible for the day-to-day management, the strategy and the operations of KPN under the supervision of the Supervisory Board. The Board of Management is required to keep the Supervisory Board informed and to consult the Supervisory Board on important matters, and must submit certain important decisions to the Supervisory Board or the General Meeting for its prior approval. The Board of Management consists of six members and the Board of Management complies with clause 2:132a of the Dutch Civil Code, which limits the number of positions in a supervisory or management board that a director may hold.

The members of the Board of Management are appointed and dismissed by the Supervisory Board. Members of the Board of Management are appointed for a four year per term, which ends at the first General Meeting of Shareholders after that term expires. Until 1 December 2019, the Board of Management managed its business operations jointly with a number of senior business and staff officers in an Executive Committee. This Executive Committee was dissolved following the expansion of the Board of Management on 1 December 2019 to include technology, key business and people leaders. The by-laws of the Board of Management contain, among other things, rules regarding the members’ duties, powers, working methods and decision making and conflict handling. The by-laws are available on KPN’s website.

Members of the Board of Management

The Board of Management is currently composed of the following members:

Name	Position	Year of birth	Start of term	End of current term
J.F.E. Farwerck	Chairman of the Board and Chief Executive Officer	1965	April 2013/ April 2017*/ December 2019	2024
H.C. Figeet	Board member and Chief Financial Officer	1972	February 2020	2024
J.-P. Van Overbeke	Board member and Chief Consumer Market	1965	December 2019	2024
M.W.M. Snoep	Board member and Chief Consumer Market	1971	December 2019	2024

B. Fouladi	Board member and Chief Technology and Digital Officer	1969	December 2019	2024
H. Garssen	Board member and Chief People Officer	1973	December 2019	2024

* Reappointment

KPN's registered address serves as the business address for all members of the Board of Management, being Wilhelminakade 123, 3072 AP, Rotterdam, the Netherlands.

J.F.E. Farwerck

Mr. Farwerck was appointed as Chairman of the Board of Management and Chief Executive Officer on 1 October 2019. He has been a member of the Board of Management since September 2014. Mr. Farwerck started working at KPN in 1994 and has held senior management positions in various divisions. In February 2012, he was appointed as Managing Director Netherlands, so becoming responsible for all of KPN's activities in the Netherlands. In September 2014, he became Chief Operating Officer and took on responsibility for KPN's operating activities. Mr. Farwerck is a member of the executive committee of VNO-NCW, a member of the board of NL-ICT, of the board of FME and a member of the Cyber Security Council. Mr. Farwerck is a Dutch citizen.

Chris Figee

Mr. Figee has been a member of the Board of Management and Chief Financial Officer since 1 February 2020. Prior to his appointment at KPN, Mr. Figee was CFO of ASR Nederland N.V. Before joining ASR, Mr. Figee worked for five years at Achmea, most recently as a member of the Achmea Group Committee and Director of Group Finance. In 1999, he joined McKinsey, where he rose to the role of partner in 2006, a role he fulfilled until he joined Achmea in 2009. Mr. Figee started his career at Aegon, where he held various positions, including that of Senior Portfolio Manager. Mr. Figee is currently also a member of the supervisory board of UNICEF Netherlands. Mr. Figee is a Dutch citizen.

Marieke Snoep

Ms. Snoep has been a member of the Board of Management since 1 December 2019. She was appointed as Chief Business Market effective on 1 February 2019. As Chief Business Market, Ms. Snoep oversees the day-to-day operations of KPN's Business activities. She is a senior executive with extensive strategic and commercial experience in the Dutch telecommunications market. Prior to joining KPN, Ms. Snoep was a member of the Board of T-Mobile Netherlands since 2012. She served as Chief Commercial Officer Consumer at T-Mobile Netherlands from October 2017 onwards. Since 2002, Ms. Snoep held numerous management positions in her time at T-Mobile Netherlands, including Chief Commercial Officer Business, CCO Enterprise and Chief Customer Operations, and Director Sales Operations & Process Management. In her earlier career, she held consultancy roles with Solvision (currently Ordina) and Atos Origin. Ms. Snoep is a Dutch citizen.

Babak Fouladi

Mr. Fouladi has been a member of the Board of Management since 1 December 2019. He was appointed as Chief Technology & Digital Officer on 4 December 2018. In this role, he is responsible for KPN's network technologies and the digitalization of processes and services. Mr. Fouladi is an executive with extensive experience in the telecommunications, media and ICT sectors. He has broad expertise in strategy and technology, and a proven track record in digital transformation, product and systems development, network deployment, infrastructure and operations. Prior to joining KPN, Mr. Fouladi has served as Group Chief Technology and Information Officer at MTN Group (South Africa) since 2016. Before that, he formed part of the executive team as Chief Technology Officer of Vodafone Spain and Vodafone Romania. He was also

Director for IT Development and Vice President for Multimedia and System Integration in the UK and later Vice President, Systems Integration in Russia for Ericsson. Mr. Fouladi is a British citizen.

Jean-Pascal Van Overbeke

Mr. Van Overbeke has been a member of the Board of Management since 1 December 2019 and Chief Consumer Market since 1 September 2018. In this role, he oversees the day-to-day operations of KPN's Consumer activities. Mr. Van Overbeke is a senior executive with extensive strategic, commercial and operational experience in the B2C telecommunications market. In addition, he also has a broad expertise in transforming telecom companies to digital players. Prior to joining KPN, Mr. Van Overbeke served as Executive Director of SFR. Before that, he was Deputy Group CEO of Lebara, Group Chief Operating Officer at Maxis Communications Group, and Chief Marketing Officer and Chief Commercial Officer at Orange. In his earlier career, he was Head of Trade Marketing, Director Marketing residential market and Director Strategy & Transformation Programs at Mobistar. Mr. Van Overbeke is a Belgian citizen.

Hilde Garssen

Ms. Garssen has been a member of the Board of Management since 1 December 2019. She was appointed as Chief People Officer effective on 10 December 2018. In this role, she is responsible for implementing KPN's HR policy. Ms. Garssen is an experienced HR executive with more than 20 years of experience in developing HR strategies to meet changing business needs, creating innovative and effective HR strategies to attract and retain talent, and establishing talent management processes. Prior to joining KPN, Ms. Garssen served as Senior Managing Director Business Services at ABN AMRO Bank for over two years. Since 1998, she has held numerous HR roles at ABN AMRO Bank, including Chief Human Resources Officer and Managing Director Change, Integration and Management Group Coordination & Reward. Ms. Garssen is a Dutch citizen.

Supervisory Board

Powers, responsibilities and functioning

The Supervisory Board is responsible for supervising the conduct of and providing advice to the Board of Management and for supervising KPN's business generally. The Supervisory Board oversees strategic and commercial policymaking by the Board of Management and the way in which it manages and directs KPN's operations.

In performing their duties, the members of the Supervisory Board are required to act in the interests of KPN and its affiliated enterprise, taking into consideration the interests of KPN's stakeholders (which includes but is not limited to KPN's shareholders).

The number of members of the Supervisory Board will be determined by the Supervisory Board, and will be at least five members and at most nine members.

Members of the Supervisory Board

The Supervisory Board is composed of the following members:

Name	Year of birth	Position	Member since	(Re-) appointed	End of current term
D.W. Sickinghe	1958	Chairman	April 2014	April 2018	2022
C. Guillouard	1957	Member	April 2020	first seat	2024
C.J. García Moreno Elizondo .	1957	Member	April 2013	April 2017 April 2013 & April	2021
D.J. Haank	1953	Vice-Chairman	April 2009	2017	2021
P.F. Hartman.....	1949	Member	April 2015 September	April 2019	2023
E.J.C. Overbeek.....	1967	Member	2017	first seat	2021
J.C.M. Sap	1963	Member	April 2015	April 2019	2023
C.J.G. Zuiderwijk	1962	Member	April 2014	April 2018	2022

At the Annual General Meeting of Shareholders of 15 April 2020, Ms. C.R.A. Guillouard was appointed as member of the Supervisory Board. All members of the Supervisory Board comply with clause 2:142a of the Dutch Civil Code, which limits the number of positions on a supervisory or management board that a director may hold.

The business address of the members of the Supervisory Board is KPN's registered address: Wilhelminakade 123, 3072 AP, Rotterdam, the Netherlands.

D.W. Sickinghe

Duco Sickinghe is a Dutch citizen. Mr. Sickinghe was (re)appointed as a member of the Supervisory Board on 18 April 2018 and his current (second) term expires in 2022. He was appointed chairman of the Supervisory Board on 15 April 2015. Mr. Sickinghe is the Managing Director of Fortino Capital (Belgium). Furthermore, he is the Chairman of the Supervisory Board of Van Eeghen & Co (the Netherlands), a member of the Board of uniBreda (Belgium) and a member of the board of Guberna (Belgium). Mr. Sickinghe was previously CEO and a member of the Board of Telenet N.V. (Belgium) in the period 2001-2013. Prior to that, he held various management positions at Hewlett-Packard (Switzerland), NeXT Computer (France), Wolters Kluwer (The Netherlands), and was the founder of Software Direct (France).

C.R.A. Guillouard

Catherine Guillouard is a French citizen. Ms. Guillouard was appointed as a member of the Supervisory Board on April 15, 2020. Her current (first) term of office ends in 2024. She is a member of the Audit Committee and the Strategy & Organization Committee. Ms. Guillouard is Chief Executive Officer of RATP Groups. Her previous roles include various positions at Air France, including that of CFO, the position of CFO at satellite company Eutelsat Communications and the position of CFO and Deputy CEO of the electrical parts distribution company Rexel. In addition to her role at RATP Group, Ms Guillouard is also non-executive director at Airbus Group.

C.J. García Moreno Elizondo

Carlos José García Moreno Elizondo is a Mexican citizen. Mr. García Moreno Elizondo was (re)appointed as a member of the Supervisory Board on 12 April 2017 and his current (second) term expires in 2021. Mr. García Moreno Elizondo was appointed upon the nomination of America Móvil and is not considered independent under provision 2.1.8 of the Dutch Corporate Governance Code. Mr. García Moreno Elizondo is currently the

CFO of América Móvil. Mr. García Moreno Elizondo is a member of the Board of Directors of Grupo Financiero Inbursa and Nacional Financiera. He is also a member of the Supervisory Board of Telekom Austria Group. Prior to joining América Móvil, Mr. García Moreno Elizondo held amongst others positions at the Mexican Ministry of Finance as the Director General of Public Credit and at the Swiss Bank Corporation Warburg as an executive director and a Managing Director.

D.J. Haank

Derk Haank is a Dutch citizen. Mr. Haank was (re)appointed as a member of the Supervisory Board on 12 April 2017 and his current (third) term expires in 2021. Mr. Haank is currently a member of the Supervisory Board of TomTom N.V., a member of the Supervisory Board of Singel Uitgeverijen, a member of the Supervisory Board of Albelli B.V. and a non-executive Board member of SPI Technologies Singapore. Mr. Haank was the CEO of SpringerNature, and prior to that the CEO of Elsevier Science and an Executive Board member of Reed Elsevier PLC.

P.F. Hartman

Peter Hartman is a Dutch citizen. Mr. Hartman was (re)appointed as a member of the Supervisory Board on 10 April 2019 and his current (second) term expires in 2023. Mr. Hartman is currently the chairman of the Supervisory Board of Fokker Technologies Group B.V. and of Texel Airport N.V., a non-executive director of Constellium B.V. and a member of the Advisory Board of AviationGlass & Technology. He was the vice-chair of the Supervisory Board of Air France-KLM Group in 2013 - 2017. Before that, he spent 40 years working for KLM, the last seven of those as CEO.

E.J.C. Overbeek

Edzard Overbeek is a Dutch citizen. Mr. Overbeek was appointed as a member of the Supervisory Board on 4 September 2017. And his current term ends in 2021. Mr. Overbeek is CEO of HERE technologies. Having spent nearly 30 years in the ICT industry, Mr. Overbeek has gained extensive experience in the global digital and communication industry. Prior to joining HERE Technologies, he held several management roles at Cisco, including leading the global services organization and the Asia-Pacific, Japan & China region.

J.C.M. Sap

Jolande Sap is a Dutch citizen. Ms. Sap was (re)appointed as a member of the Supervisory Board on 10 April 2019 and her current (second) term expires in 2023. Ms. Sap holds several supervisory and other functions, including chairing the Supervisory Boards of the GGZ affiliate Arkin, the Netherlands Public Health Federation and Fairfood International. Ms. Sap is also a member of the Supervisory Board of KPMG N.V. and a non-executive director of Renewi plc. Between 2008 and 2012, Ms. Sap represented the Dutch Green Party, GroenLinks, in the lower house of the Dutch parliament, the last two years of which she was party leader. Before that she worked as an economist in the fields of science, policy and business. She was, among other things, the head of the Incomes Policy department at the Ministry of Social Affairs and Employment and director of the LEEFtijd center of expertise, a consultancy for sustainable employment issues.

C.J.G. Zuiderwijk

Claudia Zuiderwijk is a Dutch citizen. Mrs. Zuiderwijk was (re)appointed as a member of the Supervisory Board on 18 April 2018 and her current (second) term expires in 2022. Mrs. Zuiderwijk is chair of the Board of Management of the Dutch Chamber of Commerce. She is currently a member of the Supervisory Board of APG and is also a member of Forum Smart Industry and of the NL2025 network. From 1993 to 2003, Mrs. Zuiderwijk worked at PinkRoccade in various management functions. Thereafter, Mrs. Zuiderwijk was chair of the board of the Hilversum hospital and, following the merger with the Gooi Noord hospital, chaired the board of the Tergooi hospitals. Mrs. Zuiderwijk was also a member of the Innovation Platform of the Dutch government (from April 2007 to May 2010) and a member of the Care Innovation Platform of the Dutch

Ministry of Health (from April 2008 to May 2010).

Committees of the Supervisory Board

The Supervisory Board has established four committees: the Audit Committee, the Remuneration Committee, the Nominating and Corporate Governance Committee and the Strategy & Organization Committee. These committees assist the Supervisory Board in its decision-making. The main considerations and conclusions of each Committee are shared with the full Supervisory Board. The tasks of these committees are laid down in charters, which are available on KPN's website.

Audit Committee

The Audit Committee currently consists of four Supervisory Board members: Mr. Haank (Chairman), Mr. García Moreno Elizondo Ms. Sap and Ms. Guillouard. Mr. García Moreno Elizondo and Ms. Guillouard are considered to be financial experts within the meaning of the Dutch Corporate Governance Code.

In line with its tasks, the Audit Committee reviews and discusses all financially relevant matters that are presented to the Supervisory Board, most notably the quarterly and annual reporting and (the financial and risk-related aspects of) the strategic plan. It has a specific focus on the effectiveness and outcome of the internal control framework and the risk management systems of the Company, for which it receives and reviews reports by the internal auditor, the Compliance Office and the Disclosure Committee.

Each quarter, the Audit Committee also reviews the conclusions of the external auditor, as included in its Board Report. The audit plans, both for the internal and external auditor, are reviewed annually by the Committee, and are subsequently submitted to the full Supervisory Board for its approval.

The Audit Committee also monitors KPN's financing policy and profile. The Committee, on behalf of the Supervisory Board, continues to monitor the actual risk management and realization of the plan, as well as Capex deployment, throughout the year.

The Audit Committee furthermore discusses other topics that are within its scope of attention, such as the impact and implementation of new accounting standards (IFRS 16) and other accounting matters, compliance, fraud management, tax, and Cyber Security. Finally, the Audit Committee reviews the performance evaluation of the Company's independent external auditor Ernst & Young Accountants LLP.

Potential conflicts of interest

No member of the Board of Management or Supervisory Board has any actual or potential conflict of interest in respect of their duties to the Issuer and their private interests and/or other duties. For the sake of completeness, please refer to "Transactions with directors and related parties" on page 156 of the 2019 Integrated Annual Report for details of the material transactions between the Issuer and members of the Board of Management or the Supervisory Board.

Major shareholders

On 27 April 2020, BlackRock, Inc. notified the AFM that it held 3.73% of the shares and 5.12% of the voting rights related to KPN's ordinary share capital.

On 7 April 2020, Capital Group International Inc. notified the AFM that it held 10.08% of the voting rights related to KPN's ordinary share capital.

On 26 February 2020, Amundi Asset Management notified the AFM that it held 3.00% of the shares and 3.00% of the voting rights related to KPN's ordinary share capital.

On 11 February 2020, América Móvil, S.A.B. de C.V. published in its fourth quarter 2019 report, that it owned 16.1% of KPN's ordinary shares as at 31 December 2019.

On 8 January 2020, The Income Fund of America notified the AFM that it held 3.11% of KPN's ordinary shares.

Pursuant to the Dutch Financial Supervision Act, legal entities as well as natural persons must immediately notify the AFM when a shareholding reaches, exceeds or falls below certain thresholds of the issued capital. To KPN's knowledge, no other shareholder owned 3% or more of KPN's issued share capital as of the date of this Prospectus.

KPN is not aware of any party, or any parties acting in concert, that directly or indirectly control the vote at any General Meeting, nor is KPN aware of any arrangement the operation of which may result in a change of control of KPN.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from the relevant Clearing Systems. Such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the relevant Clearing Systems, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Dealers take no responsibility for the accuracy of such information.*

Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has informed the Issuer that it is a limited-purpose trust company organised under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that DTC’s participants (**Direct Participants**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerised book-entry transfers and pledges between Direct Participants’ accounts thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each Security (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements

of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and Interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Euroclear's offices are situated at 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. Clearstream, Luxembourg's offices are situated at 42 Avenue J.F. Kennedy, 1855 Luxembourg.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in such a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons

take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under *Subscription and Sale and Transfer Selling Restrictions*, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (*Custodian*) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

NETHERLANDS TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect. This summary does not address possible tax consequences of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) as this act is not yet in force (*in werking getreden*) as of the date at this Prospectus.

This summary does not address the Netherlands corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities Netherlands tax resident that are not subject to exempt from Netherlands corporate income tax;
- (iii) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Notes are attributable; and
- (vi) individuals to whom Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or

taxing authority thereof or therein, provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

(a) Residents of the Netherlands

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.5%) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%.

(b) Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes such person is not liable to Netherlands income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

- (i) the person is not an individual and such individual (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

- (ii) the person is an individual and such person (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is (other than by way of securities) entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at progressive rates up to a maximum rate of 49.5%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands").

Gift and Inheritance Tax

Netherlands 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.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain United States Federal income tax consequences of the purchase, ownership and disposition of the Notes. This summary is based upon the Internal Revenue Code of 1986, applicable income tax regulations, published rulings, administrative pronouncements and court decisions, as of the date hereof, all of which are subject to change or differing interpretations at any time and possibly with retroactive effect. This summary does not discuss all aspects of United States Federal income taxation that may be relevant to a particular investor in light of the investor's particular circumstances. In particular, this summary does not apply to investors who own, directly or through attribution, 10 per cent. or more of the Company's outstanding share capital by vote or value, or to certain types of investors subject to special treatment under the United States Federal income tax laws (such as tax-exempt organisations (including qualified pension plans), banks, insurance companies, regulated investment companies, brokers, dealers, foreign persons and entities, persons holding Notes as part of a 'hedging' or 'conversion' transaction or as a

position in a ‘straddle’, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar). In addition, this summary does not consider the effect of any foreign, state, local or other tax laws, alternative minimum tax considerations, net investment tax considerations, considerations relevant to U.S. Holders that are subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement or any other United States tax consequences other than income tax consequences, that may be applicable to particular investors. This summary does not address any tax consequences applicable to holders of equity interests in a holder of the Notes. This summary also assumes that the Notes are held as capital assets and that there will be no substitution of another entity in place of the Issuer as principal debtor in respect of the Notes. Each prospective purchaser of the Notes should consult its own tax advisors concerning the application of United States Federal income tax laws to its particular situation as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

The following summary deals only with holders who purchase Notes at original issuance and is limited to a general discussion of the tax consequences of the purchase, ownership and disposition of Notes. The Final Terms for each series of Notes may describe additional tax consequences, if any, that relate to the specific Notes to be issued. Accordingly, this discussion should be read only in connection with the discussion, if any, of U.S. Federal income tax considerations contained in the Final Terms to which investors are referred and does not, by itself, necessarily discuss all of the material U.S. Federal income tax issues of a particular series of Notes.

This summary deals only with holders who purchase Notes in this offering at the ‘issue price’ (as defined below). In addition, this summary assumes the Notes are treated as debt for U.S. Federal income tax purposes.

As used herein, the term **U.S. Holder** means a beneficial owner of a Note that is for U.S. Federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any state or political subdivision thereof (including the District of Columbia); (iii) an estate the income of which is subject to U.S. Federal income taxation regardless of its source; or (iv) a trust the administration of which is subject to the primary supervision of a court in the United States and with respect to which one or more U.S. persons have the authority to control all substantial decisions. A **Non-U.S. Holder** means a beneficial owner other than a U.S. Holder or partnership.

If a partnership holds Notes, the consequences to a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner in a partnership holding Notes should consult its own tax advisor.

U.S. Federal Tax Consequences to U.S. Holders

Payments of Interest

Except as described below, the amount of any stated interest payments on a Note will be taxable to a U.S. Holder as ordinary interest income in accordance with such U.S. Holder’s method of accounting for U.S. Federal income tax purposes. If an interest payment is denominated in or determined by reference to a currency other than the U.S. dollar (a **Foreign Currency**), then special rules, described below under *Foreign Currency Notes* apply.

Original Issue Discount

If a U.S. Holder holds Notes which have original issue discount (**OID**) and which have a maturity of more than one year from their date of issue, such U.S. Holder will generally be required to recognise such OID as ordinary interest income under a constant yield method in advance of the receipt of cash payments to which such income is attributable, regardless of the U.S. Holder’s method of accounting. Special rules apply to OID on a Note that is denominated in Foreign Currency. See *Foreign Currency Notes*.

A Note has OID to the extent that the Note's 'stated redemption price at maturity' exceeds its 'issue price,' but only if such excess equals or exceeds a specified minimum amount (generally, an amount equal to one quarter of one per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). The stated redemption price at maturity of a Note generally is the sum of all payments provided by the Note other than payments of 'qualified stated interest'. The term **qualified stated interest** generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate (or at certain floating rates) that appropriately takes into account the length of the interval between stated interest payments. The **issue price** of a Note is the first price at which a substantial amount of such issue of Notes has been sold (ignoring sales to bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, agents, or wholesalers).

In general, if the excess of a Note's stated redemption price at maturity over its issue price is less than the specified minimum amount, then such excess constitutes '*de minimis* OID'. Unless the election described below under *Election to Treat All Interest as OID* is made, such a Note will not be treated as issued with OID (in which case the following paragraphs under *Original Issue Discount* will not apply) and a U.S. Holder of such a Note must include such *de minimis* amount of income as stated principal payments on the Note are made. The amount includible with respect to each such payment will equal the product of the total amount of the Note's *de minimis* OID and a fraction, the numerator of which is the amount of the principal payment and the denominator of which is the stated nominal amount of the Note.

Except as described below with respect to Short Term Notes (defined herein), the amount of OID that a U.S. Holder will be required to include in income in a taxable year will be determined by allocating to each day of the taxable year for which the U.S. Holder holds the Note the pro rata daily portions of OID attributable to the 'accrual period.' An accrual period may be of any length selected by the U.S. Holder and the accrual periods may vary in length over the term of the Note as long as (i) each accrual period is no longer than one year, and (ii) each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of OID allocable to each accrual period generally will equal the product of (i) the Note's 'adjusted issue price' at the beginning of such accrual period and (ii) its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period), less the amount of any qualified stated interest payments allocable to such accrual period. The adjusted issue price of a Note at the beginning of the first accrual period is the issue price. Thereafter, the adjusted issue price of a Note is the sum of the issue price plus the amount of OID previously includable in the gross income of the holder reduced by the amount of any payment previously made on the Note, other than payments of 'qualified stated interest'. Thus, under these rules, a U.S. Holder will generally have to include in income increasingly greater amounts of OID over the life of the Note. Special rules apply for calculating OID in short initial or final accrual periods.

If the Issuer has an unconditional option to redeem or prepay a Note before the Note's stated maturity, such option will be presumed to be exercised if, by utilising any date on which such Note may be redeemed or repurchased as the maturity date and the amount payable on such date in accordance with the terms of the Note (the **redemption price**) as the stated redemption price at maturity, the yield on the Note would be lower than its yield to stated maturity and the yield to maturity of the Note will be determined based on this earlier maturity date. If such option is in fact exercised or not exercised contrary to the presumption made (*i.e.*, there is a 'change in circumstances'), then the Note would be treated, solely for OID purposes, as if it were retired and reissued on the date of the change in circumstances for an amount equal to the Note's adjusted issue price on that date.

Floating Rate Notes

Floating Rate Notes will be subject to special rules. Generally, if a Floating Rate Note qualifies as a 'variable rate debt instrument' (as defined in applicable Treasury Regulations) then (i) all stated interest with respect to such Floating Rate Note will be qualified stated interest and hence included in a U.S. Holder's income in accordance with such U.S. Holder's normal method of accounting for U.S. Federal income tax purposes, and (ii) the amount of OID, if any, will be determined under the general OID rules (as described above under

Original Issue Discount) by assuming that the variable rate is a fixed rate equal, in general, to the value, as of the issue date, of the floating rate.

If any of the Floating Rate Notes do not qualify as ‘variable rate debt instruments,’ such Floating Rate Notes will be classified as contingent payment debt instruments and will be subject to special rules for calculating the accrual of stated interest and OID.

Additional information concerning the tax consequences of holding a Floating Rate Note may be provided in the applicable Final Terms. Prospective investors should consult their own tax advisors concerning the tax consequences of holding Floating Rate Notes.

Short Term Notes

Generally, an accrual basis U.S. Holder of ‘Short Term Notes’ (*i.e.*, Notes having a fixed maturity date not more than one year from the date of issue) is required to accrue OID on Short Term Notes on either a straight-line basis or, at the election of the U.S. Holder, under the constant yield method (based on daily compounding). An individual or other cash basis U.S. Holder of a Short Term Note is generally not required to accrue OID for U.S. Federal income tax purposes unless it elects to do so.

For purposes of determining the amount of OID subject to these rules, applicable Treasury Regulations provide that, unlike the rules applicable to the determination of OID with respect to Notes which are not Short Term Notes, no interest payments on a Short Term Note will be qualified stated interest. Consequently, such interest payments are included in the Short Term Note’s stated redemption price at maturity and therefore may give rise to OID (or acquisition discount) even if the Short Term Notes are not actually issued at a discount. U.S. Holders should consult their own tax advisors as to the application of these rules.

Amortisable Bond Premium

A U.S. Holder that purchases a Note for an amount in excess of the sum of all amounts, other than qualified stated interest, payable on the Note after the purchase date will be considered to have purchased the Note at a premium (**bond premium**) and will not be required to include any OID in income with respect to such Note. A U.S. Holder generally may elect to amortise the premium over the remaining term of the Note under a constant yield method. For any Floating Rate Note that is a ‘variable rate debt instrument’ under applicable income tax regulations, that method is implemented by constructing an ‘equivalent fixed rate instrument’, as provided in applicable Treasury Regulations. The amount amortised in any year reduces both the U.S. Holder’s adjusted basis in the Note and interest income from the Note. Any excess bond premium allocable to an accrual period is deductible by the holder for that accrual period. The amount deductible, however, is limited by the amount of the holder’s prior income inclusions on the instrument, and any excess is carried forward to the next accrual period. In addition, in the case of instruments that have alternative payment schedules that are predicated on the unilateral exercise of an option by the issuer or the holder, the amount of bond premium that is amortisable in an accrual period is calculated by assuming that both the issuer and the holder will exercise or not exercise options in a manner that maximises the holder’s yield. Thus, a holder may be required to amortise bond premium by reference to the stated maturity, even if it appears likely that the Note will be called. The Treasury Regulations also contain rules applicable if such contingency occurs or fails to occur contrary to the assumption utilised.

U.S. Holders not making an election to amortise bond premium are not required to reduce the adjusted basis of their Notes and consequently may recognise less gain or more loss upon their disposition. The election to amortise bond premium, once made, applies to all debt instruments held or subsequently acquired by the electing U.S. Holder on or after the first day of the taxable year to which the election applies and may not be revoked without the consent of the IRS. Holders should consult their own tax advisors concerning the consequences, means and advisability of making this election.

Election to Treat All Interest as OID

Subject to certain limitations, a U.S. Holder of a debt instrument generally may elect to treat all interest that accrues on the instrument as OID. Interest for this purpose includes stated interest not previously included in income, OID (including any *de minimis* OID), and acquisition discount, adjusted for amortisable bond premium and acquisition premium. If a U.S. Holder makes this election for a Note with amortisable bond premium, the election is treated also as an election under the amortisable bond premium provisions, described above, and the electing U.S. Holder will be required to amortise bond premium currently for all of the U.S. Holder's other debt instruments with amortisable bond premium. U.S. Holders of Notes should consult their own tax advisors concerning the consequences, means and advisability of making such an election.

Disposition of a Note

Except as discussed above, upon the sale, exchange or retirement of a Note, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest not previously included in income, which will be taxable as such) and such U.S. Holder's adjusted tax basis in such Note. A U.S. Holder's adjusted tax basis in a Note generally will equal such U.S. Holder's initial investment in such Note increased by any OID included in income and any accrued market discount included in income and decreased by the amount of any payments that are not deemed qualified stated interest payments and amortisable bond premium applied to reduce interest with respect to such Note. Such gain or loss generally will be long-term capital gain or loss if the Note was held for more than one year. Deduction of capital losses for U.S. Federal income tax purposes is subject to limitations.

Foreign Tax Credit Sourcing Rules

Interest and OID on the Notes should be treated as income from sources outside the United States for purposes of the foreign tax credit limitation. Gain or loss recognised on the sale, exchange or retirement of a Note by a U.S. Holder generally will constitute income from sources within the United States. U.S. Holders of Notes should consult their own tax advisors concerning the source of income or loss with respect to the Notes and the application of the foreign tax credit limitation generally.

Foreign Currency Notes

The following summary relates to Notes that are denominated in a Foreign Currency or basket of Foreign Currencies (**Foreign Currency Notes**).

Payments of Interest in a Foreign Currency

A U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including OID or market discount and reduced by amortisable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a Note during an accrual period. The amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. The U.S. dollar value of such accrued income will be determined by an accrual basis U.S. Holder by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. An accrual basis U.S. Holder may elect, however, to translate such accrued interest income using the spot rate on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the spot rate on the last day of the taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder may translate such interest using the spot rate on the date of receipt. U.S. Holders should consult their own tax advisors concerning the consequences, means and advisability of making such an election.

A U.S. Holder who receives a payment of interest in Foreign Currency may recognise exchange gain or loss (which will be treated as ordinary income or loss) with respect to accrued interest income on the date such income is received. The amount of ordinary income or loss recognised will equal the difference, if any, between the U.S. dollar value of the Foreign Currency payment received (determined using the spot rate on the date such payment is received) in respect of such accrued interest and the U.S. dollar value of the income inclusion with respect to such accrued interest (as determined above).

Special rules apply to market discount and bond premium received on Foreign Currency Notes. U.S. Holders should consult their own tax advisors regarding such special rules.

Foreign Currency Discount Notes

OID for any accrual period on a Note that is denominated in a Foreign Currency will be determined in the Foreign Currency and then translated into U.S. dollars in the same manner as stated interest accrued before receipt, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognise exchange gain or loss (which will be treated as ordinary gain or loss) measured by the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued.

Foreign Currency Gain or Loss on Sale, Exchange or Retirement

If a U.S. Holder receives Foreign Currency on a sale, exchange or retirement of a Note, the amount realised will be based on the U.S. dollar value of the Foreign Currency on the date the payment is received or the instrument is disposed of (or deemed disposed of). Gain or loss realised upon the sale, exchange or retirement of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. dollar value of the Foreign Currency principal amount of a Note, determined using the spot rate on the date such payment is received or such Note is disposed of, and the U.S. dollar value of the Foreign Currency principal amount of such Note, determined using the spot rate on the date the U.S. Holder acquired such Note. Such Foreign Currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of such Note.

U.S. Federal Tax Consequences to Non-U.S. Holders

Non-U.S. Holders generally will not be subject to U.S. Federal income taxation on gain or income in respect of the Notes unless (a) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year and has certain other connections with the United States or (b) such income or gain is effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States.

Backup Withholding and Information Reporting

U.S. Holders

In general, information reporting and ‘backup withholding’ may be required with respect to principal and interest payments, and proceeds from certain sales of an obligation prior to maturity, made within the United States and the accrual of OID to a non-corporate U.S. Holder if such holder fails to (i) furnish a taxpayer identification number, (ii) certify that such holder is not subject to backup withholding or (iii) otherwise comply with applicable requirements of the backup withholding rules.

Certain holders that own “specified foreign financial assets” that meet certain U.S. dollar value thresholds will generally be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by certain financial institutions: (i)

stock or securities issued by non–United States persons, (ii) financial instruments and contracts held for investment that have non–United States issuers or counterparties, and (iii) interests in foreign entities. The Notes may be subject to these rules. United States holders are urged to consult their tax advisors regarding the application of these rules to their ownership of the Notes.

Non-U.S. Holders

Information reporting and backup withholding generally will not apply to payments made to a Non-U.S. Holder made outside the United States unless the Issuer or the relevant paying agent has reason to know that such holder is a United States person. Principal and interest on a Note paid by the U.S. office of a custodian, nominee or agent of the beneficial owner, or the payment by the U.S. office of a broker of the proceeds of a sale or exchange of a Note will be subject to backup withholding and information reporting unless the beneficial owner complies with the certification procedures for non-United States persons, or otherwise establishes an exemption from information reporting.

If interest payments are collected outside of the United States by a foreign office of a custodian, nominee or other agent on behalf of a beneficial owner of a Note, backup withholding or information reporting by such custodian, nominee or other agent generally will not be required with respect to interest payments made to such owner. However, if such custodian, nominee or other agent is a United States person or a U.S. controlled person (as herein defined), information reporting and, in certain cases, backup withholding will be required with respect to interest payments made to such owner unless such custodian, nominee or other agent has documentary evidence in its records that such owner is not a United States person and does not have reason to know that such evidence is false, or the beneficial owner otherwise establishes an exemption from information reporting and backup withholding.

Payment of the proceeds on the retirement or sale of a Note outside the United States or to or through a foreign office of a broker generally will not be subject to information reporting and backup withholding. However, if such broker is a United States person or a U.S. controlled person information reporting and, in certain cases, backup withholding will apply to such payment unless, in general, such broker has documentary evidence in its records that the owner is not a United States person and does not have reason to know that such evidence is false or the beneficial owner otherwise establishes an exemption from such reporting.

For purposes of the above, **U.S. controlled person** means: (i) a controlled foreign corporation for U.S. Federal income tax purposes; (ii) a foreign person 50 per cent. or more of whose gross income for the three year period ending with the close of its taxable year preceding the year of payment is effectively connected with a U.S. trade or business; or (iii) a foreign partnership if, at any time during its tax years, one or more of its partners are U.S. persons who in the aggregate hold more than 50 per cent. of the income or capital interest of the partnership or if, at any time during its taxable year, it is engaged in the conduct of a trade or business within the United States.

Base Rate Change

The treatment of a replacement of LIBOR or EURIBOR with a substitute or successor rate (a **Base Rate Change**) for U.S. federal income tax purposes is not entirely clear. It is possible that a replacement of LIBOR or EURIBOR with a substitute or successor rate will be treated as a deemed exchange of old notes for new notes. In that event, it is unclear whether such deemed exchange would be taxable to a U.S. Holder. If it was taxable, a U.S. Holder may be required to recognize gain or loss with respect to its affected Notes. This gain or loss would be equal to the difference between the issue price of the deemed new notes, which if such class of notes has a principal amount in excess of US\$100 million, may be the fair market value rather than the principal amount of the notes, and the U.S. Holder's tax basis in the deemed old notes.

Recently released proposed Treasury regulations describe circumstances under which a Base Rate Change (or related adjustments to the interest rate on the Notes) would not be treated as a deemed exchange and would not affect the calculation of OID, provided certain conditions are met. It cannot be determined at this time

whether the final Treasury regulations on this issue will contain the same standards as the proposed Treasury regulations.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “*Terms and Conditions of the Notes—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common 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.

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.

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 participating Member States. It has been clarified that should an informal agreement among the participating Member States be reached, it would only be a preliminary step in the legislative process. If, at some point, a draft text of the Directive for a common FTT is tabled by the participating Member States, any decision in the Council should be preceded by an inclusive and substantial debate among all Member States. The Commission’s Proposal may therefore be altered prior to any implementations, the timing of which remains unclear. 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 AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in an Amended and Restated Programme Agreement dated 1 May 2020 (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 update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection herewith. The Dealer 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.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions with a view to supporting the market price of the relevant Notes during and after the offering of the Tranche at a level higher than that which might otherwise prevail. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may support the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to support the market price of the Notes at a level higher than that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (c) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) to a person whom

the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or to an institutional accredited investor (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) in a private placement exempt from the registration requirements under the Securities Act (c) in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or any other available exemption from the registration requirement of the Securities Act or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

- (iv) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE ‘SECURITIES ACT’), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS (1) A ‘QUALIFIED INSTITUTIONAL BUYER’ (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING (OR HOLDING) THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, AND IT IS AWARE THAT THE DEALERS ARE SELLING THIS SECURITY TO IT IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT OR (2) AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT), (B) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED THIS SECURITY THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR TO AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) IN A PRIVATE PLACEMENT EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT (3) IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL

DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.”;

- (vii) that the Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer;

“THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (viii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of all Notes of the Tranche, as determined and certified by the relevant Dealer or Lead Manager), it will do so only (a) in compliance with Rule 903 or 904 under the Securities Act or (b) to a QIB in compliance with Rule 144A or to an Institutional Accredited Investor in a private placement exempt from the registration requirements of the Securities Act and, in each case, in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE ‘SECURITIES ACT’), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, 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 THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (ix) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in private transactions that are exempt from registration under the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see *Form of the Notes*.

The IAI Investment Letter will state, among other things, the following:

- (i) that the Institutional Accredited Investor has received a copy of the Prospectus and such other information as it deems necessary in order to make its investment decision;
- (ii) that the Institutional Accredited Investor understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities law and that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Prospectus and the Notes (including those set out above), and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act;
- (iii) that the Institutional Accredited Investor will be required to furnish certain information (including an IAI Letter from any purchaser who is an Institutional Accredited Investor) as the Issuer may reasonably require to confirm that the proposed sale complies with the applicable restrictions;
- (iv) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;
- (v) that the Institutional Accredited Investor is an 'Accredited Investor' within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;
- (vi) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and
- (vii) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.\$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

United States

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

The Notes in bearer form 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 U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), 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, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$200,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has agreed to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Prohibition of sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", 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 Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

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

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the United Kingdom (each a **Relevant State**), 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

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

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

The Netherlands

Bearer Zero Coupon Notes and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) may only be transferred or accepted through the mediation of either the Issuer or a Member of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and delivery by individuals who do not act in the conduct of a profession or trade, and (iii) the issue and trading of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

France

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

- (a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (**AMF**) of the approval of the prospectus relating to those Notes by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC (as amended by Directive 2010/73/EU), all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of this Prospectus; or

- (b) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

Hong Kong

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

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinances (Cap. 571) of Hong Kong) (the **Securities and Futures Ordinance**) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement,

invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

The People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People’s Republic of China (excluding the Hong Kong, Macau and Taiwan) as part of the initial distribution of the Notes.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer 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 resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Dealer shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the Syndication Agreement, dealer accession letter or dealer confirmation.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle within three business days ("T+3"), unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers who wish to trade Registered Notes in the United States between the date of pricing and the date that is three business days prior to the relevant

Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the relevant Issue Date should consult their own adviser.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Board of Management of the Issuer dated 24 August 1998. This resolution was lawfully approved by the Supervisory Board on 1 September 1998. An increase of the maximum aggregate nominal amount of the Programme from U.S.\$5,000,000,000 to U.S.\$10,000,000,000 was duly authorised by a resolution of the Board of Management of the Issuer dated 19 June 2000. The resolution was lawfully approved by the Supervisory Board on 26 June 2000.

A further increase of the maximum aggregate nominal amount of the Programme from U.S \$10,000,000,000 to €10,000,000,000 was duly authorised by a resolution of the Board of Management of the Issuer dated 1 March 2007. The resolution was lawfully approved by the Supervisory Board on 3 April 2007.

In 2008, the maximum aggregate nominal amount of the Programme was increased from €10,000,000,000 to an unlimited amount. This increase was duly authorised by a resolution of the Board of Management of the Issuer dated 20 March 2008 and that resolution was lawfully approved by the Supervisory Board on 27 March 2008.

The renewal of the Programme and the issue of the Notes have been duly authorised by a resolution of the Board of Management of the Issuer dated 4 March 2020. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and the Notes.

Listing and admission to trading

Application has been made to Euronext Amsterdam for Notes issued under the Programme and up to the expiry of 12 months from the date of this Prospectus to be admitted to trading on Euronext Amsterdam.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from ir.kpn.com:

- (i) an English translation of the most recent Articles of Association of the Issuer;
- (ii) the annual reports of the Issuer for the years ended 2018 and 2019 (containing the audited financial statements of the Issuer, which include the consolidated financial statements), in each case together with the independent audit reports prepared in connection therewith;
- (iii) the Agency Agreement (which contains the forms of the global Notes, the Notes in definitive form, the Coupons and the Talons);
- (iv) a copy of this Prospectus; and
- (v) each set of Final Terms in respect of Notes which are listed or admitted to trading on any market.

Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and the Securities Clearing Corporation of Euronext Amsterdam. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear, Clearstream, Luxembourg and the Securities Clearing Corporation of Euronext

Amsterdam, 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.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

The yield for any particular Series of Notes will be calculated on the basis of the average annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. The yield specified in the applicable Final Terms in respect of a Series of Notes will not be an indication of future yield.

Statement of significant or material change

There has been no significant change in the financial performance and financial position of the Issuer, including its subsidiaries and consolidated joint ventures, since 31 March 2020 up to the date of this Prospectus and there has been no material adverse change in the prospects of the Issuer, including its subsidiaries and consolidated joint ventures since 31 December 2019.

Litigation

KPN is involved in a number of legal proceedings that have arisen in the ordinary course of its business.

There are no governmental, administrative, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), in the previous twelve months which may have, or which have had in the recent past, significant effects on the financial position or profitability of KPN, including its subsidiaries and consolidated joint ventures. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and KPN can offer no assurances in this regard.

Auditors

The consolidated financial statements as of and for the years ended 31 December 2019, and 2018, in each case incorporated by reference into this Prospectus, were audited by Ernst & Young Accountants LLP, independent auditors, as stated in the relevant reports thereon incorporated by reference into this Prospectus. Each of the independent auditor's reports for 2019 and 2018 is unqualified.

The principal place of business of Ernst & Young Accountants LLP is Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered at the Chamber of Commerce of Rotterdam in the Netherlands under number 24432944. The office address of the independent auditor of Ernst & Young Accountants LLP, is Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands. The independent auditor, who signs on behalf of Ernst & Young Accountants LLP, is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

Post-issuance information

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Commercial Register

The Issuer is registered in the Dutch Commercial Register under No. 02045200.

Legal entity identifier (LEI)

The Issuer's LEI is 549300YO0JZHAL7FVP81.

Issuer's Website

The Issuer's website address is www.kpn.com. Information on the Issuer's website (unless that information is incorporated by reference into this Prospectus) does not form part of this Prospectus, has not been scrutinised or approved by the AFM and may not be relied upon in connection with any decision to invest in any Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates 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. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Credit Ratings

The Issuer's long-term issuer default rating from Fitch is BBB with a stable outlook. The Issuer has a senior unsecured rating of Baa3 with a stable outlook by Moody's. S&P has given the Issuer long- and short-term ratings of BBB/A-3, with a stable outlook.

Obligations rated "Baa" by Moody's are subject to moderate credit risk. They are considered medium grade 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.

"BBB" ratings by Fitch 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.

An obligor rated "BBB" by S&P has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

The long term ratings by Fitch and S&P may be modified by the addition of a plus ("+") or minus ("-") sign to show relative standing within the major rating categories.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization.

GLOSSARY OF SELECTED TERMS

3G	Third Generation Mobile System, which is based on the UMTS universal standard.
4G	Fourth Generation Mobile System, which is based on the LTE universal standard.
5G	Fifth Generation Mobile System, for which there is no universally accepted standard yet.
ACM (<i>Autoriteit Consument & Markt</i>)	The Netherlands Authority for Consumers & Markets, which is the result of merger of the Netherlands Consumer Authority, the NMa and OPTA on 1 April 2013.
Average Revenue Per User (ARPU)	The sum of connection fees, monthly fixed subscription revenues, traffic revenues and gross service provider revenue less related discounts during a one-month period, divided by the average number of customers during that month.
Broadband	Broadband refers to telecommunication that provides multiple channels of data over a single communications medium, typically using some form of frequency or wave division multiplexing.
Churn	A term common to the telecommunications industry, referring to the frequency with which customers of a given telecommunications provider disconnect from that provider's services, generally in favour of competitors, over a given period of time.
Customer base	KPN defines customer base as the total number of connections or subscribers.
DSL (Digital Subscriber Line)	DSL is a data communication technology for bringing high-bandwidth information to homes and small businesses over ordinary copper PSTN lines.
FttO (Fiber-to-the-Office)	FttO is a fiber connection for business customers to the customers' office.
HDTV (High-Definition Television)	HDTV is high definition TV, which is a TV format requiring higher bandwidths.
IP (Internet Protocol)	Internet Protocol is a protocol used for communicating data across a packet-switched network. It is used for transmitting data over the internet and other similar networks. The data is broken down into data packets, each data packet is assigned an individual address, then the data packets are transmitted independently and finally reassembled at the destination.
IPTV (Internet Protocol Television)	IPTV is a system through which TV services are delivered using the internet protocol suite over a packet-switched network such as the internet.

ISDN (Integrated Services Digital Network)	ISDN is a worldwide digital communications network evolving from existing telephone services. A standard ISDN connection consists of three channels, i.e., two B channels to carry data and voice at a speed of 64 Kbps and one D channel to carry control information at a speed of 16 Kbps.
LTE (Long Term Evolution)	LTE refers to a new mobile telephony technology that succeeds 3G. 3GPP (Third Generation Partnership Project) Long Term Evolution, is a new high performance air interface for cellular mobile communication systems. LTE is the last step toward the fourth generation (4G) of radio technologies designed to increase the capacity and speed of mobile telephone networks.
Market share	Market share is the percentage or proportion of the total available market that is being serviced by KPN.
Multi-play	Propositions combining more than one product and / or type of service is considered a mutli-play proposition. Triple-play and quad-play propositions are types of multi-play propositions.
Mbps (Megabits per second)	Mbps is a unit of data transfer rate equal to 1,000,000 bits per second. The bandwidths of broadband networks are often indicated in Mbps.
MVNO (Mobile Virtual Network Operator)	An MVNO is a mobile operator that does not have its own spectrum or its own network infrastructure. Instead, MVNOs have business arrangements with traditional mobile operators to buy minutes of use to sell to their own customers.
NMa (<i>Nederlandse Mededingingsautoriteit</i>)	NMa was the Dutch anti-trust authority responsible for monitoring compliance with anti-trust rules until it was merged with the Netherlands Consumer Authority and OPTA to form the ACM on 1 April 2013.
NPS	NPS is a tool for measuring customer loyalty, based on whether customers would recommend KPN to someone else.
OPTA (<i>Onafhankelijke Post en Telecommunicatie Autoriteit</i>)	OPTA, or The Independent Post and Telecommunications Authority, was the telecommunications regulator in the Netherlands until it was merged with the Netherlands Consumer Authority and the NMa to form the ACM on 1 April 2013.
PSTN (Public Switched Telephone Network)	PSTN is the traditional telephone system that runs through copper cables (voice up to 64 Kbps, data up to 56 Kbps).
Roaming	Roaming is the transfer of mobile traffic from one network to another, referring to the exchange of mobile international traffic.
Smartphone	A smartphone is a mobile phone built on a mobile computing platform and includes high-resolution (touch) screens, web browsers that can access and properly display standard web pages and high-speed data access via Wi-Fi and mobile broadband.

SOC (Security Operations Centre)	The SOC monitors the high-risk systems of KPN in order to act quickly in case of security risks or incidents.
Subscribers	KPN calculates subscribers as an end-user with a connection to its mobile or fixed network and/or service platform. A subscriber is included in the subscriber base if there is a direct or indirect billing relationship, either prepaid or postpaid, unless the connection is owned by an MVNOs or through fixed-line access parties or if the connection has been inactive for a specific time period (prepaid or postpaid without contract).
Triple-play	Triple-play is the bundling of telephone, internet and TV products into one contract.
ULL (Unbundled local loop)	Regulated unbundled local loop wholesale service.
UMTS (Universal Mobile Telecommunications System)	UMTS is one of the major third generation mobile communications systems being developed. UMTS is suited to deliver voice, text, music and animated images. Data can be sent via UMTS at approximately 6 times the speed of ISDN.
VDSL (Very-high-bitrate Digital Subscriber Line)	VDSL is a DSL technology providing faster data transmission over a single flat untwisted or twisted pair of copper wires. VDSL is capable of supporting high bandwidth applications such as HDTV, as well as telephony services (Voice over IP) and general internet access, over a single connection.
VULA (Virtual unbundled local access)	Commercially agreed virtual unbundled local access wholesale offering.
VPN (Virtual Private Network)	A VPN is a virtual network constructed from logic connections that are separated from other users.
VoIP (Voice over IP)	VoIP is voice traffic transported over an IP-based data network. It enables new ways of communicating, such as combinations of telephony, messaging and videoconferencing.
WBA (Wholesale broadband access)	Commercially agreed wholesale broadband offering enabling providers to deliver broadband products to their customers.
Wi-Fi	Wi-Fi is a technology that allows an electronic device to exchange data wirelessly over a computer network, including broadband internet connections. Wi-Fi is a trademark of the Wi-Fi Alliance.

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