

Base Prospectus dated 17 March 2021



## AKZO NOBEL N.V.

*(incorporated in the Netherlands as a public company with limited liability having its corporate seat in Amsterdam)*

### *Euro Medium Term Note Programme*

Under the Euro Medium Term Note Programme described in this Prospectus (the “**Programme**”), Akzo Nobel N.V. (“**AkzoNobel**” or the “**Issuer**”) subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority for the approval of this Prospectus as a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”) and the Luxembourg Law dated 16 July 2019 relating to prospectuses for securities, as amended (the “**Prospectus Law**”). The CSSF has only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Such application does not extend to money market instruments (as defined in the Prospectus Regulation) having a maturity of less than one year. As such, no money market instruments having a maturity at issue of less than 12 months will be offered to the public or admitted to trading on a regulated market under this Prospectus. By approving this Prospectus, the CSSF does not give any undertaking as to the economic or financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of article 6(4) of the Luxembourg law.

Application has also been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market. References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MIFID II**”). However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market (or any other stock exchange).

Each Series (as defined in “*General Description of the Programme – Method of Issue*”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”) and, together with a temporary Global Note, the “**Global Notes**”). If the Global Notes are stated in the applicable Final Terms (as defined in “*General Description of the Programme – Method of Issue*”) to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined in “*General Description of the Programme – Method of Issue*”) to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes (as defined in “*General Description of the Programme – Form of Notes*”) issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with (i) in the case of a Series of Notes intended to be cleared through Euroclear and/or Clearstream, Luxembourg, a common depository on behalf of Euroclear and Clearstream, Luxembourg or (ii) in the case of a Series of Notes intended to be cleared through the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the “**CMU**”, and such Notes, “**CMU Notes**”), with a sub-custodian for the CMU.

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “*Overview of Provisions relating to the Notes while in Global Form*”.

As at the date of this Prospectus, AkzoNobel has a long term senior unsecured debt rating of “**BBB+**” by S&P Global Ratings Europe Limited (“**S&P**”) and “**Baa1**” by Moody’s Deutschland GmbH (“**Moody’s**”). The Programme has been rated “**BBB+**” by S&P and “**Baa1**” by Moody’s. Moody’s and S&P are established in the European Union (the “**EU**”) and are registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended (as amended, the “**CRA Regulation**”). Further information relating to the registration of rating agencies under the CRA Regulation can be found on the website of the European Securities and Markets Authority. Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the relevant Final Terms and may not necessarily be the same as the rating of the Programme. Whether or not a rating in relation to any Notes will be treated as having been issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to any Notes may adversely affect the market price of the Notes.

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Prospectus.

**Arranger for the Programme**

**NATWEST MARKETS**

**Dealers**

**BBVA**

**BoFA SECURITIES**

**BARCLAYS**

**BNP PARIBAS**

**CITIGROUP**

**CREDIT SUISSE**

**DEUTSCHE BANK**

**HSBC**

**ING**

**J.P. MORGAN**

**MIZUHO SECURITIES**

**NATWEST MARKETS**

**SANTANDER CORPORATE & INVESTMENT  
BANKING**

**SEB**

**SOCIÉTÉ GÉNÉRALE  
CORPORATE & INVESTMENT BANKING**

**STANDARD CHARTERED BANK AG**

In this Prospectus, references to the “**Issuer**” are to AkzoNobel and references to “**Group**” are to AkzoNobel and its subsidiaries and affiliates taken as a whole and references in this Prospectus to the “**Issuer**” and the “**Group**” shall be construed accordingly.

This Prospectus comprises a base prospectus for the purposes of article 8(1) of the Prospectus Regulation in respect of the Issuer and for the purpose of giving information with regard to the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

**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 Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR 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 the UK Financial Conduct Authority (the “**FCA**”) Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) 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 UK MiFIR 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 UK MiFIR Product Governance Rules.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of:

- (A) a retail client as defined in point (11) of Article 4(1) of MiFID II;
- (B) a customer within the meaning of Directive 2016/97/EU (as amended, the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (C) not a qualified investor as defined in the Prospectus Regulation.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has

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

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to 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 UK. For these purposes, a retail investor means a person who is one (or more) of:

- (A) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565, as amended, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
- (B) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014, as amended, as it forms part of domestic law by virtue of the EUWA; or
- (C) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Issuer (the “**Responsible Person**”) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**SF (CMP) Regulations**”)) that the Notes are “prescribed capital markets products” (as defined in the SF (CMP) Regulations).

**Canadian Notice to Investors** – The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

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

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger or the Trustee (as defined in “*General Description of the Programme*”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date and shall expire on 17 March 2022, at the latest, in relation to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. 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.

In the case of any Notes which are to be admitted to trading (i) on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) or (ii) on a regulated market or a specific segment of a regulated market to which only qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”)) have access within the UK or offered to the public in the UK in circumstances which require the publication of a prospectus under the UK Prospectus Regulation pursuant to an exemption under section 86 of the FSMA, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “*Subscription and Sale*”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger or the Trustee (as defined in “*General Description of the Programme*”) accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, or the issue and offering of the Notes or any responsibility 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 any Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such

statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger or the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

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

In this Prospectus, unless otherwise specified or the context otherwise requires, references to (i) “€” and “euro” are to the currency introduced at the start of the third stage of European economic and monetary union as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro; (ii) “U.S.\$” and “U.S. dollars” are to the lawful currency of the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (the “U.S.” and the “United States”); (iii) “CNY”, “RMB” and “Renminbi” are to the lawful currency of the People’s Republic of China (the “PRC”); (iv) “£” and “pounds sterling” are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland (the “UK”); and (v) “HK\$” and “Hong Kong dollar” are to the currency of the Hong Kong Special Administrative Region of the PRC.

Amounts payable under the Notes may be calculated by reference to the Euro Interbank Offered Rate (“EURIBOR”) which is provided by the European Money Markets Institute (“EMMI”), the Euro Overnight Index Average (“EONIA”) which is provided by the EMMI, the London Interbank Offered Rate (“LIBOR”) which is provided by ICE Benchmark Administration Limited (“ICE”), or any other benchmark, in each case as specified in the applicable Final Terms. As at the date of this Prospectus, the administrator of EURIBOR, EMMI, is included in the register of administrators and benchmarks (the “ESMA Benchmarks Register”) established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (as amended, the “EU BMR”) but not the register of administrators and benchmarks (the “UK Benchmarks Register”) established and maintained by the FCA pursuant to Article 36 of the EU BMR as it forms part of domestic law by virtue of the EUWA (the “UK BMR”). The administrator of LIBOR, ICE, is included in the UK Benchmarks Register, but not the ESMA Benchmarks Register. As far as the Issuer is aware, the transitional provisions in Article 51 of the EU BMR apply, such that ICE is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence). As far as the Issuer is aware, the transitional provisions in Article 51 of the UK BMR apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).

If a benchmark (other than EURIBOR, EONIA or LIBOR) is specified in the applicable Final Terms, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the ESMA Benchmarks Register and/or the UK Benchmarks Register.

The registration status of any administrator under the EU BMR and/or the UK BMR is a matter of public record and, save where required by applicable law and/or regulation, the Issuer does not intend to update the Prospectus or any applicable Final Terms to reflect any change in the registration status of the administrator.

The Issuer complies with the European Securities and Markets Authority Guidelines on Alternative Performance Measures (the “**ESMA Guidelines**”) published on 5 October 2015 by the European Securities and Markets Authority and which came into force on 3 July 2016. Certain alternative performance measures (“**APMs**”) are included or referred to in this Prospectus. APMs are not defined by IFRS, which exclude the so-called identified items. Identified items are special charges and benefits, results on acquisitions and divestments, major restructuring and impairment charges, and charges and benefits related to major legal, environmental and tax cases. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Where a non-financial measure is used to calculate an operational or statistical ratio, this is also considered an APM.

AkzoNobel uses APM adjustments to the IFRS measures to provide supplementary information on reporting on the underlying developments of the business. These APM adjustments may affect the IFRS measures operating income, net profit and earnings per share. A reconciliation of the APMs to the most directly comparable IFRS measures can be found in the tables for adjusted operating income and adjusted earnings from continuing operations at page 84 and 85 of the Issuer’s annual report for the year ended 31 December 2019 and at pages 99 and 100 of the Issuer’s annual report for the year ended 31 December 2020, both incorporated by reference herein.

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall financial portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant 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;
- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) 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.

Notes can be relatively complex financial instruments. Sophisticated institutional investors generally do not purchase these sorts of financial instruments as stand-alone investments. They purchase them 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 unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how such Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

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## GENERAL DESCRIPTION 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. Akzo Nobel N.V. and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Conditions, in which event, in the case of listed Notes only, a new Prospectus or a supplement to the Prospectus, will be published.*

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

<b>Issuer:</b>	Akzo Nobel N.V.
<b>Issuer Legal Entity Identifier (LEI):</b>	724500XYIJUGXAA5QD70
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	NatWest Markets N.V.
<b>Dealers:</b>	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank Ireland PLC BNP Paribas BofA Securities Europe SA Citigroup Global Markets Europe AG Credit Suisse Securities Sociedad de Valores S.A. Deutsche Bank Aktiengesellschaft HSBC Continental Europe ING Bank N.V. J.P. Morgan AG Mizuho Securities Europe GmbH NatWest Markets N.V. Skandinaviska Enskilda Banken AB (publ) Société Générale Standard Chartered Bank AG

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme in accordance with the Dealer Agreement. References in this Prospectus to “**Permanent Dealers**” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer

	in respect of one or more Tranches.
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Issuing and Paying Agent, Registrar, Transfer Agent and Calculation Agent:</b>	Citibank, N.A., London Branch
<b>CMU Lodging Agent:</b>	Citicorp International Limited
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant Conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “ <b>Final Terms</b> ”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Form of Notes:</b>	The Notes may be issued in bearer form (“ <b>Bearer Notes</b> ”) or in registered form (“ <b>Registered Notes</b> ”) only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “ <i>Selling Restrictions</i> ” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “ <b>Global Certificates</b> ”.
<b>Clearing Systems:</b>	Clearstream, Luxembourg, Euroclear, CMU and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying

Agent, the Trustee and the relevant Dealer.

**Initial Delivery of Notes:**

On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS or is not intended to be cleared through CMU, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depository for Euroclear and Clearstream, Luxembourg and in the case of a Tranche of Notes intended to be cleared through the CMU, deposited with a sub-custodian for the CMU. Global Notes or Global Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.

**Specified Denomination:**

Definitive Notes will be in such denominations as may be specified in the relevant 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 offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation (in case of amendments to the Prospectus Regulation, to the extent that such amendments have been implemented in the relevant Member State of the EEA), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of such Notes), or (ii) in the case of any Notes which are to be admitted to trading on a regulated market or a specific segment of a regulated market to which only qualified investors (as

defined in the UK Prospectus Regulation) have access within the UK or offered to the public in the UK in circumstances which require the publication of a prospectus under the UK Prospectus Regulation pursuant to an exemption under section 86 of the FSMA, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes), and (iii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in pounds sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to LIBOR or EURIBOR or EONIA as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

**Zero Coupon Notes:**

Zero Coupon Notes (as defined in “*Terms and Conditions of the Notes*”) may be issued at their nominal amount or at a discount to it and will not bear interest.

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Redemption:**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes

(including Notes denominated in pounds sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Optional Redemption:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

**Redemption upon a Change of Control Put Event:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Noteholders upon the occurrence of a Change of Control as further described in “*Terms and Conditions – Redemption at the Option of Noteholders on a Put Event*”.

**Redemption upon occurrence of Special Redemption Event:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer upon the occurrence of a Special Redemption Event as further described in “*Terms and Conditions – Redemption on the occurrence of a Special Redemption Event (Issuer Call)*”.

**Status of the Notes:**

Subject always to the conditions described in “*Terms and Conditions – Negative Pledge*”, the Notes will constitute unsecured and unsubordinated obligations of the Issuer as described in “*Terms and Conditions of the Notes – Status of the Notes*”.

**Negative Pledge:**

See “*Terms and Conditions of the Notes – Negative Pledge*”.

**Cross Default:**

See “*Terms and Conditions of the Notes – Events of Default*”.

**Ratings:**

The Programme has been rated “BBB+” by S&P and “Baa1” by Moody’s.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Early Redemption:**

Except as provided in “*Optional Redemption*” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “*Terms and Conditions of the Notes – Redemption, Purchase and Options*”.

**Withholding Tax:**

All payments of principal and interest in respect of the Notes and the Coupons (as defined in “*Terms and Conditions of the Notes*”) will be made free and clear of withholding taxes of The Netherlands, unless the withholding is required by law. In such event, the Issuer shall, subject to certain exceptions, pay such additional amounts as shall result in receipt by the Noteholders or Couponholders of such amounts as would have been received by them had no such withholding been required, all as described in “*Terms and Conditions of the Notes – Taxation*”.

**Additional Issuers:**

The Trust Deed contains provisions permitting additional issuers to be added to the Programme.

**Governing Law:**

The Notes, and any non-contractual obligations arising out of or in connection with them, will be governed by, and shall be construed in accordance with, English law.

**Listing and Admission to Trading:**

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

**Selling Restrictions:**

The United States, the EEA (including, without limitation, The Netherlands and France), the United Kingdom, Japan, Hong Kong, Singapore, Switzerland, The People’s Republic of China and Taiwan. See “*Subscription and Sale*”.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**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) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982

(“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Risk factors which are specific to the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the 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. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, financial condition, results of operations and prospects. The Issuer may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.*

*Words and expressions defined elsewhere in this Prospectus have the same meanings in this section. In this Prospectus, references to “we”, “us” or “our” refer to the Group.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

Unless otherwise specified by reference to AkzoNobel, the risks described below apply in the Group context.

#### **A. Strategic risks**

##### ***1. Global economy and geo-political context***

The Group is active in over 150 countries and conducts business in many currencies. As a result, one of the principal uncertainties facing the Group is the development of the global economy (both in mature and high growth markets), how this will affect the Group's business and results of operations, and the timing of that impact. An unpredictable geo-political state can increase the risk of volatility across markets and may impact the Group's revenues in affected regions. The Group can also be affected by prevailing economic conditions impacting specific end-user segments. Macro-economic factors that have an impact on expenditure by customers, demand for our products and the availability and cost of credit will have an effect on the Group's business and results of operations.

In addition, fiscal imbalances continue to drive instability in the financial markets, which may further adversely affect the global, regional or national economies in the markets in which the Group operates.

Further, we are exposed to a variety of risks associated with international operations, many of them beyond our control, which could adversely affect our business. Growth of our business in emerging markets and international markets generally, will further expose us to these risks. Such risks include, but are not limited to:

- (a) tariffs and trade barriers in the markets we operate;
- (b) exchange controls impacting our business operations;



- (c) fluctuations in national currencies (as described further in “*Financial Risks – Exchange rate fluctuations*” below);
- (d) geo-political or social developments may impact the production, distribution and sale of our products;
- (e) national and regional labour disputes may impact the production, distribution and sale of our products;
- (f) compliance with local laws, regulations and standards (as described further in “*Legal and regulatory risks*” below);
- (g) the difficulty of enforcing legal claims and agreements through some foreign legal systems; and
- (h) the outbreak and containment measures of a pandemic.

Unfavourable developments in one or more of these areas could adversely affect the Group’s business and results of operations.

## **2. *Covid-19 pandemic***

The pandemic situation is being closely monitored and appropriate measures are being taken to continue serving customers and save costs, while at the same time keeping the organisation intact and able to respond quickly to changes in end market demand. Although demand trends differ per region and segment, the overall impact on AkzoNobel for the full-year 2020 was limited. An overall positive impact was noted for the Decorative Paints segment, whereas there was an overall adverse impact in the Performance Coatings segment. The pandemic has not impacted our going concern assumption.

In 2020, a detailed assessment was performed of potential valuation adjustments to the overall asset base, either due to the direct impact of COVID-19 or due to its impact on future profitability. Goodwill and intangible asset impairment tests have been performed based on most recently updated forecasts; this has not revealed impairments. Recoverability of deferred tax assets has also been reassessed based on these forecasts, leading to immaterial adjustments only. Furthermore, while the allowance for impairment of trade receivables initially increased as a direct result of the additional risk associated with COVID-19, impairment of trade receivables returned to normal levels at year-end.

## **3. *Competition, acquisition and disposals***

We have a wide portfolio of business units competing across a diverse range of geographical and product markets and we compete with other multinational corporations which have significant financial resources. Having a strong position in those parts of the world where our markets are growing is one of the cornerstones of our strategy. A global presence, in combination with locally tailored go-to-market models, is an essential ingredient for success. Further, our success depends upon sustainable growth of our business through research and development, data analytics, innovation, production and sale of new products. If we are not able to identify and adopt or exploit transforming technologies in a timely manner, this may lead to the loss of our leadership positions. This could also arise as a result of infringements in our intellectual property or loss of key personnel and their technological knowledge. We may be unable to compete effectively if our competitors’ resources are applied to change their areas of focus, enter new markets, reduce prices, or to increase investments in marketing or the development and launch of new products. Increased competition in the markets in which we operate may adversely affect the Group’s business and results of operations.

Consolidation in the Paints and Coatings industry may affect existing market dynamics. Acquisitions by competitors of entities, and consolidation among customers or suppliers, within various value chains in which the Group operates (horizontal and/or vertical), may also impact the Group’s competitive position and adversely affect the Group and its business. Further consolidation in the ownership of entities within such value chains could reduce the availability of

opportunities for the Group to make future strategic acquisitions. This may result in acquisitions and other corporate transactions becoming economically unattractive.

Aside from the above, the Group carries out acquisitions and disposals of businesses and brands from time to time (such as the transactions described in “*Business Description of AkzoNobel*”). We are selectively participating in industry consolidation, and in so doing, we may look to carry out selective acquisitions and we may hold assets for sale. Acquisition and divestment opportunities and the management of assets held for sale are kept under review by the Executive Committee of AkzoNobel. The rationale for these may be based on incorrect assumptions or conclusions and they may not realise the anticipated benefits or there may be other unanticipated or unintended effects. In addition, significant liabilities may not be identified in due diligence or may come to light after the expiry of warranty or indemnity periods, or it may not prove practicable to secure or enforce warranty or indemnity protection (see “*Description of the Business of the Group – Litigation – Claims and litigation*” for further information). These factors may also adversely affect the Group’s business and results of operations.

## **B. Operational risks**

### ***1. Changes in supply and demand***

The future of our customers is an important consideration for the Group. Loss of major customers or many small customers could adversely affect our businesses and results of operations. Further, we have created a strong reputation over many years and many of the businesses have a high local profile. However, any negative publicity could damage the brands we have built, result in loss of customers and adversely affect our business and results of operations.

Seasonality may also contribute to adverse effects on our business and results of operations. A portion of our business is seasonal due to weather conditions. In particular, the Decorative Paints business is sensitive to seasonality, with business often stronger in the second and third quarters of the calendar year than in the first or fourth quarters. Consequently, seasonal lags in earnings may not be offset during the corresponding financial year and this may affect our business and results of operations.

Our business and results of operations may further be adversely affected by the price, availability and possible discontinuation of our supply of raw materials.

We use significant amounts of various raw materials in manufacturing our products. Prices for some of these raw materials can be volatile and are affected by cyclical movements in commodity prices, availability, demand for a variety of products which are produced using these raw materials, levels of price competition among local and global suppliers, general economic conditions and regulations. We are, to some extent, able to pass on higher input prices to our customers, but this ability is, to a large extent, dependent on market conditions. However, there may be times when we are not able to recover increases in the cost of raw materials for some products due to weakness in demand for such products or the actions of our competitors.

We also may be impacted by inability to access sufficient raw materials or business interruptions or product discontinuation at some of our key suppliers. The risk may increase as a result of a non-level playing field for energy and raw materials on a global level and emission trading rights, which affect the competitive position of our businesses and the competitive position of our customers’ businesses. The risk may further increase as a result of the relative location advantage of various entities in the global market for raw materials (including, for example, because of relative advantages present as a result of different national policies and local subsidies) and emission trading rights, all of which could affect the competitive position of businesses and our customers.

### ***2. Climate change***

As recommended by the Taskforce for Climate-related Financial Disclosures (“TCFD”), we continue to monitor our risks and opportunities related to climate change. As a company, we are exposed to physical risks – such as those

associated with water scarcity and flooding – and transitional risks. These risks are linked to society’s response to climate change and can lead to changes in technology, market dynamics and regulations. For the last five years, we have implemented an internal carbon price for investment decisions, making our future operations climate adapted, while anticipating the impact of any future carbon pricing.

### **3. *Other operational risks***

Our revenues and competitive position are dependent on the continued operation of our various manufacturing facilities. Other operational risks also include:

- (a) failure to comply with applicable regulations and standards and to maintain necessary permits and approvals;
- (b) a failure in any of our production processes, including incidents relating to personal health and safety, process safety and product safety;
- (c) non-availability or failure of critical information technology systems, applications or platforms, or unauthorised access through cybercrime or other events;
- (d) stricter privacy regulations (e.g. Regulation (EU) 2016/679 (GDPR)) that can potentially result in mismanagement of security and data breaches which are financially punitive;
- (e) raw material and energy supply disruptions;
- (f) labour force shortages or work stoppages typically referred to as industrial action;
- (g) events impeding or increasing the cost of transporting products;
- (h) extreme weather events or natural disasters;
- (i) terrorist attacks disrupting the production, distribution or sale of our products; and
- (j) fraud, which may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal controls designed and implemented to mitigate fraud risks.

Were these risks to materialise, it could result in major incidents with the potential for a significant impact on our organisation, the continuity of the business, the Group’s reputation, and could adversely affect our business and results of operations. While we maintain insurance at levels that we believe are appropriate, some of these operational risks could result in losses and liabilities in excess of our insurance coverage or in uninsured losses or liabilities where insurance is not available on commercially acceptable terms, which could adversely affect our results.

## **C. Financial risks**

### **1. *Conditions in the capital markets***

The Group finances itself partly from the capital markets. Adverse conditions in the domestic and international debt and equity markets may result in a rise in the cost of capital and the risk of not being able to access the global capital markets when capital is required to fund the Group.

Constraints in the supply of liquidity, including an increase in the cost of bank credit and a contraction in the supply of bank credit, may adversely affect operations and the cost of funding.

As at the date of this Prospectus, AkzoNobel has a long term senior unsecured debt rating of “BBB+” by S&P and “Baa1” by Moody’s. The outlook in relation to the rating by both S&P and Moody’s is stable. A decision by any

rating agency to downgrade AkzoNobel's credit rating could be caused by a variety of factors including, amongst other things, weakening financial ratios or increased business risk of the Group.

Adverse conditions in capital markets, liquidity constraints and a ratings downgrade could reduce our funding options, increase our cost of borrowings and adversely affect our business and results of operations.

## ***2. Potential deterioration of cash flow, investment returns and impairment losses***

The potential for further deterioration of economic conditions and the volatility of financial markets may have an impact on the free cash flow generation and investment returns of our businesses, and could have an impact on our access to funding. These matters, amongst others, may lead to insufficient free cash flow generation of the Group which could in turn limit our strategic flexibility, as well as having an adverse effect on the Group's business, results of operations and financial condition.

A significant risk relating to the deterioration of cash flow is the potential of funding shortfalls in post-retirement benefit schemes. The Group policy is to sponsor defined contribution pensions and other post-retirement benefits wherever possible, but the Group has a number of defined benefit pension and healthcare schemes from the past.

Generally, these schemes have been funded through external trusts or foundations. The total amount of post-retirement benefit provisions consists of defined benefit obligations of €14.2 billion offset by total plan assets amounting to €15 billion as at 31 December 2020. The most significant risks that the Group runs in relation to the defined benefit schemes are that investment returns fall short of expectations, a decline in discount rates, inflation exceeding expectations and the longevity risk.

The most significant defined benefit schemes are the ICI Pension Fund and the Akzo Nobel (CPS) Pension Scheme in the UK, which together amount to 86 per cent. of the defined benefit obligation and 91 per cent. of plan assets. Both defined benefit schemes are closed to new entrants. The UK schemes are governed by trustees who must act in the best interests of the scheme beneficiaries. A number of pension de-risking transactions have been implemented either by the trustees or the Group in relation to the Group's retirement benefit schemes. For further details of certain of these transactions see "*Business Description of AkzoNobel – History and Developments*". In common with some of the de-risking actions already taken, future de-risking transactions if undertaken could have both a cash flow and balance sheet impact on the Group which may be substantial. The cost of fully removing the risk associated with these schemes could likely exceed the estimated funding deficits.

The Group is at risk from potential funding shortfalls in these defined benefit schemes due to a variety of factors:

- (a) the value of liabilities is calculated using prudent assumptions about, for example, life expectancy as well as the expected return on assets which is used to set the discount rates. The discount rates are linked to the yield on government bonds in the largest UK schemes;
- (b) asset values are dependent on, among other things, the performance of debt, equity and real estate markets, which can be volatile;
- (c) the funded status of the UK schemes can also be affected by the decisions of the trustees e.g. to adopt more prudent investment strategies due to regulatory or other external factors; and
- (d) decisions to change investment strategies, to de-risk pension schemes (such as purchasing insurance policies in respect of all or some of the scheme's liabilities) or setting a funding recovery plan are all based on a complex range of assumptions which may prove to be inaccurate or any such investment strategies or de-risking transactions may not realise the returns or benefits anticipated or may realise other unanticipated or unintended effects (for example, adverse tax consequences) or they may need to be unwound.

Any of such factors could create additional funding liabilities in connection with our pension schemes. Additional funding may, in the case of the UK defined benefit schemes, also result from a determination by the UK Pensions Regulator or, in certain situations, by the scheme actuary and the trustees. This may lead to insufficient free cash flow generation of the Group which could in turn limit our strategic flexibility, as well as having an adverse effect on the Group's business, results of operations and financial condition.

We perform impairment tests for intangibles with indefinite lives (goodwill and certain brands) every year as well as whenever a certain impairment trigger occurs. For tangible and other fixed assets, with a finite life, we perform impairment tests only when an impairment trigger occurs. Impairments and book losses could adversely affect our financial position and results of operations.

### **3. Risk of losses in treasury operations**

We have a centralised treasury function to manage the liquidity and debt financing of the Group and the financial risks associated with exposure to foreign currencies, interest rates and counterparty credit. The treasury department works within a robust framework of internal control procedures to seek to minimise losses due to error or fraud, and to protect the Group against unforeseen events. However, losses in relation to treasury activities could be caused, amongst other things, by the occurrence of one or more of the following events:

- (a) unexpected extraordinary movements in money or foreign exchange markets could make short-term or long-term funding more difficult and/or more expensive to obtain (as described further in "*Strategic risks – Global economy and geo-political context*" above), and an appropriate currency mix of funding difficult to achieve;
- (b) human error could result in inappropriate activity being undertaken in the markets which will incur a cost to be reversed;
- (c) incorrect settlement of a third party payment could lead to unexpected losses and/or claims;
- (d) counterparty risks, which may not be fully prevented by our initial counterparty credit controls, and failure to perform under existing contracts and obligations by customers, suppliers, contractors or joint venture partners; and
- (e) exchange rate fluctuations, particularly the relationships between the euro and the U.S. dollar, pound sterling, emerging market currencies as well as Latin American and Asian currencies, to the extent not mitigated by our hedging policies.

Our business and results of operations could be adversely affected if we do not successfully mitigate these risks.

### **D. Litigation, legal and regulatory risks and actions**

The Group may be held responsible for any liabilities arising out of non-compliance with laws and regulations. We seek to monitor and adapt to significant and rapid changes in the legal systems, regulatory controls and customs and practices in the countries in which we operate. These affect a wide range of areas including the composition, production, packaging, labelling, distribution and sale of the Group's products; the Group's property rights; its ability to transfer funds and assets within the Group or externally; employment practices; data protection; environment, health and safety issues; fraud prevention and monitoring; and accounting, taxation and stock exchange regulation. As a global player, we are also exposed to increasingly stringent laws and regulations covering a growing range of subjects (such as environmental releases, human rights and competition law). Accordingly, changes to, or violation of, these systems, controls or practices could increase costs, involve actions such as product recalls, seizure of products and other sanctions and adversely affect our business and results of operations, as well as potential liabilities and fines.

Product liability claims could adversely affect our company's business and results of operations. Our operations in consumer markets expose us to legal risks, regulation and potential liabilities from product liability claims asserted by consumers and claims with high impact on our organisation could follow from the usage of former, current or new technologies and compounds.

Additionally, our businesses use, and/or have used in the past, materials, chemicals and biological and toxic, organic and inorganic compounds (some of which are hazardous) in product development programmes and manufacturing processes and resultant waste materials. We have been, and still can be, exposed to risks of environmental releases and contamination. We are subject to a broad range of laws, regulations and standards in each of the jurisdictions where we operate, including those relating to pollution, the health and safety of employees, protection of the public, protection of the environment and the generation, storage handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. These regulations and standards are becoming increasingly stringent in many jurisdictions, and increasingly expose us to liability including in respect of damage to property and personal injury. It is possible that there will be a need for material future provisions for environmental costs. Moreover, there can be no assurance that we will not be exposed to additional environmental liabilities in the future which could adversely affect our business and results of operations.

There can be no assurance that we will not be exposed to additional legal and regulatory liabilities in the future which could adversely affect our business and results of operations.

Besides, the outcome of litigation, tax disputes, indemnification and guarantees, and regulatory action could adversely affect our business and results of operations. A number of claims are currently pending which are contested (see "*Description of the Business of the Group – Litigation – Claims and litigation*" for further information). We are also involved in disputes with tax authorities. While the outcome of these claims and disputes cannot be predicted with certainty, AkzoNobel believes, based upon legal advice and information received, that the final outcome will not materially affect the consolidated financial position of the Group but could be material to the Group's results of operations or cash flows in any one accounting period. Moreover, there can be no assurance that we will not be exposed to additional litigation or regulatory action in the future which could adversely affect our business and results of operations.

#### **E. Risks associated with holding companies**

As at the date of this Prospectus, AkzoNobel is a holding company and relies on a combination of interest and principal payments under intercompany loan agreements and dividends and other payments from the entities owned by it to make any payments under the Notes issued by it. Accordingly, AkzoNobel's ability to make any payments under the Notes depends upon the ability of members of the Group to service such intercompany loans and the performance of these subsidiaries. Therefore, in meeting its payment obligations under the Notes, AkzoNobel is dependent on the business and results of operations of members of the Group and the entities owned by it.

It also needs to be noted that some of our assets are controlled and managed by joint venture partners or by other companies. Some joint venture partners may have divergent business objectives which may impact business and financial results. Management of our non-controlled assets may not comply with our management and operating standards, controls and procedures (including our health, safety and environment standards). Failure to adopt equivalent standards, controls and procedures at these assets could lead to higher costs and reduced production and adversely impact our results and reputation.

#### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

## **A. Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

### ***1. 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***

LIBOR, EURIBOR and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented, including the EU BMR and UK BMR. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any securities linked to a “benchmark”.

Key international proposals for reform of “benchmarks” include IOSCO’s Principles for Financial Market Benchmarks (July 2013) (the “**IOSCO Benchmark Principles**”), the EU BMR and the UK BMR.

On 17 May 2016, the Council of the European Union adopted the EU BMR. Under the EU BMR, which applies from 1 January 2018 in general, new requirements will 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 EU. In particular, the EU BMR will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent 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). The UK BMR, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the UK Benchmarks Register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The sustainability of LIBOR has been questioned by the FCA as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the FCA, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the “**FCA Announcements**”). The FCA Announcements indicated that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted. On 5 March 2021, the FCA confirmed that all LIBOR settings will either cease to be provided or no longer be representative immediately after 31 December 2021 (save for U.S. dollar LIBOR in relation to overnight, one, three, six and 12 months rates, which are expected to cease to be published after 30 June 2023).

Additionally, in March 2017, the EMMI published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the EU BMR, the IOSCO Benchmark Principles and other regulatory recommendations. The EMMI has since indicated that there has been a “change in market activity as a result of the current regulatory requirements and a negative interest rate environment” and “under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path”. It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

Furthermore, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (“**SONIA**”) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (“**€STR**”) as the new risk free rate. €STR is now published by the ECB since October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”. The disappearance of a “benchmark” or changes in the manner of administration of a “benchmark” could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the calculation agent, delisting or other consequence in relation to securities linked to such “benchmark”. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Moreover, any significant change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were discontinued or otherwise unavailable, the rate of interest on any Notes which reference LIBOR or such other benchmark (such as Floating Rate Notes) will be determined for the relevant period by the fall-back provisions applicable to such Notes (as further described in Condition 5(j)). Depending on the manner in which LIBOR or EURIBOR (or such other benchmark) is to be determined under the Terms and Conditions of the relevant Notes, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the relevant rate which, depending on market circumstances, may not be available at the relevant time or may provide a different result than if LIBOR or EURIBOR (or such other benchmark) had continued or continued to be administered in its previous form; or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR (or such other benchmark) was available. In circumstances where LIBOR or EURIBOR (or such other benchmark) continues to be available but is administered differently or performs differently, this could result in adverse consequences for Notes linked to such benchmark (including Floating Rate Notes), including a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant benchmark could affect the ability of the Issuer to meet its obligations under the Notes (including Floating Rate Notes) or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should note that the Issuer, in consultation with the Independent Adviser, will have discretion to adjust the reference rate in the circumstances provided under the Terms and Conditions of the Notes. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. Investors should consider all of these matters when making their investment decision with respect to the relevant Notes. An application of fixed rate based on the rate which applied in the previous period when EURIBOR or LIBOR (or such other benchmark) could result in the market value of the Notes being adversely affected as the risk profile of the Notes would have changed from a floating rate to a fixed rate.

## ***2. Notes subject to optional redemption by the Issuer***



The Issuer has the option, if so provided for in the relevant Final Terms, to redeem the Notes under a call option as provided for in Condition 6(d) or a clean-up call option as provided in Condition 6(h). An optional redemption feature is likely to limit the market value of Notes. 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.

### ***3. Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such 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, 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, the fixed rate may be lower than then prevailing market rates.

### ***4. Investors will not be able to calculate in advance their rate of return on Floating Rate Notes***

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest periods. If the Conditions (as defined in "*Terms and Conditions of the Notes*") provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

### ***5. Zero Coupon Notes are subject to higher price fluctuations than non-discounted Notes***

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of Notes bearing fixed or floating rate interest because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

### ***6. Notes issued at a substantial discount or premium***

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

## **B. Risks related to Notes generally**

### ***1. The value of the Notes could be adversely affected by a change in English law or administrative practice***

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

## **2. *Withholding taxes***

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

## **3. *Modification, waivers and substitution***

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 80 per cent. in principal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer and the Trustee (as the case may be) will be entitled to rely upon:

- (a) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 80 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding; and
- (b) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer and/or the Trustee (as the case may be) by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and taken reasonable steps to ensure such holding does not alter following the giving of such consent/instruction and prior to effecting such resolution.

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trust Deed also provides that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders or is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest or proven error or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such and the Trust Deed provides that the Trustee may, without the consent of Noteholders, agree to the substitution of certain entities (as provided in the Trust Deed) as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11.

#### ***4. Notes where denominations involve integral multiples: definitive Notes***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time 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 such that its holding amounts to a Specified Denomination.

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

#### ***5. The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system(s)***

Notes may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or lodged with the CMU. Except in the circumstances described in the relevant Global Note, Noteholders will not be entitled to receive definitive Notes. The relevant clearing system(s) will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, Noteholders will be able to trade their beneficial interests only through the clearing system(s).

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Notes denominated in RMB, to the Issuing and Paying Agent for distribution to the holders as appearing in the CMU instrument report provided by the CMU. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

### **C. Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### ***1. The secondary market generally***

Although application may be made to admit the Notes to trading on the Luxembourg Stock Exchange's regulated market, the 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 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.

## ***2. Exchange rate risks and exchange controls***

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 (as defined in Condition 5(h)). 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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

## ***3. Interest rate risks***

Investment in Fixed Rate Notes involves the risk that if market interest rates (including credit spreads) subsequently increase above the interest rate paid on Fixed Rate Notes, this may 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.

## ***4. Inflation risk***

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

## ***5. Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Notes or the Group. 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. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

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

Investors regulated in the UK are subject to similar restrictions under the CRA Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by UK-registered credit rating agency; or (b) issued by a third country credit rating

agency that is certified in accordance with the UK CRA Regulation; subject, in each case, to (i) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (ii) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided that the relevant conditions are satisfied. If the status of rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EU or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Certain information with respect to AkzoNobel's ratings, the ratings of the Programme and the credit rating agencies which have assigned such ratings is set out on the front page of this Prospectus. Where a Tranche of Notes is rated, such rating will be specified in the applicable Final Terms and may not necessarily be the same as the rating assigned to AkzoNobel or the Programme generally.

#### ***6. Legal investment considerations may restrict certain investments***

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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### **D. Risks related to Notes denominated in Renminbi**

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes are subject to particular risks:

##### ***1. Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC***

Renminbi is not freely convertible at present (see "*PRC Currency Controls*"). The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the 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 (known as current account items).

Remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, debt financing and security investments, known as capital account items, 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. These regulations will be subject to interpretation and application by the relevant authorities in the PRC.

Subject to the prior receipt of all necessary governmental approvals, the Issuer may remit the net proceeds from the offering of RMB Notes into the PRC. There is no assurance that such approvals will be granted and, if granted, will not be revoked or amended in the future. Although, with effect from 1 October 2016, the International Monetary Fund ("**IMF**") has determined the Renminbi to be a freely usable currency and has accordingly added it to the IMF's Special Drawing Right valuation basket (along with the U.S. dollar, the euro, Japanese yen and pounds sterling) and the People's Bank of China ("**PBOC**"), the central bank of the PRC, has implemented policies in 2018 improving accessibility to RMB to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the scheme for RMB cross-border utilisation will not be discontinued or that new PRC regulations will not be

promulgated in the future which would have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, the Issuer may need to source Renminbi offshore to finance its obligations under RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Noteholders may be required to provide certifications 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, Singapore and Taiwan.

***2. 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 by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the “**RMB Clearing Banks**”), including but not limited to Hong Kong, London, Frankfurt and Singapore, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the “**Settlement Arrangements**”), the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by 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 PBOC, although PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The RMB Clearing Banks only have access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. RMB Clearing Banks are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and, in such cases, the participating banks will need to source Renminbi from the offshore market 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 Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. 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 in the offshore market 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 under Condition 7(i) (*Payment of Relevant Currency Equivalent*), the Issuer can make payments under the RMB Notes in a currency other than Renminbi.

***3. Investment in RMB Notes is subject to exchange rate risks and the Issuer may make payments of interest and principal in U.S. dollars and other foreign currencies in certain circumstances***

The value of Renminbi against the U.S. dollar, the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC, international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to RMB Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar 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 addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Notes.

**4. *Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes***

All payments to investors in respect of RMB Notes will be made solely by (i) when RMB Notes are represented by a Global Note, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of Euroclear, Clearstream, Luxembourg or CMU, as applicable, or (ii) when RMB Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than as provided in Condition 7(i) (*Payment of Relevant Currency Equivalent*), the Issuer cannot be required to make payment by any other means (including in any other currency (unless this is specified in the Final Terms of the RMB Notes) or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

**5. *Investment in RMB Notes may be subject to PRC tax***

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 (including but not limited to the PRC enterprise income tax and/or the PRC individual income tax) 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.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (a) the [audited consolidated and company financial statements of AkzoNobel](#) as at, and for the financial years ended [31 December 2019](#) and [31 December 2020](#), respectively; and
- (b) the terms and conditions of the Notes set out in the [Base Prospectuses](#) dated [4 April 2014](#), [25 February 2016](#), [7 March 2017](#), [19 March 2018](#), [11 March 2019](#) and [3 April 2020](#),

which have been previously published or are published simultaneously with this Prospectus and which have been approved by the CSSF or filed with it together with, in each case of audited financial statements, the independent auditor's report thereon. Such documents shall be incorporated by reference in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and from the website of AkzoNobel ([www.akzonobel.com](http://www.akzonobel.com)).

The tables below set out the relevant page references for (i) the audited consolidated and company financial statements of AkzoNobel as at and for the financial years ended 31 December 2019 and 31 December 2020, respectively, as set out in AkzoNobel's annual report for each relevant financial year, and (ii) the terms and conditions of the Notes set out in the Base Prospectuses dated 4 April 2014, 25 February 2016, 7 March 2017, 19 March 2018, 11 March 2019 and 3 April 2020. The non-incorporated parts of such documents (i.e. the pages not listed in the tables below) are either not relevant for the investor or are covered elsewhere in this Prospectus.

### **Audited consolidated and company financial statements of AkzoNobel as at and for the financial year ended 31 December 2019**

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**Terms and conditions of the Notes set out in a previous Base Prospectus**

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## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of the Conditions together with the relevant provisions of Part A of the Final Terms or (ii) the Conditions as so completed shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by an amended and restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) dated 17 March 2021 between Akzo Nobel N.V. (“**AkzoNobel**”) and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 19 March 2018 has been entered into in relation to the Notes between AkzoNobel, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the CMU lodging agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. For the purposes of these Conditions, all references to “**CMU**” means the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority and all references to the “**Issuing and Paying Agent**” shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the registered office of the Trustee (presently at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

### 1 **Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading (i) on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) or (ii) on a regulated market or a specific segment of a regulated market to which only qualified investors (as defined in the UK Prospectus Regulation) have access within the United Kingdom or offered to the public in the United Kingdom in circumstances which require the publication of a prospectus under the UK Prospectus Regulation pursuant to an exemption under section 86 of the FSMA, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 **No Exchange of Notes and Transfers of Registered Notes**

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of the Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing

Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3 **Status of the Notes**

The Notes and the Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and unsecured and unsubordinated monetary obligations of the Issuer, present and future.

### 4 **Negative Pledge**

So long as any of the Notes or Coupons remains outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (a “**Security Interest**”) upon any of its present or future assets or revenues to secure any Public Debt, or any guarantee or indemnity in respect of any Public Debt, without, at the same time or prior thereto, according to the Notes and the Coupons the same security as is created or subsisting to secure any such Public Debt or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, except that the foregoing shall not apply to any of the following:

- (a) any Security Interest arising solely by mandatory operation of law;

- (b) any Security Interest over or affecting any asset either (i) acquired by the Issuer after the date of issue of the first Tranche of the Notes and subject to which such asset is acquired or (ii) comprised within the assets of any company merged with the Issuer after the date of issue of the first Tranche of the Notes, where such Security Interest is created prior to the date of such merger; and
- (c) any Security Interest over assets arising pursuant to the “*Algemene Voorwaarden*” (General Terms and Conditions of the Dutch Bankers’ Association), if and insofar as applicable to the Issuer.

In this Condition 4, “**Public Debt**” means any loan, debt or other obligation of the Issuer in the form of or represented by bonds, notes, debentures or any other publicly-issued debt securities which are, or are capable under the relevant regulatory provisions in force as at the date of issue of the first Tranche of the Notes of, being traded or listed on any stock exchange, over-the-counter or other recognised securities market and which by their terms have an initial stated maturity of more than 12 months.

## 5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).
- (b) **Interest on Floating Rate Notes:**
  - (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
  - (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
  - (iii) *Rate of Interest:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (I) the Floating Rate Option is as specified hereon;
- (II) the Designated Maturity is a period specified hereon; and
- (III) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination

- (I) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean 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 as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or EONIA) on the Interest Determination Date in question as determined by the Calculation Agent. Where applicable, if five or more of 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 of such offered quotations.

- (II) if the Relevant Screen Page is not available or if, sub-paragraph (I)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (I)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR or EONIA, the principal Euro-zone office of 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 if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR or EONIA, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (III) if paragraph (II) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR or EONIA, at approximately 11.00 a.m. (Brussels time) on the relevant Interest 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, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR or EONIA, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such 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 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR or EONIA, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR or EONIA, the Euro-zone inter-bank market, as the case may be, 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 Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based

on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, in relation to ISDA Determination, the Designated Maturity.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
  - (i) If any Margin is specified hereon (either (A) generally, or (B) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (B), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (B) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount



specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Change of Control Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**”, except in Condition 6(g) and 7(h), means:

- (i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or

- (iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong and/or
- (iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

- (vi) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

- (vii) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D2 will be 30

- (viii) if “Actual/Actual-ICMA” is specified hereon,
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

“**Euro-zone**” means the region comprised of member states of the EU that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is pounds sterling or Renminbi or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not pounds sterling, euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, unless otherwise specified hereon.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**“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 or EONIA, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer or as specified hereon.

**“Reference Rate”** means the rate specified as such hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of such particular information service).

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its

place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(j) **Benchmark discontinuation**

- (i) *Independent Advisor:* If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, or, if a Successor Rate is not available, an Alternative Rate (in accordance with Condition 5(j)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(j)(iii)), and any Benchmark Amendments (in accordance with Condition 5(j)(iv)).

If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Rate in accordance with this Condition 5(j)(i) prior to the Interest Date, the Reference Rate applicable to the immediately following Interest Period shall be the Reference Rate applicable as at the last preceding Interest 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 Condition 5(j)(i) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 5(j).

An Independent Adviser appointed pursuant to this Condition 5(j) shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of wilful misconduct or gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, any Paying Agent, the Calculation Agent, the Trustee, the Noteholders, the Receiptholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5(j).

- (ii) *Successor Rate or Alternative Rate:* If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(j)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j)) and be deemed to be the Original Reference Rate such that in case the Successor Rate were discontinued or otherwise unavailable, this would constitute a Benchmark Event; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(j)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j)) and be deemed to be the Original Reference Rate such that in case the Alternative Rate were discontinued or otherwise unavailable, this would constitute a Benchmark Event.

- (iii) *Adjustment Spread:* If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (iv) *Benchmark Amendments:* If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(j) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement 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, subject to giving notice thereof in accordance with Condition 5(j)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors of the Issuer pursuant to Condition 5(j)(v), the Trustee shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to use its reasonable endeavours to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(j)(iv), 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.

Following any Benchmark Amendment, if it becomes generally accepted market practice in the area of publicly listed new issues of notes to use a benchmark rate of interest which is different from the Alternative Rate or Successor Rate which had already been adopted by the Issuer in respect of the Notes pursuant to any Benchmark Amendment, the Issuer is entitled to apply a further Benchmark Amendment in line with such generally accepted market practice pursuant to this Condition 5(j).

Any amendment to the Conditions pursuant to this Condition 5(j) is subject to the prior written permission of the competent authority (provided that, at the relevant time, such permission is required to be given).

- (v) *Notices, etc.:* Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(j) shall be notified promptly by the Issuer to each Paying Agent, the Calculation Agent, the Trustee and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee, a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the written permission of the competent authority has been obtained and, (iv) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(j); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) (and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the Paying Agents, the Trustee, the Noteholders, the Receiptholders and the Couponholders. For the avoidance of doubt, the Trustee shall not be liable to the Noteholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

- (vi) *Survival of Original Reference Rate:* Without prejudice to the obligations of the Issuer, as the case may be, under Condition 5(j)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 5(a) and 5(b) will continue to apply unless and until a Benchmark Event has occurred and the Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 5(j)(v).
- (vii) *Definitions:* As used in this condition 5(j):

**“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 Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the 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, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended or formally provided as an option for the parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, 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 Original Reference Rate; or

- (C) (if no such recommendation has been made, or in the case of Alternative Rate), the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that no such industry standard is recognised or acknowledged), the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate 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 Original Reference Rate with the Successor Rate or Alternative Rate (as the case may be).

**“Alternative Rate”** means an alternative to the Reference Rate which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, has determined in accordance with Condition 5(j)(ii) which has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and the Specified Currency.

**“Benchmark Amendments”** has the meaning given to it in Condition 5(j)(iv).

**“Benchmark Event”** means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate, the effect of which means that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) a public statement made by the supervisor of the administrator of the Original Reference Rate announcing that the Original Reference Rate is (i) no longer

representative of any underlying market; or (ii) the methodology to calculate such Original Reference Rate has materially changed; or

- (F) it has become unlawful or otherwise prohibited for any Paying Agent, the Calculation Agent, the Trustee or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate or otherwise make use of the Original Reference Rate with respect to the Notes.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(j)(i).

“**Original Reference Rate**” means the originally-specified Mid-Swap Rate, or any component customarily used in the determination thereof, or Reference Rate, as the case may be, used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a Reference Rate:

- (A) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (w) the central bank for the currency to which the Reference Rate relates, (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board or any part thereof.

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

## 6 **Redemption, Purchase and Options**

### (a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which is its nominal amount, unless a higher amount is provided hereon).

### (b) **Early Redemption:**

#### (i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i)), upon redemption of such Note pursuant to Condition 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if the Note is a Floating Rate Note) or at any time (if the Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if the Issuer satisfies the Trustee immediately before the giving of such notice that (i) it has or will become obliged to pay additional amounts provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or, in each case, 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 date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it at a cost acceptable to it (acting reasonably), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed), at least one of whom is a director, of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it at a cost acceptable to it (acting reasonably) and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding

on Noteholders and Couponholders and the Trustee shall not be responsible for any loss occasioned by acting on such certificate.

(d) **Redemption at the Option of the Issuer:**

- (i) If “**Issuer Call**” is specified hereon, the Issuer may, unless the Issuer has given notice under Condition 6(c) to redeem the Notes or a Put Notice has been given by the Noteholder pursuant to Condition 6(g), on giving not less than 10 nor more than 30 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date.
  - (A) Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.
  - (B) Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.
  - (C) Any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case the notice of redemption shall state the applicable condition precedent(s) and that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.
- (ii) If “**Make-Whole Amount**” is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount per Note shall be the higher of:
  - (x) the nominal amount of the Note; and
  - (y) the nominal amount of the Note multiplied by the price (as reported in writing to the Issuer and the Trustee by a financial adviser selected by the Issuer and approved by the Trustee (the “**Financial Adviser**”)) expressed as a percentage (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up)), at which the Gross Redemption Yield on the Notes on the Optional Redemption Calculation Date is equal to the Gross Redemption Yield at the Determination Time on the Optional Redemption Calculation Date of the Reference Bond (or, where the Financial Adviser advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government debt security as such Financial Adviser may recommend), plus any applicable Margin; provided that if Par Call Period is specified in the applicable Final Terms, the Gross Redemption Yield shall be calculated so as not to include interest accrued on the Notes during the Par Call Period.
- (iii) For the purposes of this paragraph:

- (A) “**Optional Redemption Calculation Date**”, “**Determination Time**”, “**Reference Bond**”, “**Margin**” and “**Par Call Commencement Date**” shall have the meanings specified hereon in the Final Terms;
- (B) “**Par Call Period**” means the period from and including the Par Call Commencement Date to but excluding the Maturity Date. During the Par Call Period, the Notes may be redeemed at par; and
- (C) “**Gross Redemption Yield**” means a yield calculated in accordance with generally accepted market practice and this Condition 6(d) at such time, as advised to the Issuer and the Trustee by the Financial Adviser.

All Notes in respect of which any such notice is given under this Condition 6(d) shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

- (iv) In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Issuer may approve and in such manner as may be fair and reasonable in the circumstances, taking into account prevailing market practices as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.
- (e) **Redemption on the occurrence of a Special Redemption Event (Issuer Call):** If Special Redemption Event (Issuer Call) is specified as applicable in the relevant Final Terms, upon the occurrence of a Special Redemption Event, the Issuer may, on giving (i) not less than 10 nor more than 30 days’ notice to Noteholders in accordance with Condition 13; and (ii) not less than 5 days’ notice to the Paying Agent, in each case during the Special Redemption Option Period (as specified in the applicable Final Terms), at its option, redeem all (but not some only) of the Notes then outstanding at the Special Redemption Amount (as specified in the relevant Final Terms), together with any interest accrued to, but excluding, the date set for redemption.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition.

For the purposes of this Condition:

a “**Special Redemption Event**” shall be deemed to have occurred if the Issuer (i) has not completed and closed the acquisition of the Acquisition Target (as specified in the Final Terms) by the Special Redemption Longstop Date (as specified in the Final Terms); or (ii) has published an announcement that it no longer intends to pursue the acquisition of the Acquisition Target.

- (f) **Redemption at the Option of Noteholders:** If “**Investor Put**” is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent

at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Redemption at the option of Noteholders on a Put Event:**

- (i) If Change of Control Put Option is specified hereon and, at any time while any of the Notes remains outstanding, a Change of Control Event occurs and within the Change of Control Period (A) (if at the time that Change of Control Event occurs there are Rated Securities) a Rating Downgrade in respect of that Change of Control Event occurs or (B) (if at such time there are no Rated Securities) a Negative Rating Event in respect of that Change of Control Event occurs (that Change of Control Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Change of Control Period, 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 under Condition 6(c) or 6(d) to redeem the Notes) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note on the date which is seven days after the expiry of the Put Period (defined below) (or such other date as may be specified hereon, the “**Put Date**”) at the Change of Control Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with (or, where purchased, together with an amount equal to) interest (if any) accrued to but excluding the Put Date.
- (ii) Promptly upon, and in any event within 21 days after, the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders the Trustee shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 16 specifying the nature of the Put Event and the procedure for exercising the put option contained in this Condition 6(g).
- (iii) To exercise the put option under this Condition 6(g), the holder of a Note must (in the case of Bearer Notes) deposit such Note (together (where applicable) with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) deposit the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, in each case, on any Business Day falling within the period of 30 days after a Put Event Notice is given (the “**Put Period**”), accompanied by 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, Registrar or Transfer Agent, as the case may be (a “**Put Notice**”). No Note or Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.
- (iv) If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to the foregoing provisions of this Condition 6(g), the Issuer may, on not less than 30 or more than 60 days’ irrevocable notice to the Noteholders given within 30 days after the Put Date, redeem, at its option, the remaining Notes as a whole (but not some only) at the Change of Control Redemption Amount specified hereon together with interest (if any) accrued to but excluding the date of such redemption.

- (v) If the rating designations employed by any of S&P, Moody's or Fitch Ratings are changed from those which are described in paragraph (B) of the definition of "**Negative Rating Event**" below, or if a rating is procured from another Rating Agency, AkzoNobel shall determine, with the agreement of the Trustee, the rating designations of S&P, Moody's, Fitch Ratings or such other Rating Agency (as appropriate) as are most nearly equivalent to the prior rating designations of S&P, Moody's or Fitch Ratings, and this Condition 6(g) shall be construed accordingly.
- (vi) The Trustee is under no obligation to ascertain or monitor whether a Change of Control Event, Negative Rating Event or Put Event or any event which could lead to the occurrence of or could constitute a Change of Control Event, Negative Rating Event or Put Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Event, Negative Rating Event or Put Event or other such event has occurred.
- (vii) In this Condition 6(g):

"**Business Day**" means 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 place of the specified office of the Paying Agent, Registrar or Transfer Agent (as the case may be) at which the relevant Note or Certificate representing the relevant Note is deposited.

A "**Change of Control Event**" shall be deemed to have occurred if at any time a person or group of persons acting in concert, other than a holding company (as defined in section 1159 of the Companies Act 2006) whose shareholders are or are to be the same as (or the same save for the initial subscriber of the shares of the holding company), and who hold the shares in the same proportion (save for any holding of any such initial subscriber) as, the pre-existing shareholders of AkzoNobel, gains control of more than 50 per cent. of the issued shares of AkzoNobel or of the voting rights attached to the issued shares of AkzoNobel (for these purposes, "**acting in concert**" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate through the acquisition by any of them, either directly or indirectly, of shares in AkzoNobel to obtain or consolidate control of AkzoNobel);

"**Change of Control Period**" means the period beginning on the date that is (A) the date of the first public announcement of the Change of Control Event or, if earlier, (B) the date of the earliest Potential Change of Control Event Announcement (if any) and ending 90 days after the occurrence of the Change of Control Event (if any) (or such longer period in which the Rated Securities are under consideration (announced publicly within the period ending 90 days after the occurrence of the Change of Control Event) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

A "**Negative Rating Event**" shall be deemed to have occurred if the Issuer (A) does not, either prior to or not later than 21 days after the relevant Change of Control Event, seek, and thereupon use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of AkzoNobel (or any subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more from a Rating Agency or (B) does so seek and use such endeavours, but is unable, as a result of such Change of Control Event, to obtain such a rating of at least "**investment grade**" (being a rating of BBB- (in the case of Standard &

Poor's Credit Market Services Europe Limited ("**S&P**")), Baa3 (in the case of Moody's Deutschland GmbH ("**Moody's**")) or BBB- (in the case of Fitch Ratings Ireland Ltd ("**Fitch Ratings**")), or their respective equivalents for the time being) from at least one Rating Agency, provided that a Negative Rating Event shall not be deemed to have occurred in respect of a particular Change of Control Event if the Rating Agency declining to assign a rating of at least investment grade (as defined above) does not announce or publicly confirm or inform the Issuer or the Trustee in writing that its declining to assign a rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control Event (whether or not the Change of Control Event shall have occurred at the time such investment grade rating is declined);

**"Potential Change of Control Event Announcement"** means any public announcement or statement by AkzoNobel, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control Event where, within 90 days following the date of such announcement or statement, a Change of Control Event occurs;

**"Rated Securities"** means the Notes so long as they shall have an effective rating which was solicited by the Issuer from any Rating Agency and otherwise any unsecured and unsubordinated debt of the Issuer (or any subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more which is rated by one of the Rating Agencies at the invitation of the Issuer;

**"Rating Agency"** means S&P and its successors or Moody's and its successors or Fitch Ratings and its successors or any other rating agency of equivalent standing specified by the Issuer from time to time and approved in writing by the Trustee; and

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control Event if any solicited current rating assigned to the Rated Securities by a Rating Agency at the invitation of the Issuer (A) is withdrawn and is not within the Change of Control Period replaced by a rating of another Rating Agency at least equivalent to that which was current immediately before the occurrence of the Change of Control Event or (B) is reduced from a rating of investment grade (as defined above) or better to a non-investment grade rating of BB+ (in the case of S&P), Ba1 (in the case of Moody's) or BB+ (in the case of Fitch Ratings) (or their respective equivalents for the time being) or worse and not subsequently upgraded to an investment grade rating during the Change of Control Period; provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Issuer or the Trustee in writing that the reduction was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control Event (whether or not the applicable Change of Control Event shall have occurred at the time of the Rating Downgrade).

- (h) **Clean-up Call Option:** If "**Clean-up Call Option**" is specified hereon, if 80 per cent. or more of the Aggregate Nominal Amount of the Notes has been redeemed pursuant to Condition 6(d) or 6(f) or repurchased pursuant to Condition 6(i) and cancelled by the Issuer, the Issuer may at its option, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all (but not some only) of the remaining



Notes at the Clean-up Call Redemption Amount specified hereon together with interest (if any) accrued to but excluding the date of such redemption.

- (i) **Purchases:** The Issuer and each of its subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unmatured Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (j) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7 **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:
  - (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
  - (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 7(a), “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (b) **Registered Notes:**
  - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
  - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (in the case of a currency other than Renminbi) or on the fifth business day before the due date for payment thereof (in the case of Renminbi) (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
    - (A) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(B) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii)(B), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear in the Register at the close of business on the fifth business day before the due date for payment.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 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, official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging Agent in relation to Notes accepted for clearance through the CMU, (v) one or more Calculation Agent(s) where the Conditions so require, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unmaturing Talons:**
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unmaturing Coupons (if any)

relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unmatured Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7(h), “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
  - (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

- (i) **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 five and not more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment 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 7(a)(i) or Condition 7(b), as applicable.

In this Condition 7(i):

**“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 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 or their 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 or their 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 TARGET 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 7(i) 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 Paying Agents and all holders of the Notes.

The Calculation Agent or such agent appointed under this Condition shall not be responsible or liable to the Issuer or any holders of the Notes for any determination of any Spot Rate in accordance with this Condition 7(i).

## 8 **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Note or Coupon; or
- (b) **Holder able to avoid:** to a holder who would have been able to avoid such withholding or deduction (i) by presenting any form or certificate or (ii) by making a declaration of non-residence or other similar claim for exception to the relevant tax authority;
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (defined below) except to the extent that the holder would have been entitled to such additional amounts on presenting their Note or Coupon for payment on the thirtieth day after the Relevant Date; or
- (d) **Dutch withholding tax:** where a withholding or deduction is required to be made pursuant the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the

“Code”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Change of Control Redemption Amount, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 9 **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall, subject, in each case, to its being indemnified and/or secured and/or prefunded to its satisfaction, (but, in the case of the happening of any of the events mentioned in paragraphs (b) and (f) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their Early Redemption Amount together (if applicable) with accrued interest if any of the following events (each an “**Event of Default**”) shall have occurred (unless such event has been remedied to the satisfaction of the Trustee):

- (a) default is made in the payment of principal or interest on the Notes on the due date for payment thereof and such failure continues, in the case of principal, for a period of seven days and, in the case of interest, for a period of 14 days; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (except where the Trustee shall have certified to the Issuer in writing that it considers such failure to be incapable of remedy, in which case no such notice or continuation as is hereinafter mentioned will be required) such failure continues for the period of 30 days (or such longer period as the Trustee may in its absolute discretion permit) following the service by the Trustee of notice on the Issuer specifying such failure and requiring the same to be remedied; or
- (c) the Issuer is dissolved or wound up; or

- (d) the Issuer enters into a composition with its creditors, files a petition for a suspension of payments, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy or is adjudicated bankrupt; or
- (e) the Issuer and/or any Major Subsidiary (as defined below) defaults in the making of any payment in respect of Indebtedness for Borrowed Moneys (as defined below) of, assumed or guaranteed by, the Issuer and/or any Major Subsidiary, as the case may be, when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for such payment has not been effectively extended, or if any Indebtedness for Borrowed Moneys of, or assumed by, the Issuer and/or any Major Subsidiary shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder, provided that the aggregate amount of the relevant Indebtedness for Borrowed Moneys in respect of which one or more of the events mentioned above in this paragraph (e) have occurred is greater than €60,000,000 or the equivalent thereof in any other currency or currencies.

In this paragraph (e):

“**Indebtedness for Borrowed Moneys**” shall mean any indebtedness for borrowed money having an original maturity of 12 months or more; and

“**Major Subsidiary**” shall mean at any relevant time any company or entity of which AkzoNobel directly or indirectly has control and (i) whose total sales shall have exceeded 10 per cent. of AkzoNobel’s consolidated sales for the immediately preceding financial year, all as calculated by reference to the then latest audited accounts of the relevant company or entity and the then latest consolidated audited accounts of AkzoNobel, or (ii) to which is transferred all or substantially all the assets and undertaking of any company or entity of which AkzoNobel directly or indirectly has control which immediately prior to such transfer is a Major Subsidiary. A report by two Authorised Signatories, at least one of whom is a director, of AkzoNobel (whether or not addressed to the Trustee) that in their opinion any company or entity is or is not or was or was not at any particular time or throughout any specified period a Major Subsidiary may be relied upon by the Trustee without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all relevant parties; or

- (f) if the Issuer merges or otherwise amalgamates with any other incorporated or unincorporated legal entity, unless the legal entity surviving such merger or amalgamation expressly assumes all obligations of the Issuer in respect of the Notes and has obtained all necessary authorisations therefor.

## 11 **Meetings of Noteholders, Modification, Waiver and Substitution**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or

cancel the nominal amount of or any premium payable on redemption of the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (except for Benchmark Amendments), (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Change of Control Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 80 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, and may determine that any Event of Default or Potential Event of Default (as defined by the Trust Deed) shall not be treated as such, which in any such case is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendment in the circumstances and as otherwise set out in Condition 5(j) without the consent of the Noteholders or Couponholders. Any such modification, authorisation, waiver or determination shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of certain other entities (as provided in the Trust Deed) in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders. The Trustee may rely, without liability to Noteholders, on a report, confirmation or certificate of any



accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be entitled to accept and to rely on any such report, confirmation or certificate where the Issuer procures delivery of the same pursuant to its obligation to do so under a condition hereof and such report, confirmation or certificate shall be binding on the Issuer, the Trustee and the Noteholders in the absence of manifest or proven error.

## 12 **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings or take any step or action unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction in respect of all costs, claims, expenses and liabilities to or for which it may, in its opinion, thereby become liable. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## 13 **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including relieving it from taking proceedings or any step or action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

## 14 **Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in Luxembourg (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

## 15 **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other

securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

## 16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices to the holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

## 17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, or any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, or any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. Pursuant to the Trust Deed, the Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

## OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial Issue of Notes

If the Global Notes are or the Global Certificate is stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), (i) the Global Notes or the Global Certificate (as the case may be) will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper; and (ii) the relevant clearing systems will be notified whether or not such Global Notes are or Global Certificate is intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificate with the Common Safekeeper 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.

Global Notes which are issued in CGN form and a Global Certificate which is not held under the NSS may be delivered on or prior to the original issue date of the Tranche, (i) to a Common Depository (defined below) or (ii) in relation to Notes accepted for clearance through the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), to a sub-custodian for the CMU.

If the relevant Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or with a sub-custodian for the CMU or registration of Registered Notes in the name of any nominee for (i) Euroclear and Clearstream, Luxembourg or (ii) the CMU and delivery of the relative Global Certificate to the Common Depository or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream, Luxembourg or the CMU (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled (in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate, must look solely to the CMU Lodging Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

### 3 Exchange

#### 3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*General Description of the Programme – Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described in paragraph 3.5 below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership substantially in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging Agent by the CMU) have so certified.

#### 3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### 3.3 Global Certificates

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### 3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions.

### 3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or in the case of Notes lodged with the CMU, the CMU Lodging Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 3.6 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## 4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Prospectus. The following is a summary of certain of those provisions:

### 4.1 Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership substantially in the form set out in the Agency Agreement. Except with respect to a Global Note held through the CMU, all payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(f)(v) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “**business day**” set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU as at the business day before the date for payment) and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

#### 4.2 **Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

#### 4.3 **Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

#### 4.4 **Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### 4.5 **Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

#### 4.6 **Issuer's Option**

Any option of the Issuer provided for in the Conditions while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or 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) or the CMU or any other Alternative Clearing System (as the case may be).

#### 4.7 **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent or in respect of Notes represented by a Global Certificate, to the Registrar or Transfer Agent or in respect of Notes lodged with the CMU, to the CMU Lodging Agent, within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option

has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN or in the case of a Global Certificate, presenting the permanent Global Note or Global Certificate to the Issuing and Paying Agent or the Registrar or Transfer Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging Agent) for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

#### 4.8 **NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

#### 4.9 **Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes represented in the form of a Global Certificate are registered in the name of any nominee for, a clearing system, the Trustee may have regard to and rely on any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

#### 4.10 **Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in, and in accordance with, Condition 10 by stating in the notice to the Issuing and Paying Agent or the CMU Lodging Agent the nominal amount of such Global Note that is becoming due and repayable.

#### 4.11 **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system, except as provided in (ii) below, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate, except that so long as the Notes are listed on the Luxembourg Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).



## 5 **Electronic Consent and Written Resolution**

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 80 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and/or the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the CMU or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## **USE OF PROCEEDS**

Save as described below, the net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for the general corporate purposes of the Group.

If Special Redemption Event (Issuer Call) is specified in the Final Terms as "Applicable", the use of proceeds for acquisition consideration, directly or indirectly, in whole or in part, and related fees will be stated in the applicable Final Terms. The Final Terms may also state the potential use for general corporate purposes or other purposes if the Special Redemption Event occurs but the Issuer elects not to exercise the Special Redemption Event (Issuer Call).

## BUSINESS DESCRIPTION OF AKZONOBEL

### History and Development

Akzo Nobel N.V. (“**AkzoNobel**” or the “**Company**”) is a public limited liability company (*naamloze vennootschap*) incorporated under the law of The Netherlands, having its corporate seat in Amsterdam, The Netherlands. AkzoNobel was incorporated on 8 May 1911 with the name N.V. Nederlandsche Kunstzijdefabriek. AkzoNobel’s registered office is at Christian Neefestraat 2, 1077 WW Amsterdam, The Netherlands (telephone number +31 88 969 7555). AkzoNobel is domiciled in The Netherlands and operates under the laws of The Netherlands. AkzoNobel is registered with the Chamber of Commerce for Amsterdam under registration number 09007809. AkzoNobel's website is [www.akzonobel.com](http://www.akzonobel.com). The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

As at the date of this Prospectus, AkzoNobel is the top holding company in the Group. AkzoNobel’s common shares are admitted to listing and trading on Euronext Amsterdam. As at the date of this Prospectus, AkzoNobel is active in over 150 countries and for its total operations employs around 32,200 people through its various business units worldwide.

AkzoNobel’s objectives, as set out in Article 3 of its Articles of Association, are as follows:

*“The objects of the Company are to participate directly or indirectly in partnerships, and in companies and other legal entities; to manage and finance such partnerships, companies, and legal entities; and to do all such things as are incidental to the attainment of the above objects, including providing security, whether or not for debts of third parties entering into and providing loans as well as the holding and administering of patents and other rights of intellectual property.”*

N.V. Nederlandsche Kunstzijdefabriek was renamed AKU N.V. (“**AKU**”), and in the years from its incorporation in 1911 grew into an international concern with interests in cellulose fibres and, following the Second World War, synthetic textiles, carpet fibres and industrial fibres. In 1969, AKU merged with Koninklijke Zout-Organon N.V., and in 1994 was renamed AkzoNobel, after the merger with Nobel Industries AB (“**Nobel**”).

Koninklijke Zout-Organon N.V. was set up in 1967 as a holding company in connection with the merger of Koninklijke Zout-Ketjen N.V. and N.V. Koninklijke Zwanenberg-Organon, with interests in companies active in salt refining, basic chemicals, specialty chemicals and coatings on the one hand, and in food/non-food products, chemical products, brand-name drugs, non-prescription products and raw materials for the pharmaceutical industry on the other.

Nobel was formed in 1984 through the merger of Bofors (established in 1646) and KemaNobel, which had been founded in 1871 with the name Stockholms Superfosfat Fabriks AB. At the time of the merger with AkzoNobel in 1994, Nobel was a leading European producer of chemicals (including pulp and paper chemicals and surfactants) and coatings (including paints for professional and consumer markets, industrial coatings and industrial products).

In July 1998, AkzoNobel acquired Courtaulds plc (“**Courtaulds**”), an international chemical company operating in the markets for high tech industrial coatings and man-made fibres. Several brands, such as International Paints, Courtelle acrylic fibres and Tencell®, at that time, a new cellulosic fibre, were included in the acquisition. In the 1960s, Courtaulds acquired The International Paint Company Limited (formerly Pinchin Johnson & Associates Limited).

After the Courtaulds acquisition, the fibres operations of AkzoNobel and Courtaulds were combined into a newly established company named Acordis B.V. (“**Acordis**”). On 31 December 1999, the Acordis business was sold, with AkzoNobel retaining a 21 per cent. stake in the business at that date.

In March 2007, AkzoNobel sold its pharmaceuticals business, Organon BioSciences N.V. (“**Organon**”), including the “**Intervet**” veterinary businesses to the American pharmaceutical firm Schering-Plough Company for €11.0 billion.

AkzoNobel used the proceeds of the sale of Organon to purchase UK-based firm Imperial Chemical Industries plc (“ICI”) for a gross acquisition price of €11.5 billion (of which €5 billion was related to assets and liabilities held for sale), significantly increasing the presence of its core businesses in the coatings and specialty chemicals markets. This acquisition was completed on 2 January 2008.

In April 2008, AkzoNobel sold ICI’s Adhesives and Electronic Material businesses to Henkel KGaA for an amount of €4 billion before final settlement adjustments.

In October 2010, AkzoNobel sold its National Starch business (formerly ICI’s Specialty Starches business) for U.S. \$1.3 billion to Corn Products International.

On 1 April 2013, AkzoNobel finalised the sale of its North American Decorative Paints business to PPG Industries, Inc. with net cash proceeds of €779 million. The sale included AkzoNobel’s Decorative Paints business in the US, Canada and Puerto Rico.

On 14 December 2016, AkzoNobel completed the acquisition of BASF’s Industrial Coatings business resulting in a net cash outflow in 2016 of €398 million. The acquisition improved AkzoNobel’s position in the coil coatings market.

On 20 September 2018, AkzoNobel acquired Xylazel S.A. With this acquisition AkzoNobel became a leader in the decorative paints market and the woodcare segment in Spain and strengthened its position in metal care in Spain.

On 1 October 2018, AkzoNobel completed the acquisition of Fabryo Corporation S.R.L., becoming a leader in the Romanian decorative paints market.

On 1 October 2018, AkzoNobel completed the disposal of its Specialty Chemicals business to The Carlyle Group and sovereign wealth fund GIC Private Ltd for an enterprise value of €10.1 billion. Since this disposal, AkzoNobel is a focused paints and coatings company.

On 1 November 2018, AkzoNobel has strengthened its business in Asia by acquiring Colourland Paints Sdn Bhd and Colourland Paints (Marketing) Sdn Bhd, a home-grown paints and coatings manufacturer with wide distribution across Malaysia.

On 13 December 2018, AkzoNobel acquired the full ownership of AkzoNobel Swire Paints, through the acquisition of the minority interest of its joint venture partner Swire Industrial Limits, strengthening its leading position in the Chinese decorative paints market while also increasing the flexibility to further develop the business.

On 8 November 2019, AkzoNobel completed the acquisition of French aerospace coatings manufacturer Mapaero, strengthening AkzoNobel’s global position in the steadily growing aerospace coatings industry. Specialising in sustainable water-based and advanced eco-friendly products and a global player in the structural and cabin coating sub-segments, Mapaero operates a production facility in France and has 140 employees.

On 1 April 2020, AkzoNobel completed the acquisition of Mauvilac Industries Limited, a leading paints and coatings company in Mauritius. The transaction strengthens AkzoNobel’s footprint in the African decorative paints market.

### **Recent bolt-on acquisitions**

On 1 September 2020, AkzoNobel completed the acquisition of Stahl Performance Powder Coatings and its range of products for heat sensitive substrates. The transactions accelerates AkzoNobel’s access to unique low curing technology, which is the only one of its kind in the powder coatings industry.

On 23 December 2020, AkzoNobel completed the acquisition of New Nautical Coatings, based in the United States and owner of the premium Sea Hawk yacht coatings brand. This transaction increases AkzoNobel’s presence in the

North American yacht coatings market. New Nautical Coatings is one of the top players in yacht coatings in North America, with sales also being generated in the Caribbean and Australasia.

On 1 March 2021, AkzoNobel completed the acquisition of 100 per cent. of the shares of Spanish Industrias Titan S.A.U. (Titan Paints), which also has a relevant presence in Portugal. The business shares AkzoNobel's commitment to sustainable product innovation, with much of its portfolio having received recognition for environmental performance.

### **Management structure**

AkzoNobel has a two-tier board structure consisting of a Board of Management (solely composed of executive directors) and a Supervisory Board (solely composed of non-executive directors). The Supervisory Board supervises the Board of Management and ensures a strong external presence in the governance of AkzoNobel. The Board of Management is entrusted with the management of AkzoNobel. The Board of Management operates in the context of an Executive Committee. The members of the Executive Committee are the two members of the Board of Management, together with three senior executives who, as at the date of this Prospectus, hold delegated responsibilities as set out below.

As at the date of this Prospectus, the Members of the Board of Management, Executive Committee and the Supervisory Board, whose business addresses are AkzoNobel, Christian Neefestraat 2, 1077 WW Amsterdam, The Netherlands and their functions and their principal activities outside AkzoNobel and its subsidiaries, where these are significant, are as follows:

<b>Board of Management</b>	<b>Position within Company</b>
Thierry Vanlancker	Chief Executive Officer and Chairman of the Board of Management and the Executive Committee
Maarten de Vries	Chief Financial Officer and Member of the Board of Management and the Executive Committee
<b>Other members of the Executive Committee</b>	<b>Position within Company</b>
Joëlle Boxus	Chief Human Resources Officer and Member of the Executive Committee
Isabelle Deschamps	General Counsel and Member of the Executive Committee
David Prinselaar	Chief Manufacturing Officer and Member of the Executive Committee
<b>Supervisory Board</b>	<b>Principal activities outside AkzoNobel</b>
Nils Smedegaard Andersen Chairman Supervisory Board	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors Unilever plc</li> <li>• Former Non-Executive Director of BP plc</li> <li>• Former CEO of A.P. Moller - Maersk A/S</li> <li>• Former CEO and President of Carlsberg A/S</li> </ul>

Sue Clark  
Board Member

- Non-Executive Director of Britvic plc
- Non-Executive Director of Tulchan Communications LLP
- Non-Executive Director Imperial Brands plc
- Former Managing Director of Europe SABMiller plc
- Former Director Corporate Affairs of Railtrack plc and Scottish Power plc

Byron E. Grote  
Deputy Chairman

- Non-Executive Director at Tesco plc
- Non-Executive Director of Anglo-American plc
- Non-Executive Director of Standard Chartered plc
- Former Board member of BP plc
- Former Non-Executive Director of Unilever plc and Unilever N.V.

Michiel Jaski  
Board Member

- Chairman of the Supervisory Board of UNICA Group B.V.
- Chairman of the Supervisory Board of Faber Halbertsma Group B.V.
- Chairman of the Supervisory Board of Rhoon, Pendrecht & Cortgene B.V.
- Former CEO of OFFICEFIRST Immobilien A.G. and Grontmij N.V.
- Former member of the Executive Board of ARCADIS N.V.

Pamela Kirby  
Board Member

- Non-Executive Director of Reckitt Benckiser plc
- Non-Executive Director of Hikma Pharmaceuticals plc
- Non-Executive Director of DCC plc
- Former Senior Independent Director of Victrex plc
- Former CEO of Quintiles Transnational Corp.
- Former senior executive at Astra Zeneca plc
- Former senior executive at F. Hoffman-La Roche

Jolanda Poots-Bijl  
Board Member

- CFO of Royal Van Oord
- Member of the Supervisory Board of Pon Holdings B.V.
- Former member of the Supervisory Board of N.V. Nederlandse Gasunie
- Former member of the Supervisory Board of Blokker Holding B.V.

Dick Sluimers  
Board Member

- Chairman of the Supervisory Board of NIBC Bank N.V.
- Chairman of the Supervisory Board of Euronext N.V.
- Member of the Board of Directors of FWD Group Limited
- Member of the Board of Governors of the State Academy of Finance and Economics
- Trustee of the Erasmus University Trust
- Former member of the Supervisory Board of Atradius N.V.
- Former CEO of APG Group

Patrick Thomas  
Board Member

- Chairman of Johnson Matthey plc
- Former Non-Executive Director of Aliaxis S.A.
- Member of the Supervisory Board of Covestro AG.
- Former Chairman and CEO of Bayer Material Science A.G.
- Former Non-Executive Director of BG Group plc
- Former President of Specialties Huntsman International LLC
- Former CEO at Polyurethanes division of ICI plc

None of the members of the Supervisory Board or the Board of Management have any potential conflicts of interests between duties to the Issuer and their private interests or other duties.

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled.

## **COVID-19 policy**

At AkzoNobel, our priority is to keep our employees, their families, and our partners safe and well. We are closely monitoring the pandemic situation and taking all necessary measures. We fully support and follow national and local government requirements.

We are also taking all reasonable steps to continue serving our customers and maintain business continuity. Our sourcing team is working closely with our suppliers to proactively manage our raw material supply. We are monitoring and managing the extent and duration of any local requirements impacting/related to our physical locations.

The pandemic situation is being closely monitored and appropriate measures are being taken to continue serving customers and save costs, while keeping the organization intact and able to respond quickly to changes in end market demand. Although demand trends differ per region and segment, the overall impact on AkzoNobel for the full-year 2020 was limited. An overall positive impact was noted for the Decorative Paints segment, while there was an overall adverse impact in the Performance Coatings segment. The pandemic has not impacted our going concern assumption.

## **Approach to sustainable business**

Sustainability is one of our core values and is integrated in everything we do. We strive to lead our industry by pioneering a world of possibilities to empower people and reduce our impact on the planet, while consistently innovating to deliver the most sustainable solutions for our customers. That is why we call our approach to sustainable business “People. Planet. Paint.”.

For more information on AkzoNobel's approach to sustainable business, please refer to our [sustainability report](#).



## DESCRIPTION OF THE BUSINESS OF THE GROUP

### Overview of Business Areas

As at the date of this Prospectus, AkzoNobel's operations are grouped into two business areas on the basis of affinities between activities. Based on revenue in 2020, the Decorative Paints business area accounted for approximately 42 per cent. of the Group and the Performance Coatings business area accounted for approximately 58 per cent. of the Group.

At the AkzoNobel corporate level, key tasks are coordinated across the Group in the fields of strategy; finance and control; human resources; technology; legal affairs and intellectual property; communications; health, safety, and environment; information management; and risk and insurance management.

The Paints and Coatings business units and their main products (as at the date of this Prospectus) are summarised below.

### *Decorative Paints*

The Decorative Paints unit includes businesses focusing on a full range of interior and exterior decoration and protection products for both the professional and do-it-yourself markets. These include paints, lacquers, varnishes, as well as products for surface preparation (pre-deco products). The Decorative Paints business is divided into three geographical reporting units: EMEA (Europe, Middle East and Africa), Asia and South America.

Decorative Paints activities have long been a core part of both AkzoNobel's and ICI's businesses and supply a full range of interior and exterior decoration and protection products for both the professional and do-it-yourself markets, including paints, lacquers and varnishes. The extensive product range is marketed under international and local brand names, including Dulux®, Sikkens®, Astral®, Alabastine®, Levis®, Marshall® and Flexa®. AkzoNobel has a single global brand identity for its retail consumer paint range, "Flourish", which includes the brands Dulux®, Flexa®, Levis®, Alba®, Coral®, Marshall®, Astral®, Bruguer®, Dulux Valentine®, Inca®, Sadolin®, Nordsjö® and Vivechrom®. Decorative Paints also offers services such as mixing machines, colour concepts and advice, as well as training courses for applicators.

Decorative Paints has its own sales distribution network in addition to selling through agents and distributors.

### *Performance Coatings*

AkzoNobel is one of the world's leading manufacturers and suppliers of performance coatings. Its brands include Sikkens®, International® and Interpon®.

The activities of the Performance Coatings business are divided into four Business Units, being Powder Coatings, Automotive and Specialty Coatings, Industrial Coatings, and Marine and Protective Coatings. Together, they supply businesses in industries as diverse as construction, consumer electronics, shipping and sports equipment.

Performance Coatings is active in research and development and product stewardship, including in the field of sustainable technology.

### *Powder Coatings*

AkzoNobel's Powder Coatings unit supplies powder coatings to original equipment manufacturers (OEM) and coaters of the appliance, architectural, automotive, furniture, IT and general industrial markets. Powder coatings are solvent-free paints applied to metal and other conductive surfaces which are used on products ranging from metal furniture to window frames, radiators, pipes, cars and wood and plastic products. AkzoNobel Powder Coatings' brands include Interpon® and Resicoat®.

### *Automotive and Specialty Coatings*

AkzoNobel's Automotive and Specialty Coatings unit supplies vehicle refinishes, specialty coatings, automotive plastics and aerospace coatings. The vehicle refinishes business provides coatings and services for collision repairers and commercial vehicle refinishers. It also provides coatings and services to the manufacturers of bus and trucks and other specialised commercial vehicle builders. Its brands include Sikkens®, Lesonal®, Dynacoat® and Wanda®.

The specialty coatings business provides coatings and film for consumer electronics, cosmetic packaging, automotive components and sporting goods. The automotive plastics business supplies coatings for automotive exterior and interior components industry. For the aerospace industry the business focuses on external and internal coatings for commercial, general aviation and defence markets for both original equipment manufacturer application as well as maintenance and repair.

### *Industrial Coatings*

AkzoNobel's Industrial Coatings unit supplies metal and wood coatings. The metal coatings decorate and protect products made from steel or aluminium. The packaging coatings business supplies coatings and inks for metal packaging: for beer and beverage cans, food cans, caps and closures and general line cans. The coil and extrusion coatings business produces and sells coatings for metal building products (commercial and residential) and home appliances. The wood coatings business provides finishes and adhesives to a wide variety of applications.

The wood finishes business provides coatings for wood furniture, cabinetry and wood building products (flooring, panelling, windows, doors and exterior siding). The wood adhesives business supplies adhesives and bonding solutions for the wood working industry (furniture, flooring, structural elements and wood panels). The wood foil business offers solutions for foil and paper to be applied to wood and wood-based panels. The board resins business sells and produces bonding resins for the manufacturers of engineered wood panels such as particleboard, MDF and HDF, oriented strand board and plywood.

### *Marine and Protective Coatings*

AkzoNobel's Marine and Protective Coatings unit supplies coatings and services for ships and yachts as well as protective coatings and fire protection products for steel structures in a wide range of industries. The markets for marine coatings are new-building, repair and maintenance of deep sea, coastal and navy vessels as well as yachts. AkzoNobel's Marine Coatings brands include International®.

The protective coatings business produces protective coatings and fire protection products for steel structures in a wide range of industries, including power generation, upstream and downstream oil and gas facilities, chemical and petrochemical installations, high value infrastructure (including airports and sports stadia), mining and minerals and water and water treatment markets. The business also offers weather resistant (rotor) blade and tower coatings for on-shore and off-shore wind turbines. In the yacht market the business provides products to the superyacht industry and the general professional (original equipment and maintenance and repair), retail and do-it-yourself yacht businesses.

## **Litigation**

### *Environmental matters*

The Group is confronted with costs arising out of environmental laws and regulations, which include obligations to eliminate or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites. Proceedings involving environmental matters, such as the alleged discharge of chemicals or waste materials into the air, water, or soil, are pending against us in various countries. In some cases this concerns sites divested in prior years or derelict sites belonging to companies acquired in the past. It is the Company's policy to accrue and charge against earnings environmental clean-up costs when it is probable that a liability has materialised and an amount is

reliably estimable. These accruals are reviewed periodically and adjusted, if necessary, as assessments and clean-ups proceed and additional information becomes available. Environmental liabilities can change substantially due to the emergence of additional information on the nature or extent of the contamination, the geological circumstances, the necessity of employing particular methods of remediation, actions by governmental agencies or private parties, or other factors. Cash expenditures often lag behind the period in which an accrual is recorded by a number of years. While it is not feasible to predict the outcome of all pending environmental exposures, it is possible that there will be a need for future provisions for environmental costs which, in management's opinion, based on information currently available, would not have a material effect on the Company's consolidated financial position but could be material to the Company's results of operations in any one accounting period.

### ***Claims and litigation***

AkzoNobel has provided various indemnities and guarantees in respect of historic disposals to the relevant purchasers and their permitted assigns (if applicable), which in general are subject to time limits in which claims can be made and/or limits on the amount which can be claimed (generally by reference to the value received). These indemnities and guarantees have varying maturity periods. AkzoNobel has received various claims under these indemnities and guarantees. In some instances, AkzoNobel has been named as a direct defendant despite the divestments.

AkzoNobel has withdrawn its declarations of joint and several liability under Article 403 of Book 2 of the Dutch Civil Code for certain Dutch former Specialty Chemicals subsidiaries ("**Nouryon**") divested as per 1 October 2018 and is following the procedures to terminate its residual liability under those declarations under Article 404 of Book 2 of the Dutch Civil Code. One objection against the termination of residual liability is still pending and AkzoNobel N.V. and Nouryon continue to cooperate to get these resolved.

A number of other claims are pending, all of which are contested. This includes a lawsuit filed in April 2019, by PT DWI Satrya Utama ("**PTDSU**") against AkzoNobel N.V., certain subsidiaries as well as certain subsidiary directors at the Tangerang District Court, Indonesia. PTDSU owns a 45 per cent. interest in PT ICI Paints Indonesia ("**PTICIPI**"), an indirect subsidiary of AkzoNobel N.V. PTDSU alleges that it suffered damages as a result of defendants' improper management of PTICIPI. The defendants seek to dismiss the lawsuit on the grounds that the claims are without merit and because the court does not have jurisdiction over the lawsuit. The lawsuit was dismissed by the relevant court on 3 March 2020 on the basis that the court does not have jurisdiction over the lawsuit. The claimant appealed the district court's decision, and in January 2021, the relevant appellate court rejected the appeal.

The Group is also involved in disputes with tax authorities in several jurisdictions.

Provisions are recognised when an outflow of economic benefits for settlement is probable and the amount is reliably estimable. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending law suits, certain cases may result in additional liabilities and related costs. At this point in time, we cannot estimate any additional amount of loss or range of loss in excess of recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialise, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence.

While the outcome of these cases, claims and disputes cannot be predicted with certainty, management believes, based upon legal advice and information received, that the final outcome will not materially affect the Company's consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

## TAXATION

*The comments below are of a general nature and are based on the Issuer's understanding of certain aspects of current tax laws and practice, regulations, rulings and decisions in The Netherlands, Luxembourg and Hong Kong, respectively, as at the date of this Prospectus, all of which are subject to change (with or without retroactive effect). The comments relate to the position of persons (other than Dealers) who are the absolute beneficial owners of the Notes and interest thereon, but are not exhaustive and may not apply to certain classes of persons. Further, the summary does not address the credit of foreign taxes. Neither the comments below nor any other statements in this Prospectus are to be regarded as advice on the tax position of any Noteholder or any person acquiring, selling or otherwise dealing in Notes. Prospective holders of Notes and Noteholders who may be unsure of their tax position or who may be subject to tax in any other jurisdiction should consult their own professional advisers.*

### **The Netherlands**

This section outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes or the Coupons. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be relevant to a Noteholder or Couponholder.

For Dutch tax purposes, a Noteholder or Couponholder may include an individual or entity that does not hold the legal title of the Notes or the Coupons, but to whom or to which, the Notes are, or income from the Notes or the Coupons is, nevertheless attributed based either on this individual or entity owning a beneficial interest in the Notes or the Coupons or on specific statutory provisions. These include statutory provisions attributing Notes or the Coupons to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes or the Coupons.

This section is intended as general information only. Prospective Noteholders should consult their own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Notes.

This section is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date of the Prospectus, including the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this section made to Dutch taxes, Dutch tax or Dutch tax law should be construed as a reference to taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities or to the law governing such taxes, respectively. “**The Netherlands**” means the part of the Kingdom of the Netherlands located in Europe.

This section does not describe any Dutch tax considerations or consequences that may be relevant where a Noteholder or Couponholder:

- (i) is an individual and the Noteholder's or Couponholder's income or capital gains derived from the Notes or the Coupons are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) is an entity which under the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (the “**CITA**”) is not subject to Dutch corporate income tax or is fully or partly exempt from Dutch corporate income tax (such as a qualifying pension fund);
- (iii) is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 CITA; or
- (iv) is a corporate entity and a resident of Aruba, Curacao or Saint Martin having an enterprise which is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent

representative (*vaste vertegenwoordiger*) in Bonaire, Sint Eustatius or Saba, to which the Notes are attributable.

The statements below are based on the assumption that the Final Terms of any Series of Notes or the Coupons will not materially deviate from the Conditions as set out in this Prospectus, in particular with regard to the status of the Notes or the Coupons.

### ***Withholding Tax***

A Noteholder or the Couponholder will not be subject to withholding or deduction for, or on account of, any Dutch taxes, unless a Noteholder or the Couponholder is a Related Entity and:

- (i) is resident in a state that qualifies as a low taxed jurisdiction or a jurisdiction that is listed on the European Union list of non-cooperative jurisdictions ("**Listed Jurisdictions**"); or
- (ii) is resident in another state, but the interest under the Notes or Coupons is allocated by the Noteholder or the Couponholder to a permanent establishment situated in one of the Listed Jurisdictions; or
- (iii) is considered tax transparent under the laws of its residence state, not being one of the Listed Jurisdictions, and is not able to make use of an applicable rebuttal scheme; or
- (iv) holds the interest in the Issuer with the main purpose, or one of the main purposes, to avoid taxation due on the interest received in respect of the Notes or Coupons by another entity and holds the interest, or is deemed to hold the interest, as part of an artificial arrangement or transaction (or a series of artificial arrangements or composite of transactions).

If the conditions above are satisfied, interest, including original issue discount, under the Notes or Coupons will be subject to a Dutch withholding tax at a rate of 25%.

An entity is considered a Related Entity if:

- (i) it has a Qualifying Interest in the Issuer;
- (ii) the Issuer has a Qualifying Interest in the Noteholder or the Couponholder; or
- (iii) a third party has a Qualifying Interest in both the Issuer and the entity holding the Notes or the Coupons.

The term Qualifying Interest means a direct or indirectly held interest – either by the entity individually or jointly if the entity is part of a collaborating group (*samenwerkende groep*) – that enables the entity or the collaborating group to exercise a decisive influence on another entities' decisions, such as the Issuer, the Noteholder or Couponholder as the case may be, that it can determine the other entities' activities.

A jurisdiction is considered low taxed if it is designated as such in an annually updated ministerial decree of the Dutch Ministry of Finance. At the date of this Prospectus, the designated low taxed jurisdictions are the American Virgin Islands, American Samoa, Anguilla, the Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, Guernsey, Fiji, Guam, the Isle of Man, Jersey, the Cayman Islands, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, Turkmenistan, the Turks and Caicos Islands, Vanuatu and the United Arab Emirates.

### ***Taxes on Income and Capital Gains***

A Noteholder or Couponholder will not be subject to any Dutch taxes on any payment made to the Noteholder or Couponholder under the Notes or Coupons or on any capital gain made by the Noteholder or the Couponholder from the disposal, or deemed disposal, or redemption of, the Notes or the Coupons, except if:

- (i) the Noteholder or Couponholder is, or is deemed to be, resident in The Netherlands for Dutch (corporate) income tax purposes;
- (ii) the Noteholder or Couponholder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement (*medegerechtigde*) to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands to which permanent establishment or permanent representative the Notes or the Coupons are attributable;
- (iii) the Noteholder or Couponholder is an individual and has a substantial interest (*aanmerkelijk belang*), or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Issuer which is not attributable to an enterprise, or derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Notes or Coupons, including (without limitation) activities which are beyond the scope of active portfolio investment activities;
- (iv) the Noteholder or Couponholder is not an individual and (a) the Noteholder or the Couponholder has a substantial interest, or a fictitious substantial interest, in the Issuer, (b) which (fictitious) substantial interest is held with the main purpose or one of the main purposes, of avoiding that another individual is subject to income tax and (c) there is an artificial arrangement or transaction (or a series of artificial arrangements to achieve such purpose);
- (v) the Noteholder or Couponholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of the holding of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes or the Coupons are attributable; or
- (vi) the Noteholder or Couponholder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, which is effectively managed in the Netherlands and to which enterprise the Notes or the Coupons are attributable.

Generally, a Noteholder or Couponholder has a substantial interest if such Noteholder or Couponholder, alone or - in case of in individual - together with his partner, directly or indirectly:

- (i) owns, or holds certain rights on, shares representing 5 per cent. or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer;
- (ii) holds rights to, directly or indirectly, acquire shares, whether or not already issued, representing, directly or indirectly, 5 per cent. or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer; or
- (iii) owns, or holds certain rights on, profit participating certificates that relate to 5 per cent. or more of the annual profit of the Issuer or to 5 per cent. or more of the liquidation proceeds of the Issuer.

A Noteholder or Couponholder who is in individual and has the ownership of shares of the Issuer will also have a substantial interest if his partner or one of certain relatives of the Noteholder or the Couponholder or of his partner has a (fictitious) substantial interest. If a Noteholder or Couponholder who has a substantial interest in the Issuer holds other shares in the Issuer, including shares of a different class, or holds profit-sharing certificates of the Issuer, these will also become part of the substantial interest of the Noteholder or Couponholder.

Generally, a Noteholder or Couponholder has a fictitious substantial interest if without having an actual substantial interest in the Issuer:

- (i) an enterprise has been contributed in exchange for shares of the Issuer on an elective non- recognition basis;
- (ii) the shares have been obtained under inheritance law or matrimonial law, on a non-recognition basis, while the previous shareholder had a substantial interest in the Issuer;
- (iii) the shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the Noteholder or the Couponholder prior to this transaction had a substantial interest in an entity that was party to that transaction; or
- (iv) the shares held by the Noteholder or the Couponholder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognized upon disqualification of these shares.

#### ***Gift tax or inheritance tax***

No Dutch gift tax or inheritance tax is due in respect of any gift of the Notes or the Coupons by, or inheritance of the Notes or the Coupons on the death of, a Noteholder or Couponholder, unless:

- (i) the Noteholder or the Couponholder is a resident, or is deemed to be a resident, in the Netherlands at the time of the gift or death of the Noteholder or the Couponholder;
- (ii) the Noteholder or the Couponholder dies within 180 days after the date of the gift of the Notes or Coupons and is, or was deemed to be, resident in the Netherlands at the time of the Noteholder's or Couponholder's death but not at the time of the gift; or
- (iii) the gift of the Notes is made under a condition precedent and the Noteholder or Couponholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

#### ***Other Taxes***

No other Dutch taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by the Issuer or by, or on behalf of, the Noteholder or the Couponholder by reason only of the issue, acquisition or transfer of the Notes or Coupons.

#### ***Residency***

A Noteholder or Couponholder will not become resident, or deemed resident of the Netherlands by reason only of holding the Notes or Coupons. Subject to the exceptions above, a Noteholder or Couponholder will not become subject to Dutch taxes by reason only of the Issuer's performance, or the Noteholder's or Couponholder's acquisition (by way of issue or transfer to the Noteholder or Couponholder), ownership or disposal of the Notes or the Coupons, except if a Noteholder or Couponholder meets the conditions for interest under the Notes or Coupons to be subject to withholding tax as described in the paragraph "*Withholding tax*" above, in which case a deficiency assessment may be imposed on such Noteholder or Couponholder if the Issuer does not pay the withholding tax due in whole or in part.

#### **Luxembourg Taxation**

##### ***Interest Withholding Tax – Luxembourg non-resident***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

### ***Interest Withholding Tax – Luxembourg resident***

Under the Luxembourg law of 23 December 2005 introducing a final withholding tax on certain interest deriving from savings income, as amended (the “**RELIBI Law**”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 per cent. (the “**20 per cent. Withholding Tax**”). Responsibility for the withholding of the tax will be assumed by a Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the RELIBI Law would be subject to the 20 per cent. Withholding Tax.

Pursuant to the RELIBI Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20 per cent. levy on interest payments made by paying agents located in an EU Member State or in a State of the EEA other than Luxembourg.

If such an option is exercised by an individual tax resident Noteholder for a year, that option is irrevocable for that individual for that year, and makes him/her responsible for applying and paying the 20 per cent. levy in respect of interest they receive on Notes.

For these purposes, the ‘paying agent’ under the RELIBI Law is the economic operator which pays interest or allocates the payment of the interest to the immediate benefit of the beneficial owner – i.e. the last person in the payment chain before the Luxembourg tax resident individual.

### **Hong Kong**

#### ***Withholding Tax***

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

#### ***Profits Tax***

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a company, other than a financial institution, and arises through or from the carrying on in Hong Kong by the company of its intra-group financing business (within the meaning of section 16(3) of the IRO).



Gains or profits arising on the sale, disposal or redemption of Bearer Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) gains or profits from the sale, disposal or redemption of Bearer Notes arise in or are derived from Hong Kong and are received by or accrue to a company carrying on a trade, profession or business in Hong Kong;
- (ii) gains or profits from the sale, disposal or redemption of Bearer Notes arise in or are derived from Hong Kong and are received by or accrue to a person, other than a company, carrying on a trade, profession or business in Hong Kong and are in respect of the funds of that trade, profession or business;
- (iii) gains or profits from the sale, disposal or redemption of Bearer Notes are received by or accrue to a financial institution and arise through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) gains or profits from the sale, disposal or redemption of Bearer Notes are received by or accrue to a company, other than a financial institution, and arise through or from the carrying on in Hong Kong by the company of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Gains or profits from the sale, disposal or redemption of Registered Notes will be subject to Hong Kong profits tax where they arise in or are derived from Hong Kong and are received by or accrue to a person, including a company (whether or not a financial institution), from the carrying on by such person of a trade, profession or business in Hong Kong.

Special rules exist for the assessment and calculation of Hong Kong profits tax for certain types of person (for example financial institutions, corporate treasury centres, life insurance companies and partnerships) and certain types of security (for example regulatory capital securities), and prospective holders of the Notes are advised to seek their own professional advice in relation to Hong Kong profits tax.

### ***Stamp Duty***

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of HK\$3 per HK\$100 or part thereof of the market value of the Notes at the time of issue.

No *ad valorem* stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided either:

- (a) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

***Estate Duty***

No estate duty will be payable in respect of Notes.

## PRC CURRENCY CONTROLS

*The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.*

### **Remittance of Renminbi into and outside the PRC**

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

### **Current Account Items**

Under PRC foreign exchange control regulations, current account item payments refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by the PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the Circular on Simplifying the Procedures for Cross-Border Renminbi Transactions and Improving Related Policies (the “**2013 PBOC Circular**”) with the intent to improve the efficiency of cross-border Renminbi settlement and facilitate the use of Renminbi for the settlement of cross-border transactions under current accounts or capital accounts. In particular, the 2013 PBOC Circular simplifies the procedures for cross-border Renminbi trade settlement under current account items. For example, PRC banks, based on due diligence review to know their clients (i.e., PRC enterprises), may conduct settlement for such PRC enterprises upon the PRC enterprises presenting the payment instruction, with certain exceptions. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

On 1 November 2014, the PBOC promulgated the Notice on Matters concerning Centralised Cross-Border RMB Fund Operation conducted by Multinational Enterprise Groups, which provides that qualified multinational enterprise groups (“**MEGs**”) may carry out cross-border Renminbi fund centralised operations via a group member incorporated in the PRC, which operations include (i) two-way Renminbi cash-pooling arrangement and (ii) centralised receipt and payment of cross-border Renminbi under the current account. A qualified MEG shall have an aggregate revenue generated by domestic participating group members of no less than RMB 5 billion, and an aggregate revenue generated by foreign participating group members of no less than RMB 1 million. The group parent company of a qualified MEG may be incorporated in or outside of the PRC. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (the “**2015 PBOC Circular**”), which, among other things, has lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash flow.

The regulations referred to above will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules. Local

authorities may adopt different practices in applying these regulations and impose conditions for the settlement of current account items.

### **Capital Account Items**

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments have been generally subject to the approval of the relevant PRC authorities. However, as set out below, it has been announced that from 1 June 2015, the capital account regulation in relation to direct investment has been delegated by the governmental authority (i.e. the local branches of the State Administration of Foreign Exchange (“SAFE”)) to designated foreign exchange banks.

Prior to October 2011, settlements for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital item payments, including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment, to foreign investors in a foreign currency. The relevant PRC authorities may, however, have granted approvals for a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may, however, have been required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 13 October 2011, the PBOC issued the Administrative Measures on RMB Settlement of Foreign Direct Investment (“**PBOC RMB FDI Measures**”) which set out operating procedures for PRC banks to handle Renminbi settlement relating to Renminbi foreign direct investment (“**RMB FDI**”) and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. The PBOC RMB FDI Measures provide that, among other things, foreign invested enterprises are required to conduct registrations with the local branch of PBOC within 10 working days after obtaining business licences for the purpose of Renminbi settlement; a foreign investor is allowed to open a Renminbi expense account to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account of such foreign invested enterprise when it is established; commercial banks can remit a foreign investor’s Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents; if a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries to reinvest onshore or increase the registered capital of the PRC subsidiaries, the foreign investor may open a Renminbi reinvestment account to receive such Renminbi proceeds; and the PRC parties selling a stake in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by foreign investors by submitting certain documents as required by the guidelines of PBOC to the commercial banks. The PBOC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise applies to both its Renminbi debt and foreign currency debt owed to its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract and the letter of payment order to the commercial bank and make repayments of principal and interest on such debt in Renminbi by submitting certain documents as required by the guidelines of the PBOC to the commercial bank.

On 14 June 2012, the PBOC further promulgated the Notice on Clarifying the Detailed Operating Rules for RMB Settlement of Foreign Direct Investment (“**PBOC RMB FDI Notice**”) to provide more detailed rules relating to cross-border Renminbi direct investments and settlement. This PBOC RMB FDI Notice details the rules for opening and

operating the relevant accounts and reiterates the restrictions upon the use of the funds within different Renminbi accounts.

On 5 July 2013, the PBOC promulgated the 2013 PBOC Circular which, among other things, provide more flexibility for funds transfers between the Renminbi accounts held by offshore participating banks at PRC onshore banks and offshore clearing banks, respectively.

On 3 December 2013, MOFCOM promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts is required for each FDI, specifying “**Renminbi Foreign Direct Investment**” and the amount of capital contribution required for each FDI. Unlike the previous MOFCOM regulations on FDI, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. Consistent with the previous MOFCOM regulations on FDI, the MOFCOM Circular still expressly prohibits the FDI Renminbi funds from being used for any investment in securities and financial derivatives (except for investment in PRC listed companies by strategic investors) or for entrusted loans in the PRC.

On 13 February 2015, SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration on Policies for Foreign Direct Investment (the “**2015 SAFE Notice**”), which became effective on 1 June 2015. Under the 2015 SAFE Notice, the SAFE delegates the authority for approval/registration of foreign currency (including cross-border Renminbi) related matters for direct investment (inbound and outbound) to designated foreign exchange banks.

On 30 March 2015, SAFE promulgated the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (the “**SAFE Circular**”), which became effective on and from 1 June 2015. The SAFE Circular allows foreign-invested enterprises to settle 100 per cent. (tentative) of the foreign currency capital (that has been processed through SAFE’s equity interest confirmation proceedings for capital contribution in cash or registered by a bank on SAFE’s system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs, though SAFE reserves its authority to reduce the proportion of foreign currency capital that is allowed to be settled in such manner in the future. On the other hand, it is notable that the SAFE Circular continues to require that capital contributions should be applied within the business scope of the company for true and the company’s own operational purposes; with respect to the Renminbi proceeds obtained through the aforementioned settlement, the SAFE Circular prohibits such proceeds from being applied outside the business scope of the company or for any prohibitive purposes in law, or applied directly or indirectly to securities investments (unless otherwise permitted in law), to granting entrusted loans or repaying of inter-company lending (including advance payment made by third parties) or bank loans that have been on lent to third parties, or to purchasing non-self-use real estates (unless it is a real estate company). In addition, the SAFE Circular allows foreign-invested investment companies, foreign-invested venture capital firms and foreign-invested equity investment companies to make equity investment through Renminbi funds to be settled, or those already settled, from their foreign currency capital by transferring such settled Renminbi funds into accounts of invested enterprises, according to the actual investment scale of the proposed equity investment projects.

On 29 May 2015, PBOC promulgated an order to revise certain existing PBOC regulations, which is to reflect the reform to a new registered capital system of PRC-incorporated companies under the PRC Company Law effective as of 1 March 2014 (the “**PBOC Order**”). Among other things, PBOC confirmed in the PBOC Order that capital verification of a foreign-invested enterprise under article 10 of the PBOC RMB FDI Measures is no longer a mandatory procedure before the establishment, and the requirement under the PBOC RMB FDI Notice that a foreign-invested enterprise is not allowed to borrow offshore RMB funds until its registered capital is paid up in full and as scheduled is also abolished.

According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group.

On 11 January 2017, PBOC promulgated the Notice on Full-Coverage Macro-prudent Management of Cross-border Financing (Yin Fa [2017] No. 9) (“**Notice 9**”, together with the PBOC RMB FDI Measures, the PBOC RMB FDI Notice, the PBOC Circular and the PBOC Order, the “**PBOC Rules**”) which, following the existing regulatory framework, widens the scope of application and increases the funds that a corporate or financial institution can raise. Notice 9 sets a transition period of one year for foreign-invested enterprises and foreign financial institutions in China and during such transition period, foreign-invested enterprises and foreign financial institutions may apply either the existing rules for management of full-coverage cross-border financing, or the rules under Notice 9, at their discretion. However, after the end of the transition period, foreign financial institutions shall automatically be subject to the rules under Notice 9, while the rules for foreign-invested enterprises will be determined by PBOC and SAFE after assessment based on the overall implementation of Notice 9.

On 26 January 2017, SAFE issued the Notice on Further Promoting Foreign Exchange Administration Reform and Enhancing Authenticity and Compliance Checks (“**Circular 3**”, together with the 2015 SAFE Notice and the SAFE Circular, the “**SAFE Rules**”), setting out certain foreign exchange-related policies covering a wide spectrum of cross-border trades, cross-border security, foreign direct investment, outbound direct investment and overseas loan extensions. These policies included, amongst other things: (i) an expansion of the scope of settlement of exchange for domestic loans in foreign currencies; (ii) allowing overseas loans under domestic guarantee to be transmitted into the territory of the PRC by way of loan, equity investment or other methods; and (iii) emphasising the importance of authenticity and compliance checks in relation to outbound direct investment.

On 5 January 2018, PBOC promulgated the “Notice on Further Fine-tuning the Policies on Cross-border RMB Business to Promote Trade and Investment Facilitation” (the “**2018 PBOC Notice**”). Accordingly, an enterprise shall be allowed to use Renminbi to settle all cross-border transactions that may be settled by foreign currencies pursuant to PRC laws.

On 23 October 2019, SAFE promulgated the “Circular to Further Promote Cross-border Trade and Investment” (《关于进一步促进跨境贸易投资便利化的通知》) (the “**SAFE 2019 Circular**”) to further facilitate cross-border trade and investment by, among other things, allowing foreign enterprises which are “non-investment in nature” (《非投资性外商投资企业》) to conduct onshore equity investment provided that such investment shall not violate any special administrative measures (i.e. the negative list) applicable to foreign enterprises investment and the underlying investment project(s) shall be genuine and legitimate.

As the SAFE 2019 Circular, the MOFCOM Circular, the PBOC Rules, the SAFE Rules and the 2018 PBOC Notice are relatively new regulations, they will be subject to interpretation and application by the relevant PRC authorities.

With effect from 1 October 2016, the IMF has determined the Renminbi to be a freely usable currency and has accordingly added it to the IMF’s Special Drawing Right valuation basket (along with the U.S. dollar, the euro, Japanese yen and the pounds sterling). However there is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules.

If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 17 March 2021 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by them. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

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, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

### Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA 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 EEA. 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 MiFID II; or
  - (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus 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 the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation each Member State of the EEA 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 Member State except that it may make an offer of such Notes to the public in that Member 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 Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.



## United Kingdom

### *Prohibition of Sales to UK Retail Investors*

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to 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 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 (8) of Article 2 of Regulation (EU) No 2017/565, as amended, as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014, as amended, as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK 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 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 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 the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (iii) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Notes to the public**” in relation to any Notes 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.

### ***Other Regulatory Restrictions***

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

- (i) in relation to any Notes which have a maturity of less than one year, (a) 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 (b) 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 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;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) 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**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. In the event that the Dutch Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein, "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **France**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, 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*) acting for their own account, and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D.734-1, D.744-1, D.754-1 and D.764-1 of

the French Code *monétaire et financier* (“**CMF**”), and/or in a transaction that, in accordance with article L.411-2 of the CMF and article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.

## Japan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, 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, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

## Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant 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 other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) 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 or which do not constitute an offer to the public within the meaning of that Ordinance; 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 of 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**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the “**Securities and Futures Act**”). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act), pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) 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 is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act 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 Securities and Futures Act; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the Securities and Futures Act; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons 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 pursuant to Section 275(2), or any person pursuant to Section 275(1A), 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.

*SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, prior to making any offering of Notes, the Issuer shall make a determination in relation to each issue of Notes, and notify all relevant persons (as defined in Section 309A(1) of the SFA), whether the Notes are (i) either 'prescribed capital markets products' (as defined in the CMP Regulations 2018) or capital markets products other than 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and (ii) either 'Excluded Investment Products' or 'Specified 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).*

### **Switzerland**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that: (i) the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act dated 15 June 2018 (the "FinSA") and will not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland; (ii) neither this Prospectus nor any Final Terms nor any other offering or marketing material relating to any Notes (x) constitutes a prospectus as such term is understood pursuant to the FinSA or (y) has been or will be filed with or approved by a Swiss review body pursuant to article 52 of the FinSA; and (iii) neither this Prospectus nor any Final Terms nor other offering or marketing material relating to any Notes may be publicly distributed or otherwise made publicly available in Switzerland.

### **The People's Republic of China**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant 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 (which, for such purposes, shall not include Hong Kong, Macau and Taiwan) or to residents of the People's Republic of China unless such offer or sale is made in compliance with all applicable laws and regulations of the People's Republic of China.

## **Taiwan**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to present, warrant and agree that the Notes offered have not been and will not be registered with the Financial Supervisory Commission, and will not be offered, sold or delivered at any time, directly or indirectly, in the Republic of China or to, or for the account or benefit of, any resident of the Republic of China. No person or entity in the Republic of China has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense and neither the Issuer, nor any other Dealer shall have responsibility therefor.

## FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

### **[PROHIBITION OF SALES TO EEA RETAIL INVESTORS:**

**THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:**

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”);**
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (AS AMENDED, 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**
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (AS AMENDED, 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 HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.]<sup>1</sup>**

### **[PROHIBITION OF SALES TO 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 UNITED KINGDOM (“UK”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:**

- (A) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565, AS AMENDED, AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (“EUWA”); OR**
- (B) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014, AS AMENDED, AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR**
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA.**

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<sup>1</sup> This legend will be required if “Prohibition of Sales to EEA Retail Investors” is specified as being “Applicable” (See Part B, Para 8).

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (AS AMENDED, THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.<sup>2</sup>

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES 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 [Directive 2014/65/EU, as amended (“MiFID II”)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a ‘distributor’) should take into consideration the 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.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014, as amended, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) 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) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE:** Solely for the purposes of discharging its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA), that the Notes are [prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) 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 Recommendations on Investment Products)]/[capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified 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)].<sup>3</sup>

Final Terms dated [●]

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<sup>2</sup> This legend will be required if “Prohibition of Sales to UK Retail Investors” is specified as being “Applicable” (See Part B, Para 8).

<sup>3</sup> If the Notes are to be offered into Singapore and are not vanilla fixed rate or floating rate notes, the product classification of the Notes as “prescribed capital markets products” under the SFA may need to be reassessed.

**Akzo Nobel N.V.**

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

**under the**

**Euro Medium Term Note Programme**

**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 17 March 2021 (the “**Prospectus**”) [and the supplement(s) to the Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation] and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement(s) to the Prospectus] [is] [are] available for viewing during normal business hours at the specified office of the Issuing and Paying Agent at 21st Floor, Citigroup Centre 2, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and on the Luxembourg Stock Exchange’s website at *www.bourse.lu* and copies may be obtained from the specified office of the Issuing and Paying Agent.]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [4 April 2014]/[25 February 2016]/[7 March 2017]/[19 March 2018]/[11 March 2019]/[3 April 2020] which are incorporated by reference in the Prospectus dated 17 March 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated 17 March 2021[and the supplement(s) thereto dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Prospectus**”), save in respect of the Conditions which are extracted from the Prospectus dated [4 April 2014]/[25 February 2016]/[7 March 2017]/[19 March 2018]/[11 March 2019]/[3 April 2020]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [and the supplements thereto dated [●]]. The Prospectus [and the supplement(s) thereto] are available for viewing during normal business hours at the specified office of the Issuing and Paying Agent at 21st Floor, Citigroup Centre 2, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and on the Luxembourg Stock Exchange’s website at *www.bourse.lu* and copies may be obtained from the specified office of the Issuing and Paying Agent.]

*(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 (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted) or sub-paragraphs. Italics denote guidance for completing the Final Terms.)*

*(When completing 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 23 of the Prospectus Regulation.)*

- |   |       |  |  |
|---|-------|--|--|
| 1 | (i)   | Series Number:                           | [●]  |
|   | (ii)  | Tranche Number:                          | [●]  |
|   | (iii) | Date on which the Notes become fungible: | [Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading |



purposes with the *[insert title of the Series]* on *[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [insert date]]]*.

2 [(i)] Specified Currency: [•]

[(ii)] Relevant Currency: [•] (*N.B. only relevant in relation to Condition 7(i) when the Specified Currency is Renminbi, otherwise, delete*)

3 Aggregate Nominal Amount: [•]

(i) Series: [•]

(ii) Tranche: [•]

4 Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]

5 (i) Specified Denominations: [•]

*(N.B. 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]”*)

*(N.B. If an issue of Notes is (i) NOT admitted to trading on a EEA or UK exchange; and (ii) only offered in the EEA or in the UK in circumstances where a prospectus is not required to be published under the Prospectus Regulation or the UK Prospectus Regulation, the €100,000 minimum denomination is not required)*

*(N.B. Notes (including Notes denominated in pounds sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)*

(ii) Calculation Amount: [•]

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified*

*Denomination, insert the highest common factor. NB: There must be a common factor in the case of two or more Specified Denominations)*

- 6 (i) Issue Date: [●]
- (ii) Interest Commencement Date: [*Specify*]/[Issue Date]/[Not Applicable]
- 7 Maturity Date (see Condition 6(a)): [*Specify date*]/[(*for Floating Rate Notes*) Interest Payment Date falling in or nearest to [*specify the relevant month and year*]]<sup>4</sup>
- 8 Interest Basis: [[●] per cent. Fixed Rate]  
[[●]-month [*specify reference rate*] +/- [●] per cent. Floating Rate]  
[Zero Coupon]
- (further particulars specified below in paragraph [13]/[14]/[15], as applicable)
- 9 Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100]/[●] [*latter possible for Zero Coupon Notes only*] per cent. of their Aggregate Nominal Amount
- 10 Change of Interest / Payment Basis: [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 13 and 14 below and identify there*]/[Not Applicable]
- 11 Put/Call Options: [Issuer Call]  
[Investor Put]  
[Change of Control Put Option]  
[Special Redemption Event]  
[Not Applicable]  
(*further* particulars specified below in paragraph [16]/[17]/[18]/[19], as applicable)
- 12 Date [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]/[Not Applicable]
- (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 13 Fixed Rate Note Provisions [Applicable]/[Not Applicable]
- (*If not applicable, delete the remaining sub-*

<sup>4</sup> 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.

*paragraphs of this paragraph)*

- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually]/[semi-annually]/[quarterly] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●]/[●] and [●]/[●], [●], [●] and [●] in each year [adjusted in accordance with the Business Day Convention set out in (iii) below]<sup>5</sup>
- (iii) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
- (iv) Business Centre(s): [●]
- (v) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- [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]<sup>6</sup>
- (vi) Broken Amount(s): [[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
- [The Broken Amount payable on the Interest Payment Date falling [in]/[on] [●] shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resulting figure to nearest CNY0.01, CNY0.005 being rounded upwards]<sup>7</sup>
- (vii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/365 (Sterling)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual (ICMA)]
- (viii) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- 14 Floating Rate Note Provisions [Applicable]/[Not Applicable]

<sup>5</sup> Appropriate for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification. No adjustment or Business Day Convention required for vast majority of other currencies.

<sup>6</sup> Appropriate for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification.

<sup>7</sup> Appropriate for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification.

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Interest Period(s): [●], subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]/[Not Applicable]
- (ii) Specified Interest Payment Dates: [●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
- (iii) Interest Period Date: [Not Applicable]/[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]

*(Not applicable unless different from Interest Payment Date)*

- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
- (v) Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (viii) Screen Rate Determination:
- Reference Rate: [●]-month [LIBOR]/[EURIBOR]/[EONIA]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (For example, if not Reuters LIBOR01/ EURIBOR01/ EONIA)*
- Reference Banks: [●]/[Not Applicable]

- (ix) ISDA Determination:

	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	– ISDA Definitions:	2006
(x)	Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/365 (Sterling)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual (ICMA)]
15	Zero Coupon Note Provisions	[Applicable]/[Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Amortisation Yield:	[•] per cent. per annum
(ii)	Day Count Fraction (Condition 5(h))	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/365 (Sterling)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual (ICMA)]

## PROVISIONS RELATING TO REDEMPTION

16	Issuer Call	[Applicable]/[Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Optional Redemption Date(s):	[•]/[Any date from and including [•] to but excluding [•]]
(ii)	Par Call Period:	[Applicable]/[Not Applicable]
(iii)	Optional Redemption Amount(s) of each Note:	[[•] per Calculation Amount]/[Condition 6(b) applies]/[Make-Whole Amount]

	– Optional Redemption Calculation Date:	[[●] Business Days prior to the Optional Redemption Date]
	– Par Call Commencement Date:	[●]
	– Determination Time:	[●]
	– Reference Bond:	[●]
	– Margin:	[●]
	(iv) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(v) Notice period:	[●]
17	[Special Redemption Event (Issuer Call)]	[Applicable]/[Not Applicable]
	(i) Acquisition Target:	[●]
	(ii) Special Redemption Longstop Date:	[●]
	(iii) Special Redemption Amount:	[●]
	(iv) Special Redemption Option Period:	The period from [●]/[the Issue Date] to [●]/[the Special Redemption Longstop Date]
		<i>(Consideration should be given by the Dealers/Managers as to whether a supplement to the Prospectus is required prior to the inclusion of the Special Redemption Event (Issuer Call))</i>
18	Investor Put	[Applicable]/[Not Applicable]
		<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]/[Any date from and including [●] to but excluding [●]]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount]/[Condition 6(b) applies]
	(iii) Notice period:	[●]
19	Change of Control Put	[Applicable]/[Not Applicable]
		<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>

- (i) Put Date: [7 days after the Put Period]/[specify]
- (ii) Change of Control Redemption Amount(s) of each Note: [●] per Calculation Amount]/[Condition 6(b) applies]
- 20 Clean-up Call Option [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Clean-up Call Redemption Amount: [●]/[[●] per Calculation Amount]/[Final Redemption Amount]/[Early Redemption Amount]/[Optional Redemption Amount]/[The higher of the Final Redemption Amount and the Optional Redemption Amount]
- (if Zero Coupon Notes, should be Early Redemption Amount and if Optional Redemption Amount in paragraph [16] specifies Make-Whole Amount, should be Optional Redemption Amount)*
- 21 Final Redemption Amount of each Note [Par]/[other amount higher than par] per Calculation Amount
- 22 Early Redemption Amount [●]/[Par] per Calculation Amount  
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23 Form of Notes
- (i) Form: **[Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on or after the Exchange Date]<sup>8</sup>
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]
- [Registered Notes:**
- [Global Certificate registered in the name of a nominee

<sup>8</sup> If the Temporary Global Note is exchangeable for Definitive Notes at the option of the holder, the Notes shall be tradable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in paragraph 6 and multiples thereof.

for [a common depositary for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure)]]]

(ii) New Global Note:

[Yes]/[No]

(iii) CMU Note:

[Yes]/[No] *(If the Notes are intended to be cleared through the Central Moneymarkets Unit Service, the CMU Note should be used)*

24 Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable]/[●]

*(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub- paragraphs [13(ii)] and [14(v)] relate)*

25 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[No]/[Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]

Signed on behalf of Akzo Nobel N.V.:

By: .....

Duly authorised



## 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 the Luxembourg Stock Exchange’s Regulated Market and listed on the Official List of the Luxembourg Stock Exchange with effect from [●].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange’s Regulated Market and listed on the Official List of the Luxembourg Stock Exchange with effect from [●].]
- [Not Applicable.]
- [The Notes will be consolidated and form a single Series with the existing Notes which are admitted to trading on the Luxembourg Stock Exchange’s Regulated Market.] *(Include where documenting a fungible issue whereby original Notes are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

The Notes to be issued [have been/are expected to be] rated:

[S&P: [●]]

[Moody’s: [●]]

[Fitch: [●]]

[[Other]: [●]]

*[To insert a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.]*

[Not Applicable]

*(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.)*

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

**Option 1: CRA is (i) established in the EU and (ii)**

**registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and registered under Regulation (EC) No 1060/2009 (as amended, the “**CRA Regulation**”).

**Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (as amended, the “**CRA Regulation**”), although notification of the registration decision has not yet been provided.

**Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration and is not registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (as amended, the “**CRA Regulation**”).

**Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established in the EU and registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU but the rating it has given to the [Notes] is endorsed by *[insert legal name of credit rating agency]*, which is established in the EU and registered under Regulation (EC) No 1060/2009 (as amended, the “**CRA Regulation**”).

**Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU but is certified under Regulation (EC) No 1060/2009 (as amended, the “**CRA Regulation**”).

**Option 6: CRA is neither established in the EU nor**

**certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (as amended, the “**CRA Regulation**”) and the rating it has given to the [Notes] is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

**3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

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

[Save for any fees payable to the [Managers]/[Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. 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.]/[Not Applicable]

**4. USE OF PROCEEDS**

[The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for the general corporate purposes of the Group.]/[•]

**5. ESTIMATED NET PROCEEDS**

Estimated net proceeds: [•]

**6 Fixed Rate Notes only – YIELD**

Indication of yield: [•]/[Not Applicable]

**7 OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

CFI Code: [[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]

FISN Code: [[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]

CMU Instrument Number:

[•]

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

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

Delivery:

Delivery [against]/[free of] payment

Names and addresses of initial Paying Agent(s):

[•]

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

[•]/[Not Applicable]

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

[Yes]/[No]

*[Include this text if “yes” selected:* 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,)]*[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

*[Include this text if “no” selected:* Whilst the designation is set at “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]*. 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.]

If syndicated, names of Managers: [Not Applicable]/[give names]

Stabilising Manager(s) (if any): [Not Applicable]/[give name]

If non-syndicated, name of Dealer: [Not Applicable]/[give name]

U.S. Selling Restrictions: [Reg. S Compliance Category [1]/[2]; [TEFRA C]/[TEFRA D]/[TEFRA not applicable]

Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no "key information document" will be prepared, "Applicable" should be specified.)*

Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no "key information document" will be prepared, "Applicable" should be specified.)*

9 **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.]/[Not Applicable]

10 **BENCHMARKS:**

[[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*]][*appears*]/[*does not appear*]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by [ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended][*the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018*]/[*As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011, as amended*][ *Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018*].]<sup>9</sup>

<sup>9</sup> Include if there is any change to the administrator already specified in the Prospectus with respect to a benchmark pursuant to Article 36 of the EU BMR and/or UK BMR.

## GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment and update of the Programme. The establishment and update of the Programme was authorised by resolutions of the Board of Management of AkzoNobel passed on 23 November 2011 and 22 January 2021 and resolutions of the Supervisory Board of AkzoNobel passed on 29 November 2011 and 16 February 2021.
- (3) In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.
- (4) Except as disclosed in "*Description of the Business of the Group — Litigation*" on page 74 and 75 of this Prospectus, AkzoNobel has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which AkzoNobel is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of AkzoNobel or of its subsidiaries, taken as a whole.
- (5) AkzoNobel has not entered into any material contracts that are not entered into in the ordinary course of AkzoNobel's business, which could result in any group member being under an obligation or entitlement that is material to AkzoNobel's ability to meet its obligations to security holders in respect of the Notes.
- (6) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "*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*".
- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. In addition, the Issuer has also applied to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Final Terms.  
  
The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (9) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuing and Paying Agent on 21st Floor, Citigroup Centre 2, Canada Square, Canary Wharf, London E14 5LB, United Kingdom:

- (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
- (ii) the Agency Agreement;
- (iii) the constitutional documents of AkzoNobel;
- (iv) the published annual report including the audited consolidated and company financial statements of AkzoNobel as at and for the two financial years ended 31 December 2019 and 31 December 2020;
- (v) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on (i) a regulated market within the EEA or (ii) on a regulated market a specified or a specific segment of a regulated market to which only qualified investors (as defined in the UK Prospectus Regulation) have access within the UK, nor offered (i) in the EEA or (ii) in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or UK Prospectus Regulation pursuant to an exemption under section 86 of the FSMA, as the case may be, will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity); and
- (vi) a copy of this Prospectus together with any prospectus supplement to this Prospectus or further Prospectus.

[This Prospectus, the other Base Prospectuses referred to in it and the Final Terms for Notes](#) that are listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

[This Prospectus](#), the [financial statements referred to in it](#) and the [articles of association of AkzoNobel](#) are available on the website of AkzoNobel ([www.akzonobel.com](http://www.akzonobel.com)). These documents have been published and will remain available on AkzoNobel's website in accordance with Article 21 of the Prospectus Regulation.

- (10) PricewaterhouseCoopers Accountants N.V. has audited the consolidated and company financial statements of AkzoNobel as at and for the financial years ended 31 December 2019 and 31 December 2020, incorporated by reference in this Prospectus, as stated in its independent auditor's reports incorporated by reference herein.

The business address of PricewaterhouseCoopers Accountants N.V. is Thomas R. Malthusstraat 5, 1066 JR, Amsterdam, The Netherlands. The auditor signing the independent auditor's report on behalf of PricewaterhouseCoopers Accountants N.V. is a Registered Auditor (*registeraccountant*) included in the register maintained by the Royal Dutch Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

- (11) Since the date of its last published audited financial statements, 31 December 2020, no material adverse change in the prospects of AkzoNobel has occurred. Further, since the end of the last financial period for which financial information has been published, 31 December 2020, no significant change in the financial performance and in the financial position of the Group has occurred.
- (12) 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 for, AkzoNobel and/or its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of AkzoNobel and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. 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. Any such positions could adversely affect future trading prices of Notes. 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.

- (13) The legal entity identifier (LEI) for Akzo Nobel N.V. is 724500XYIJUGXAA5QD70.



## REGISTERED OFFICE OF THE ISSUER

**Akzo Nobel N.V.**  
Christian Neefestraat 2  
1077 WW Amsterdam  
The Netherlands

## ARRANGER

**NatWest Markets N.V.**  
Claude Debussylaan 94  
1082 MD Amsterdam  
The Netherlands

## DEALERS

### **Banco Bilbao Vizcaya Argentaria, S.A.**

Ciudad BBVA  
C/Sauceda, 28  
Edificio Asia – 2nd Floor  
28050, Madrid  
Spain

### **Banco Santander, S.A.**

Ciudad Grupo Santander  
Edificio Encinar  
Avenida de Cantabria s/n 28660  
Boadilla del Monte  
Madrid  
Spain

### **Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
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