

## BASE PROSPECTUS



### Koninklijke Philips N.V.

*(incorporated as a public limited liability company (naamloze vennootschap) under the laws of the Netherlands registered at the Dutch Chamber of Commerce with number 17001910)*

**€10,000,000,000**

### **Euro Medium Term Note Programme**

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Under the €10,000,000,000 Euro Medium Term Note Programme described in this base prospectus (the “**Base Prospectus**”), Koninklijke Philips N.V., a public limited liability company (*naamloze vennootschap*), under the laws of the Netherlands (the “**Issuer**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

An investment in the notes issued under the Programme involves certain risks. For a discussion of these risks, see “**Risk Factors**” herein.

This Base Prospectus has been approved as a base prospectus by the Commission de Surveillance du Secteur Financier (the “**CSSF**”) in its capacity as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. In the context of such approval, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer pursuant to Article 6(4) of Luxembourg Law of 16 July 2019 on Prospectuses for Securities (the “**Prospectus Law**”).

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”). This Base Prospectus constitutes a prospectus for the purposes of Article 8 of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will, on or before the date of issue of the Notes of such Tranche, be set out in the final terms (the “**Final Terms**”) which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of the Final Terms relating to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). This Base Prospectus does not constitute an offer to sell or the solicitation of, an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final

Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms come, are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended, the “**Securities Act**”) and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons.

Tranches of Notes issued under the Programme will be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Final Terms and its rating will not necessarily be the same as the rating applicable to the Programme. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Economic Area (the “**EEA**”) and registered under Regulation (EC) No. 1060/2009 (as amended, the “**CRA Regulation**”) unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, United Kingdom (“**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 CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (as amended, the “**UK CRA Regulation**”) unless (1) the rating is endorsed by a credit rating agency established and registered in the UK or (2) the rating is provided by a credit rating agency not established in the UK which is certified in accordance with the UK CRA Regulation. This is subject, in each case, to (1) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (2) transitional provisions that apply in certain circumstances.

The Issuer’s existing long-term debt is rated Baa1 by Moody’s Deutschland GmbH (“**Moody’s**”), A- by Fitch Ratings Ireland Limited (“**Fitch**”) and BBB+ by S&P Global Ratings Europe Limited (“**S&P**”). For the purposes of the credit ratings included and referred to in this Base Prospectus, each of Moody’s, Fitch and S&P is established in the EEA and are included in the list of credit rating agencies registered in accordance with the CRA Regulation (the “**CRA List**”). The CRA List is available on the ESMA website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). The ratings of Moody’s, Fitch and S&P are endorsed by Moody’s Investors Service Ltd (“**Moody’s UK**”), Fitch Ratings Ltd (“**FRL**”) and S&P Global Ratings UK Limited (“**S&P UK**”) respectively, in accordance with the UK CRA Regulation, for use in the UK. Each of Moody’s UK, FRL and S&P UK is established in the UK and registered under the UK CRA Regulation. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Interest payable under the Notes may be calculated by reference to one of the Euro Interbank Offered Rate (“**EURIBOR**”), the Sterling Overnight Index Average (“**SONIA**”), the Secured Overnight Financing Rate (“**SOFR**”) or the Euro Short-Term Rate (“**€STR**”) as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) under Article 36 of Regulation (EU) No. 2016/1011 (the “**Benchmark Regulation**”). As at the date of this Base Prospectus, none of the Bank of England (as administrator of SONIA), the Federal Reserve Bank of New York (as administrator of SOFR) or the European Central Bank (as administrator of €STR) appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the Bank of England, the Federal Reserve Bank of New York and the European Central Bank are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

*Arranger and Dealer*

ING

*Dealers*

ABN AMRO  
BofA Securities  
Deutsche Bank  
HSBC  
J.P. Morgan  
Morgan Stanley  
Rabobank  
UBS Investment Bank

BNP PARIBAS  
Citigroup  
Goldman Sachs Bank Europe SE  
ICBC Standard Bank Plc  
Mizuho Securities  
MUFG  
Société Générale Corporate & Investment Banking

The date of this Base Prospectus is 8 March 2022

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, has confirmed to the Arranger and the Dealers (as defined in “*Subscription and Sale*”) that this Base Prospectus contains all material information with respect to the Issuer and the Notes (including all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer), that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held or made and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

None of the Arranger, the Dealers, Citicorp Trustee Company Limited (the “**Trustee**”) or any of their respective affiliates have independently verified the information contained herein or authorised the whole or any part of this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers, the Trustee or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the issue and offering of the Notes or any responsibility for any acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes. None of the Arranger, the Dealers or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

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

Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Arranger, any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see “*Subscription and Sale*” below.

This Base Prospectus is not intended as investment advice and does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in

such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Japan, Singapore, the EEA (including the Netherlands) and the UK (see “*Subscription and Sale*”).

**USE OF PROCEEDS** – None of the Dealers will verify or monitor the use of proceeds of any Notes. Application may be made for a Series of Notes to be displayed on the Luxembourg Green Exchange and no representation or assurance is given by the Issuer, the Dealers, or any other person that such display satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that the criteria for any such display may vary from one stock exchange or securities market to another and may be subject to change. In addition, no representation or assurance is given or made by the Issuer, the Dealers or any other person that such display will be maintained during the life of any such Notes.

**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 EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 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 (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.

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

channels. A determination will be made in relation to each issue about whether, for the purpose of the 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 any of 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 distributor should take into consideration the target market assessment; however, a distributor subject to 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 set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (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.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)** - The relevant Final Terms in respect of any Notes may include a legend entitled “Singapore Securities and Futures Act Product Classification” which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”). The Issuer will make a determination and provide the appropriate written notification to “relevant persons” in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a).

**IN CONNECTION WITH THE ISSUE OF THE NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) 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 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 NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE 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 RULES.**

All references in this document to “**U.S. dollars**” and “**\$**” refer to the currency of the United States of America and to “**euro**”, “**€**” and “**EUR**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references in this document to the “**Group**” are to the group consisting of Koninklijke Philips N.V. and its direct and indirect subsidiaries. All references to “**Signify**” are to Signify N.V., the company formerly known as Philips Lighting N.V. Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

## **MARKET AND INDUSTRY INFORMATION**

This Base Prospectus includes and refers to industry and market data derived from or based upon a variety of official, non-official and internal sources, such as internal surveys and management estimates, market research, publicly available information and industry publications.

Market share, ranking and other data contained in this Base Prospectus may also be based on the Group's good faith estimates, the Group's own knowledge and experience and such other sources as may be available. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. The information in this Base Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Issuer is aware and has been able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. None of the Issuer or the Dealers makes any representation as to the accuracy or completeness of any such third party information in this Base Prospectus. Although the Issuer believes that this information is reliable, the Issuer has not independently verified the data from third party sources.

## **FORWARD-LOOKING STATEMENTS**

This Base Prospectus contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Group and certain of the plans and objectives of the Group with respect to these items. Examples of forward-looking statements include statements made about the Group's strategy, estimates of sales growth, future Adjusted EBITA, future restructuring and acquisition-related charges and other costs, future developments in the Group's organic business and the completion of acquisitions and divestments. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include but are not limited to: the Group's ability to gain leadership in health informatics in response to developments in the health technology industry; the Group's ability to transform its business model to health technology solutions and services; macroeconomic and geopolitical changes; integration of acquisitions and their delivery on business plans and value creation expectations; securing and maintaining the Group's intellectual property rights and unauthorised use of third-party intellectual property rights; ability to meet expectations with respect to ESG-related matters; failure of products and services to meet quality or security standards, adversely affecting patient safety and customer operations; breach of cybersecurity; ability to execute and deliver on programmes on business transformation and IT system changes and continuity; the effectiveness of the Group's supply chain; attracting and retaining personnel; COVID-19 and other pandemics; challenges to drive operational excellence and speed in bringing innovations to market; compliance with regulations and standards including quality, product safety and (cyber) security; compliance with business conduct rules and regulations; treasury and financing risks; tax risks; reliability of

internal controls, financial reporting and management process. As a result, the Group's actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

Due to such uncertainties and risks, investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this Base Prospectus. Investors are urged to read the sections of this Base Prospectus entitled "*Risk Factors*" and "*Description of the Issuer and the Group*" for a more detailed discussion of the factors that could affect future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Prospectus may not occur. Moreover, the Group operates in a competitive and rapidly changing environment. New risks may be faced from time to time, and it is not possible to predict all such risks; nor can the impact of all such risks on the Group's business be assessed or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

The forward-looking statements are based on plans, estimates and projections as they are currently available to management. The Issuer undertakes no obligation, and does not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise, save as required by applicable law or regulation. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Prospectus.



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## OVERVIEW OF THE PROGRAMME

*This general description must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference therein. The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that the Notes shall be issued in a form other than that contemplated in the terms and conditions of the Notes, in which event, in the case of listed Notes only and if appropriate, a Base Prospectus supplement will be published.*

*This overview constitutes a general description of the Programme for the purposes of Article 25 of the Commission Delegated Regulation (EU) 2019/980 (the “**Delegated Regulation**”).*

*Words and expressions defined in “Forms of the Notes” or “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this overview.*

<b>Issuer:</b>	Koninklijke Philips N.V.
<b>LEI:</b>	H1FJE8H61JGM1JSGM897
<b>Risk Factors:</b>	There are certain factors that may affect the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, including the risk that the Notes may not be a suitable investment for all investors as well as certain risks relating to the structure of particular Series of Notes and certain other market risks. See “ <i>Risk Factors</i> ” below.
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger and Dealer:</b>	ING Bank N.V.
<b>Dealers:</b>	ABN AMRO Bank N.V., BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Coöperatieve Rabobank U.A., Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ICBC Standard Bank Plc, J.P. Morgan SE, Mizuho Securities Europe GmbH, Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Société Générale and UBS AG London Branch and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Certain Restrictions:</b>	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “<i>Subscription and Sale</i>”) including the following restriction applicable at the date of this Base Prospectus.</p> <p>Notes issued on terms such that they must be redeemed before their first anniversary will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for purposes of the prohibition on accepting deposits contained in section 19 of the Financial</p>

Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see “*Subscription and Sale*”).

<b>Principal Paying Agent:</b>	Citibank, N.A., London Branch.
<b>Trustee:</b>	Citicorp Trustee Company Limited, pursuant to a trust deed dated 9 March 2020 and as amended and restated on 8 March 2022, as amended and/or restated and/or supplemented from time to time (the “ <b>Trust Deed</b> ”), a copy of which will be available for inspection (during normal office hours) at the specified office of the Principal Paying Agent and at the registered office of the Trustee.
<b>Listing and Admission to Trading:</b>	Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading may also be issued.
<b>Clearing Systems:</b>	Euroclear Bank SA/NV (“ <b>Euroclear</b> ”) and/or Clearstream Banking S.A. (“ <b>Clearstream, Luxembourg</b> ”) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
<b>Initial Programme Amount:</b>	Up to €10,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
<b>Issuance in Series:</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Tranche will all be subject to identical terms, except that the issue date, the amount of the first payment of interest and denominations may be different in respect of different Tranches (see paragraph “ <i>Denominations</i> ” below).
<b>Final Terms:</b>	Each Tranche will be the subject of Final Terms which, for the purposes of that Tranche only, completes the terms and conditions of the Notes and must be read in conjunction with this Base Prospectus and any supplements thereto. The terms and conditions applicable to any particular Tranche of Notes are the terms and conditions of the Notes as completed by the relevant Final Terms.
<b>Forms of Notes:</b>	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note (as defined herein) which is not intended to be issued in new global note form (a “ <b>Classic Global Note</b> ” or “ <b>CGN</b> ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “ <b>New Global Note</b> ”

or “NGN”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes (as defined herein). If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

**Currencies:** Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Status of the Notes:** The Notes and any related Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu* without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

**Issue Price:** Notes may be issued at any price and on a fully paid basis only. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

**Maturities:** Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant currency.

**Redemption:** The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons as described in “*Terms and Conditions of the Notes—Redemption for Tax Reasons*”, or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders, or at the option of the Noteholders in certain circumstances, upon giving notice to the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes issued on terms such that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution. See “*Certain Restrictions*” above.

**Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of

calculating interest may vary between the issue date and the maturity date of the relevant Series.

**Benchmark Discontinuation:**

Other than in the case of U.S. dollar-denominated floating rate Notes for which the Reference Rate is specified in the relevant Final Terms as being SOFR, in the event that a Benchmark Event occurs in relation to a Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to select and appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any.

See Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) for further information.

**Denominations:**

No Notes may be issued under this Programme which have a minimum denomination of less than €100,000 (or equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Negative Pledge:**

The Notes will have the benefit of a negative pledge. See Condition 4 (*Negative Pledge*) for further information.

**Cross Acceleration:**

The Notes will have the benefit of a cross acceleration provision. See Condition 10 (*Events of Default*) for further information.

**Taxation:**

All payments in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of withholding taxes of any Relevant Jurisdiction, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 8 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with them are governed by English law.

**Ratings:**

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described below or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EU but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation or (4) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (5) issued by a credit rating agency not established in

the UK but will be endorsed by a credit rating agency which is established in the UK and registered under the UK CRA Regulation or (6) issued by a credit rating agency which is not established in the UK but which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

The Issuer's existing long-term debt is rated Baa1 by Moody's, A- by Fitch and BBB+ by S&P. The Notes are expected to be rated Baa1 by Moody's and A- by Fitch. Each of Moody's, Fitch and S&P are established in the EEA and are registered under the CRA Regulation. The ratings of Moody's, Fitch and S&P are endorsed by Moody's UK, FRL and S&P UK respectively in accordance with the UK CRA Regulation. Each of Moody's UK, FRL and S&P UK is established in the UK and registered under the UK CRA Regulation.

**Selling Restrictions:**

There are restrictions on the sale of Notes and the distribution of offering material in the United States, the EEA, the United Kingdom, and the Netherlands. See "*Subscription and Sale*" below.

**Enforcement of Notes:**

The Notes have the benefit of a Trust Deed (as defined above). No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do within a reasonable time and such failure is continuing. See "*Terms and Conditions*" below.

## **RISK FACTORS**

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Group and the industries in which they operate together with all other information contained in this Base Prospectus, including, in particular the risk factors described below.*

*The Issuer believes that the factors described below may affect its ability to fulfil its obligations under the Notes. All 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. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.*

*Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in these risk factors.*

### **Factors which may affect the Issuer’s ability to fulfil its obligations under the Notes**

#### **Strategic risks**

##### ***The Group may be unable to gain leadership in health informatics.***

Fundamental developments in the health technology industry, such as the use of artificial intelligence (“AI”) and machine learning, digital platforms delivering insights at scale, and the shift towards cloud-based ‘Software as a Service’ (“SaaS”) business models are dramatically changing the business environment in which the Group operates. The Group’s informatics businesses may fall behind ‘born digital’ competitors if the Group fails to timely develop and globally commercialise capabilities, adjust business models or introduce new products and services in response to these changes. This could result in an inability to satisfy patient and customer needs, thereby missing out on revenue and margin growth opportunities, which may have a material adverse impact on the Group’s business, financial condition and operating results.

##### ***The Group may be unable to transform its business model to health technology solutions and services.***

As the Group’s business profile has shifted focus towards health technology, the Group believes a shift is needed from transactional product-focused business models towards outcome-oriented, multi-year customer partnership business models enabled by solutions and value-added services. If this shift is made too slowly or is not successful, the Group may face a loss of customer relevance, inability to capture growth and loss of market share. Given its health technology focus, the Group may have a reduced ability to offset such potential negative impacts on its health technology business by other businesses through a more diversified portfolio. The transition to solutions and services business models also raises a longer-term risk of (among other things) stronger customer dependency and default. Any of these factors may have a material adverse impact on the Group’s business, financial condition and operating results.

##### ***The Group’s global operations are exposed to macroeconomic and geopolitical changes.***

The Group’s business environment can be adversely impacted by macroeconomic and geopolitical conditions in individual and global markets. There is general uncertainty with regard to macroeconomic factors, such as monetary and healthcare policies, regulatory change, public capital investments in healthcare ecosystems, consumer confidence and spending, pandemics, civil unrest and war amongst others. Geopolitical tensions and protectionism have intensified generally in recent years, and in particular following the escalation of the conflict between Russia and Ukraine in February 2022. Although difficult to predict, these tensions and potential further escalation of the conflict

may increasingly affect policies on trade, production, duties and taxation globally, may further disrupt the Group's supply chain, and may also directly impact the Group's businesses in countries involved in the conflict.

Mature economies are currently the main source of the Group's revenues, while growth economies are an increasing source of revenues. The Group produces, sources and designs its products and services mainly from the US, the EU (primarily the Netherlands) and China, and the majority of the Group's assets are located in these geographies. Changes in monetary, trade and tax policies in the US, China and EU may trigger reactions from and countermeasures by, and may have an adverse impact on, other economies and international markets. Such measures may include tariffs, sanctions, local sourcing requirements, market access limitations, technology restrictions, data localisation requirements and data transfer restrictions, import or export controls, mobility of talent, nationalisation of assets or restrictions on the repatriation of returns from foreign investments. These may lead to adverse impacts on global trade levels and flows, economic growth, financial market and political stability, all of which could adversely affect the demand for, and supply of, the Group's products and services.

The factors described above, or other factors which may impact conditions relevant to the Group's business environment, are difficult to predict and may have a material adverse impact on the Group's business, financial condition and operating results. They can also make it more difficult to budget and make reliable financial forecasts or could have a negative impact on the Group's access to funding.

***Acquisitions could fail to deliver on the Group's business plans and value creation expectations, and it may not be able to successfully integrate acquired operations.***

Selected acquisitions have been and are expected to remain part of the Group's growth strategy. Acquisitions may expose the Group to integration and other risks in areas such as sales and service, logistics, regulatory compliance, legal claims, information technology and finance, and the Group may not be able to successfully or efficiently integrate new acquisitions with its existing operations, culture and systems. Integration challenges may adversely impact the realisation of expected contributions from acquisitions. These transactions may incur significant costs, result in unforeseen operating difficulties, may also divert management attention from other business priorities and may ultimately be unsuccessful. Cost savings expected to be implemented or other assumptions underlying the business plan relating to a particular acquisition may not be realised. If the Group is unable to accomplish any of its objectives at the independent operating subsidiaries it acquires, it may not realise the anticipated benefits of acquisitions and it may experience lower than anticipated profits, or even losses. Acquisitions may also lead to a substantial increase in long-lived assets, including goodwill, which may later be subject to write-down if an acquired business does not perform as expected, which may have a material adverse effect on the Group's earnings.

***The Group may be unable to secure and maintain intellectual property rights for its products and services or may infringe others' intellectual property rights.***

The Group is dependent on its ability to obtain and maintain licences and other intellectual property ("IP") rights covering its products and services and its design and manufacturing processes. The IP portfolio is the result of an extensive IP generation process that could be influenced by a number of factors, including innovation and acquisitions. The value of the IP portfolio is dependent on the successful promotion and market acceptance of standards developed or co-developed by the Group. This is particularly applicable to the segment Other, where licences from the Group to third parties generate IP royalties and are important to the Group's results of operations. The timing of licences from the Group to third parties and associated revenues from IP royalties are uncertain and may vary significantly from period to period. A loss or impairment in connection with such licences to third parties could have a material adverse impact on the Group's financial condition and operating results. The Group is also exposed to the risk that a third party may claim to own IP rights to technology applied in the Group's products and services. If any such claims of infringement of these IP rights are successful, the Group may be required to pay damages to such third parties or may incur other costs or losses.

***The Group may be unable to meet internal or external aims of expectations with respect to ESG-related matters.***

Environmental, Social and Governance ("ESG") factors may directly and indirectly impact the business environment in which the Group operates. The Group may from time to time disclose ESG-related initiatives or aims in connection with the conduct of its business and operations (for example with respect to reducing greenhouse gas emissions in its



supply chain). However, there is no guarantee that the Group will be able to implement such initiatives or meet such aims within anticipated timeframes, or at all. In addition, there is an increasing focus from the Group's stakeholders, including customers, employees, regulators, and investors, on ESG matters, and those stakeholders may also have ESG-related expectations with respect to the Group's business and operations. For example, customers may focus on ESG-related criteria in buying the Group's products and any inability by it to address concerns about ESG-related matters could negatively impact sentiment towards the Group and its products and brands. There are an increasing number of regulatory and legislative initiatives to address ESG issues, such as the EU Taxonomy Regulation which aims to define common rules for determining whether economic activities contribute to sustainability objectives. These regulatory and legislative initiatives in turn could also affect how the Group's products or business operations are perceived by customers or other stakeholders. If the Group's products or business operations do not meet the criteria for sustainability according to the EU Taxonomy Regulation (as defined below) (including the related delegated regulations) or any other similar regulations, this may negatively affect the views of the Group's customers or other stakeholders. The Group may fail to fulfil internal or external ESG-related initiatives, aims or expectations, or may be perceived to do so, or it may fail adequately or accurately to report performance or developments with respect to such initiatives, aims or expectations. In addition, the Group could be criticised or held responsible for the scope of its initiatives or goals regarding ESG matters. Any of these factors may have an adverse impact on the Group's reputation and brand value or on the Group's business, financial condition and operating results.

### **Operational risks**

#### ***Products and services may fail quality or security standards, which may adversely affect patient safety and customer operations.***

The Group's products and services, either new and/or in field use by its customers, may fail to meet product quality or product security standards, cause (patient) harm, negatively impact customer operations and their ability to provide healthcare, provide unauthorised access to patient records and medical devices through cyber security incidents, or generally cause customer dissatisfaction. Given the Group's focus on health technology, products and services often require regulatory approvals, including approval of quality and benefit/risk prior to market introduction. The Group may experience issues with the quality of its products and services as a result of various factors, including product design, production, suppliers, materials used, installation, or newly emerging and rapidly evolving cybersecurity threats. These (and other) issues could cause events that need to be actively addressed, which may lead to (amongst others) higher costs of design, market activation, stop use, field recalls and repairs, as well as financial claims and liabilities, damage to its brand reputation, competitive disadvantage, regulatory non-compliance, and loss of market access and market share, any of which may have a material adverse impact on the Group's market valuation, revenue growth and operating results. Many of the Group's products also have multiple software components, which may be exposed to security threats, including in the event of obsolescence or insufficient maintenance.

Notwithstanding the proliferation of technology and technology-based control systems to detect defects or other errors in its products before they are released, the Group's business ultimately relies on people as its greatest resource and, from time to time, people make mistakes or engage in violations of applicable policies, laws, rules or procedures that are not always caught immediately by the Group's technological processes or by its controls and other procedures, which are intended to prevent and detect such errors or violations. In addition to human error, the Group's quality controls are also subject to overriding and resource or technical constraints. As such, these quality controls and preventative measures may not be effective in detecting all defects or errors in its products before they have been released into the marketplace. In such an event, the technological reliability and safety of its products could be below its standards and its reputation, brand and sales could be adversely affected. In addition, the Group could be required to, or may find it necessary to, offer a refund for the product or service, suspend the availability or sale of the product or service or expend significant resources to cure the defect or error. Any of these factors may have a material adverse impact on the Group's business, financial condition and operating results.

#### ***The Group may be unable to ensure an effective supply chain.***

Most of the Group's operations are conducted internationally, which exposes the Group to supply chain challenges. The Group produces and procures products and parts in various countries globally and in addition is partly dependent on the production and procurement of products and parts from Asian countries. Disruption to production in and shipping from Asian countries could have a disproportionate impact on the Group's business compared to disruptions

in other markets. The production and shipping of products and parts, whether from the Group or from third parties, could be interrupted by various factors such as geopolitics (for example, US-China relations and protectionist measures taken in various markets), regional conflicts, natural disasters or extreme weather events (the effects of which may be exacerbated by climate change), container imbalances or port congestions. As a recent example, the Group's sales were impacted unfavourably by the intensified global supply chain issues, primarily related to the shortage of electronic components, poor ocean freight schedule reliability, and COVID-19 affecting suppliers. Although difficult to predict, supply chain headwinds are expected to continue throughout 2022, with a significant impact in the first quarter. There is currently scarcity in the availability of semi-conductors due to increased global demand which is expected to continue throughout 2022: as a health technology company, the Group is dependent on the availability of semiconductors and continued scarcity may cause increased lead times and adversely impact the Group's production capacity. Pandemics (for example, resurgences of COVID-19 or mutations thereof) may disrupt supply chains due to rapid shifts in demand, need for production capacity adjustments and safety improvements in the environments for production, field service, installation and research and development ("R&D") in which the Group's employees operate. The Group is also exposed to risks associated with delivery of products and services to customers (for example due to construction material or labour shortages), such as the issues with customer site readiness that the Group encountered in the fourth quarter of 2021, which resulted in (among other things) postponement of equipment installations in hospitals. Such delivery risks may be exacerbated by insufficient staffing levels or staffing disruptions in the Group, its customers or other third-party service providers, including as a result of COVID-19. If the Group is not able to respond swiftly to those various factors, this may result in an inability to deliver on customer needs, ultimately resulting in loss of revenue and margin.

A general shortage of materials (sub-) components or means of transportation drives the risk of fluctuations in price. The Group purchases raw materials, including rare-earth metals, copper, steel, aluminium, noble gases and oil-related products. Commodities have been subject to volatile markets, and such volatility is expected to continue and costs to increase, including as a result of stricter climate change related laws and regulations. Such legislation could require investments in technology to reduce energy use, and greenhouse gas emissions, beyond what the Group expects in its existing plans or could result in additional and increased carbon pricing. If the Group is not able to compensate for increased costs of (sub-) components, (raw) materials and transportation, reduce reliance thereon, or pass on increased costs to customers, then price increases could have a material adverse impact on the Group's business, financial condition and operating results.

The Group is also continuing the process of creating a leaner supply base and is continuing its initiatives to replace internal capabilities with less costly outsourced products and services, which may result in increased dependency on a concentration of external suppliers. These processes also need to be balanced with local market requirements, including those relating to local manufacturing and data storage. Although the Group works closely with its suppliers to avoid supply-related problems, there can be no assurance that it will not encounter supply problems in the future, causing disruptions or unfavourable conditions.

***The Group could be exposed to a significant enterprise cybersecurity breach.***

The Group relies on information technology to operate and manage its businesses and store confidential data (relating to employees, customers, IP, suppliers and other partners). The Group's products, solutions and services increasingly contain sophisticated and complex information technology. The Group controls and processes confidential data related to patients and customers. The healthcare industry is subject to strict privacy, security and safety regulations with regard to a wide range of health information. At the same time geopolitical conflicts and criminal activity continue to drive increases in the number, severity and sophistication of cyber-attacks globally. Considering the general increase in cyber-crime, the Group's customers and other stakeholders are becoming more demanding regarding the cybersecurity of its products and services. As a multinational health technology company, the Group is inherently and increasingly exposed to the risk of cyber-attacks. Information systems may be damaged, disrupted (including the provision of services to customers) or shut down due to cyber-attacks. In addition, breaches in the security of the Group's systems (or the systems of its customers, suppliers or other partners) could result in the misappropriation, destruction or unauthorised disclosure of confidential information (including IP) or personal data belonging to the Group or its employees, customers, suppliers or other partners. These risks are particularly significant with respect to patient medical records. Cyber-attacks may result in substantial costs and other negative consequences, which may include, but are not limited to, lost revenues, reputational damage, remediation and enhancement costs, and other liabilities to regulators, customers and other partners, or penalties. While the Group deals with the operational threat

of cybercrime on a continuous basis and has so far been able to prevent significant damage or significant monetary cost in taking corrective action, there can be no assurance that future cyber-attacks will not result in significant or other consequences than as described above, which may result in a material adverse impact on the Group's business, financial condition and operating results.

***The Group is exposed to risks in connection with business transformation and IT system changes and continuity.***

The Group expects to engage in multiple transformation programmes to support the shift of its business and enable its IT landscape for its health technology strategy. If the Group does not effectively execute and deliver on those transformation programmes, including any upgrades to the Group's IT architecture, this may result in it not realising its business growth, operational excellence and solutions ambitions, which may have a material adverse impact on its business, financial condition and operating results.

The Group continuously seeks to create a more open, standardised and cost-effective IT landscape, for instance through further outsourcing, offshoring, commoditisation and ongoing reduction in the number of IT systems. These changes create third-party dependency risk with regard to the delivery of IT services, the availability of IT systems, and the scope and nature of the functionality offered by IT systems. Although the Group has sought to strengthen security measures and quality controls relating to these systems, these measures may prove to be insufficient or unsuccessful, which may lead to a material adverse impact on the Group's business, financial condition and operating results.

***The Group is dependent on its people for leadership and specialised skills and may be unable to attract and retain such personnel.***

The attraction and retention of talented employees is critical to the Group's success and the loss of employees with specialised skills could result in business interruptions. There is fierce competition to attract talent in key capability segments and the heightened expectation of attrition post-pandemic increases the risk of loss of talent and critical skills. COVID-19 may continue to present challenges to team interactions and the onboarding of new people. The Group is competing for the best talent and most sought-after skills and there is no assurance of succeeding compared to other companies in attracting and retaining the highly qualified employees needed in the future. Wage inflation is increasing the competition for talent and the cost of labour. This may negatively impact the Group's ability to deliver on its strategic imperatives and if it is unable to offset the increased costs of labour through higher selling prices, then rising costs could also have a material adverse impact on the Group's business, financial condition and operating results.

***COVID-19 and other pandemics could have an adverse effect on the Group's operations and employees.***

COVID-19 continued to affect the Group's operations and results in 2021 and the Group continues to see uncertainty and volatility related to the impact of COVID-19 across the world and in underserved communities in particular. This is driven by, among other things, the effectiveness of vaccination programmes, mutations of COVID-19, and potentially new viruses which may cause new pandemics. COVID-19 may continue to impact delivery on the Group's triple duty of care in various ways: the health and safety of its employees (in various working environments, such as production, supply, field service, R&D, and working from home); meeting critical customer needs (for example, its production capacity and its ability to deliver, install and provide service); and business continuity (for example, its functional operations, supply chain, and commercial processes). Responses to the risks of COVID-19 are expected to require effort and expense and may negatively affect the Group's business, financial conditions and results of operations. In addition, the Group's customers may not yet be fully focused on making new investments in medical equipment or may be facing liquidity issues caused by COVID-19, which may adversely impact the Group's revenue and cash flow generation.

***The Group may face challenges to drive operational excellence and speed in bringing innovations to market.***

To gain sustainable competitive advantage and to deliver on the Group's purpose and the "quadruple aim" (better health outcomes, improved patient experience, improved staff experience and lower cost of care), it is important that the Group continues to innovate and delivers these innovations to the market on a timely basis. The emergence of new

low-cost competitors, particularly in Asia, further underlines the importance of improvements in the innovation process. Success in launching innovations depends on a number of factors, including defining the right value propositions, the right architecture and platform creation, development, market acceptance, production and delivery ramp-up, potential quality issues or other defects in the early stages of introduction. This also depends on the ability to attract and retain skilled employees. Costs of developing new products and solutions may be reflected on the Group's balance sheet and may be subject to write-down or impairment depending on the performance of such products or services and the significance and timing of such write-downs or impairments are uncertain. Accordingly, the Group cannot determine in advance the ultimate effect that innovations will have on its financial condition and operating results. If the Group fails to create and commercialise its innovations, it may lose market share and competitiveness, which could have a material adverse effect on its financial condition and operating results.

## **Compliance risks**

***The Group is exposed to non-compliance of its products and services with various regulations and standards including quality, product safety and security.***

The Group operates in a highly regulated health-technology product safety and quality environment and its products and services, including parts or materials from suppliers, are subject to regulation by various government and regulatory agencies (for example, the U.S. Food and Drug Administration, the European Medicines Agency, the National Medical Products Administration (China), the Medicines and Healthcare products Regulatory Agency (UK), L'Agence nationale de sécurité du médicament et des produits de santé (France), Bundesinstitut für Arzneimittel und Medizinprodukte (Germany) and Inspectie voor de Gezondheidszorg (the Netherlands)). In the EU, the Medical Device Regulation became effective in May 2021 and imposes significant additional pre-market and post-market requirements. Examples of other product-related regulations are the EU's Waste from Electrical and Electronic Equipment, Restriction of Hazardous Substances and Registration, Evaluation, Authorisation and Restriction of Chemicals and Energy-using Products regulations. The Group is subject to various domestic, EU, US and foreign environmental laws and regulations, which are continuing to develop. Any failure to comply with such environmental laws and regulations could expose the Group to lawsuits, administrative penalties and civil remedies, which may have a material adverse impact on its business, financial condition and operating results.

The Group has observed an increase in security requirements in a variety of new and upcoming legislation dealing with market access of consumer goods, medical devices, information and communication technology products, (cloud) services, and specific areas such as data protection, AI and supply chain. Both regulators and customers require the Group to demonstrate legal compliance and adequate security management using national and international standards and associated certifications. Non-compliance with conditions imposed by regulatory authorities could result in product recalls, a temporary ban on products, stoppages at production facilities, remediation costs, fines, disgorgements of profits or claims for damages. Product safety incidents or user concerns could trigger inspections by the FDA or other regulatory agencies, which, if failed, could trigger the impacts described above as well as other consequences. These issues could adversely impact the Group's financial condition or operating results through lost revenue and the cost of any required remedial actions, penalties or claims for damages and could also negatively impact the Group's reputation, brand, relationship with customers and market share.

***The Group is exposed to the risks of non-compliance with business conduct rules and regulations, including anti-bribery, healthcare compliance and data privacy.***

In the execution of its strategy, the Group could be exposed to the risk of non-compliance with business conduct rules and regulations. This risk is heightened in growth geographies, as the legal and regulatory environment is less developed compared to mature geographies. Examples of compliance risk areas include commission payments to third parties, remuneration payments to agents, distributors, consultants and the like, as well as the acceptance of gifts, which may be considered in some markets to be normal local business practice. The ongoing digitalisation of the Group's products and services, including its holding of personal health data and medical data, increases the importance of compliance with data privacy and similar laws. These risks could adversely affect the Group's financial condition, reputation and brand and trigger the additional risk of exposure to governmental investigations, inquiries and legal proceedings and fines.

## **Financial risks**

***The Group is exposed to a variety of treasury and financing risks, including liquidity, currency, credit and country risk.***

Negative developments impacting the liquidity of global capital markets could affect the Group's ability to raise or re-finance debt in the capital markets or could lead to significant increases in the cost of such borrowing in the future. If the markets expect a downgrade by the rating agencies, or if such a downgrade has actually taken place, this could increase the cost of borrowing, reduce the Group's potential investor base and adversely affect the Group's business.

The Group operates in over 100 countries and its reported earnings and equity are therefore inevitably exposed to fluctuations in exchange rates of foreign currencies against the euro. The Group's sales and net investments in its foreign subsidiaries are sensitive in particular to movements in the US dollar, Japanese yen, Chinese renminbi and a wide range of other currencies from developed and emerging economies. The Group's sourcing and manufacturing spend is concentrated in the EU, the United States and China. Income from operations is particularly sensitive to movements in currencies of countries where the Group has no or very small-scale manufacturing/local sourcing activities but significant sales of its products or services, such as Japan, Canada, Australia, the UK and a range of emerging markets such as Russia, South Korea, Indonesia, India and Brazil.

In view of the long lifecycle of health technology solution sales and long-term strategic partnerships, the financial risk of counterparties with outstanding payment obligations creates exposure risks for the Group, particularly in relation to accounts receivable from customers, liquid assets, and the fair value of derivatives and insurance contracts with financial counterparties. A default by counterparties in such transactions can have a material adverse effect on the Group's financial condition and operating results.

***The Group is exposed to tax risks which could have a significant adverse financial impact.***

The Group is exposed to tax risks which could result in double taxation, penalties and interest payments. The source of the risks could originate from local tax rules and regulations as well as international and EU regulatory frameworks. These include transfer pricing risks on internal cross-border deliveries of goods and services, as well as tax risks relating to changes in the transfer pricing model. Furthermore, the Group is exposed to tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks relating to tax loss, interest and tax credits carried forward, and potential changes in tax law that could result in higher tax expenses and payments. These changes include the introduction of a global minimum tax at a rate of 15 per cent. under the Two-Pillar Solution to Address the Tax Challenges of the Digitalisation of the Economy, agreed upon by over 130 jurisdictions under the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) and to be implemented as from 1 January 2023. These risks may have a significant impact on local financial tax results, which, in turn, could adversely affect the Group's financial condition and operating results.

The value of the deferred tax assets, such as tax losses carried forward, is subject to the availability of sufficient taxable income within the tax loss-carry-forward period, but also to the availability of sufficient taxable income within the foreseeable future in the case of tax losses carried forward with an indefinite carry-forward period. The ultimate realisation of the Issuer's deferred tax assets is uncertain. Accordingly, there can be no absolute assurance that all deferred tax assets, such as (net) tax losses and credits carried forward, will be realised.

***Flaws in internal controls could adversely affect the Group's financial reporting and management process.***

Accurate disclosures provide investors and other market professionals with significant information for a better understanding of the Group's businesses. Failures in internal controls or other issues with respect to the Group's public disclosures, including disclosures with respect to cybersecurity risks and incidents, could create market uncertainty regarding the reliability of the information (including financial data) presented and could have a negative impact on the price of the Group's securities. In addition, the reliability of revenue and expenditure data is key for steering the businesses and for managing top-line and bottom-line growth. The long lifecycle of health technology solution sales, from order acceptance to accepted installation and servicing, together with the complexity of the accounting rules for when revenue can be recognised in the accounts, presents a challenge in terms of ensuring consistent and correct

application of the accounting rules throughout the Group's global business. Significant changes in the way of working, such as working from home during a pandemic, may have an adverse impact on the control environment under which controls are executed, monitored, reviewed and tested. Any flaws in internal controls, or regulatory or investor actions in connection with flaws in internal controls, could adversely affect the Group's financial condition, results of operation, reputation and brand.

## **Factors which are material for the purpose of assessing the risks associated with the Notes**

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

A 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 the most common such features:

#### ***The Notes are subject to interest rate risks***

Investment in any Fixed Rate Notes, which bear a fixed rate of interest, involves the risk that if market interest rates subsequently increase above the rate paid on any Fixed Rate Notes, this will adversely affect the value of any Fixed Rate Notes. While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, market interest rates typically change on a daily basis. As market interest rates change, the price of such security typically changes in the opposite direction. If market interest rates increase, the price of such security typically falls, until the yield of such security is approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the prevailing market interest rate. Investors should be aware that the market price of any Fixed Rate Notes may vary as a result of movements in market interest rates.

Similarly, investment in any Floating Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of any Floating Rate Notes. A key difference between the Floating Rate Notes and any Fixed Rate Notes is that interest income on any Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of any Floating Rate Notes at the time they purchase them, so their return on investment cannot be compared with that of investments having longer fixed interest periods.

#### ***The Notes may be redeemed prior to maturity***

The relevant Final Terms of any particular Tranche of Notes may specify that the Notes contain an optional redemption feature, as set out in Condition 7.3 (*Redemption at the option of the Issuer*) of the Notes. An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of such 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 the 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.

In addition, in the event that as a result of a change in, or amendment to, the laws or regulations, the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Notes.

If the Issuer calls and redeems Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes***

The use of risk-free rates, including those such as SONIA, SOFR and €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the terms and conditions of the Notes and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, SOFR or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR or €STR.

Investors should also bear in mind that the above factors highlighted in relation to SONIA, SOFR and €STR may apply equally to the use of any other risk-free rates used by the Issuer.

***Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history***

Risk-free rates may differ from The London Interbank Offered Rate (“**LIBOR**”) and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free (in the sense such rates do not include the credit risks of commercial banks), overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. In addition, since SONIA, SOFR and €STR are relatively new reference rates, Floating Rate Notes referencing SONIA, SOFR or €STR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 10 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

***The administrator of SONIA, SOFR or €STR may make changes that could change the value of SONIA, SOFR or €STR or discontinue SONIA, SOFR or €STR***

The Issuer has no control over the determination, calculation or publication of SONIA, SOFR, €STR or any other risk free rate (including an overnight rate). The Bank of England, the Federal Reserve or the Bank of New York, the European Central Bank (or their successors) as administrators of SONIA, SOFR or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR or timing related to the publication of SONIA, SOFR or €STR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

***The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”***

Interest rate, equity, commodity, foreign exchange rate and other types of indices which are deemed to be “benchmarks” (including EURIBOR) are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Notes.

The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmark Regulation as it forms part of UK domestic law by virtue of the EUWA and as amended by the Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 has applied in the UK since the end of the Brexit transition period on 31 December 2020 (the “**UK Benchmark Regulation**”). The Benchmark Regulation and the UK Benchmark Regulation apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and the UK respectively. The Benchmark Regulation and the UK Benchmark Regulation, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based or non-UK-based, respectively to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by, respectively, EU or UK supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU or non-UK based, respectively, not deemed equivalent or recognised or endorsed).



The Benchmark Regulation and/or the UK Benchmark Regulation could have a material impact on any Floating Rate Notes, including in any of the following circumstances:

- a rate which is a “benchmark” could not be used as such if its administrator does not obtain authorisation or is based in a jurisdiction outside of the EU or the UK which (subject to applicable transitional provisions) does not satisfy the “equivalence” conditions, is not “recognised” pending such a decision and is not “endorsed” for such purpose. In such event, any Floating Rate Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation and/or the UK Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of any Floating Rate Notes, including the Principal Paying Agent’s determination of the rate or level in its discretion.

The Benchmark Regulation and the UK Benchmark Regulation and 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 contribute to 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 Principal Paying Agent, delisting or other consequence in relation to any Floating Rate Notes. Any such consequence could have a material adverse effect on the value of and return on any Floating Rate Notes.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (“€STR”) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

#### ***Fall-back arrangements in the event of a Benchmark Event***

If a Benchmark Event (as defined in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate (as defined in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)) occurs, the Issuer shall use its reasonable endeavours to select and appoint an Independent Adviser (as defined in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)), to determine a Successor Rate or Alternative Rate and an Adjustment Spread (if any) (as defined in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)) to be used in place of the Original Reference Rate. Where the Original Reference Rate is SOFR, the Benchmark Replacement (as defined in Condition 5.2(f)(ii) (*Interest—Floating Rate Notes referencing SOFR*)) will replace the Original Reference Rate for all purposes relating to the Notes.

The use of any such Successor Rate or Alternative Rate and an Adjustment Spread (if any), or the use of such Benchmark Replacement, to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate and an Adjustment Spread (if any) for the Original Reference Rate is determined by the Independent Adviser, the terms and conditions of the Notes provide that the Issuer may vary the terms and conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate and an Adjustment Spread (if any), without any requirement for consent or approval of the Noteholders. Where Condition 5.2(f)(ii) (*Interest—Floating Rate Notes referencing SOFR*) applies, the Issuer may vary the terms and conditions of the Notes if the Issuer considers that it may be necessary to make Benchmark Replacement Conforming Changes, without any requirement for the consent or approval of Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the terms and conditions of the Notes also provide that an Adjustment Spread (as defined in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)) may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

***The Issuer may be unable to select and appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes***

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date (as specified in the applicable Final Terms), the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest. Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in any Floating Rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions, or if “ISDA 2021 Definitions” are specified as being applicable in the relevant Final Terms, the latest version of ISDA 2021 Interest Rate Derivatives Definitions. Where the Floating Rate Option specified is an “IBOR” Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

***The Notes may not be a suitable investment for all investors seeking exposure to green assets***

The applicable Final Terms may provide that the Issuer will use an amount equal to the net proceeds of the offer (as at the date of issuance of such Notes) to allocate an equivalent amount of funding specifically to “**Green Eligible Projects**” (as defined below, and each such Note a “**Green Bond**”).

If the use of proceeds of the Notes is a factor in a prospective investor's decision to invest in the Notes, they should consider the disclosure in “Use of Proceeds” below and in the applicable Final Terms and consult with their legal or other advisers before making an investment in the Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bond together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer or any of the Dealers that the use of such proceeds for any Green Eligible Projects will meet the requirements set out in the Group’s Green and Sustainability Innovation Bond Framework dated 24 April 2019 (the “**Framework**”), whether in whole or in part, or any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green Bond).

Furthermore, notwithstanding the development of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”), it should be noted that there is currently no clearly agreed definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a 'green', 'social' or 'sustainable' or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as 'green', 'social', 'sustainable' or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from any particular Green Bond will meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Eligible Projects.

Furthermore, there is no contractual obligation to allocate the proceeds of the Notes to finance eligible businesses and projects as described in “Use of Proceeds” below and/or and in the applicable Final Terms. The Issuer's failure to allocate the proceeds of any particular Green Bond to finance a Green Eligible Project, the failure of any of the Green Eligible Projects to meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives, or the failure of an independent external review provider with environmental or social expertise to issue a second party opinion on the allocation of the bond proceeds, will not constitute an Event of Default (as defined in Condition 10 (*Events of Default*)) or breach of contract with respect to any particular Green Bond and may affect the value of any particular Green Bond and/or have adverse consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets.

If any particular Green Bond is at any time listed or admitted to trading on the Luxembourg Green Exchange or any other dedicated 'green', 'social' or 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, any of the Dealers, the Trustee or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green Bond). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Arranger, the Trustee, any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any particular Green Bond or, if obtained, that any such listing or admission to trading will be maintained during the life of any particular Green Bond.

## **Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

### ***The Terms and Conditions of the Notes may be modified and/or the Issuer may be substituted***

The Terms and Conditions of the Notes contain provisions for calling meetings of the Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (i) certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes, the Trust Deed or the Agency Agreement, 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, in the circumstances described in Condition 14 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination, Substitution*) of the Notes.

The Conditions of the Notes also provide for the substitution of another entity in place of the Issuer without the consent of the Noteholders (subject to certain conditions as referred to therein). See Condition 14 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination, Substitution*) of the Notes.

### ***The Notes do not restrict the amount of debt which the Issuer may incur***

The Terms and Conditions of the Notes do not contain any restriction on the amount of indebtedness which the Issuer and its subsidiaries may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness and, accordingly, any increase in the amount of the Issuer's unsecured senior indebtedness in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 4 (*Negative Pledge*) of the Notes, do not contain any restriction on the giving of security by the Issuer and its subsidiaries over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, subject to Condition 4 (*Negative Pledge*) of the Notes, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets. In relation to the assets and indebtedness of the Issuer's subsidiaries, see also "*The Issuer is a holding company*" below.

### ***The Issuer is a holding company***

The Issuer is a holding company and the operations of the Group are carried out through its subsidiaries and, to such extent, the Issuer depends on the earnings and cash flows of, and the distribution of funds from, these subsidiaries to meet its debt obligations, including its obligations with respect to the Notes. Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary, will have a claim over the assets of that subsidiary before any of those assets can be distributed to shareholders upon liquidation or winding up. As a result, the Issuer's obligations in respect of Notes issued under the Programme will, to the extent described above, effectively be subordinated to the prior payment of all the debts and other liabilities of the Issuer's direct and indirect subsidiaries, including the rights of trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiaries, all of which could be substantial.

### ***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form ("**NGN Form**") is not applicable, such Global Note will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg. If the relevant Final Terms specify that the new global note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors

will not be entitled to receive Definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes and, while the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary (in the case of Global Notes which are not in the NGN form) or, as the case may be, to or to the order of the common safekeeper (in the case of Global Notes in NGN form) for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the 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 any Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

***No assurance can be given as to the impact of any change of law***

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Base 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 Base Prospectus. In addition, any change in law or regulation of the Netherlands, or any political subdivision or any authority thereof or therein with the power to tax that obliges the Issuer to increase the amount payable in respect of the Notes for withholding or other taxes may entitle the Issuer to redeem the Notes. See “*The Notes may be redeemed prior to maturity*” above.

***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 the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as 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 principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form 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.

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

***The Notes may not, or may cease to, satisfy the criteria to be recognised as eligible collateral for the Eurosystem***

The Notes may be issued in NGN Form. The NGN Form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for

monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem upon issue or at any or all times during their existence. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time and the Notes may not, or may cease to, qualify as eligible collateral for the Eurosystem. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

***In principle payments under the Notes or Coupons are not subject to Dutch withholding tax, except if made to certain low tax jurisdictions or in abusive situations***

Payments under the Notes or Coupons by the Issuer to Noteholders or Couponholders are in principle not subject to Dutch withholding tax. However, under specific circumstances, the Dutch Withholding Tax Act 2021 (*Wet Bronbelasting 2021*) may apply. This Act stipulates that the Netherlands levies a withholding tax from the beneficiary of interest if the interest is paid (i) to group entities resident in low-taxed jurisdictions or jurisdictions that are included on the EU list of non-cooperative jurisdictions, (ii) to (reverse) hybrid group entities, (iii) to group entities in abusive situations, and (iv) to other group entities if such entities attribute that interest to a permanent establishment situated in a low-taxed jurisdiction or a jurisdiction that is included on the EU list of non-cooperative jurisdictions.

If any withholding or deduction is made pursuant to the application of the Dutch Withholding Tax Act 2021, payments by the Issuer to certain Noteholders or Couponholders may be affected given that the Issuer does not have to pay any additional amounts in respect hereof (as set out in the exclusion in paragraph (e) of Condition 8.1 (*Payment without withholding*)). Consequently, in such event the affected Noteholders or Couponholders will only be entitled to receive net interest payments under the Notes or Coupons, i.e. after withholding or deduction is made pursuant to the Dutch Withholding Tax Act 2021 and without any increase to the gross amount before such withholding or deduction. Potential investors should consult their professional advisers as to the tax consequences of the Withholding Tax Act 2021 in relation to their investment in the Notes or Coupons.

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

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

***The Notes are subject to exchange rate risks and may become subject to exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Terms and Conditions of the Notes). 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 euro. 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 euro 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 and, as a result, investors may receive less interest or principal than expected, or no interest or principal.

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

Notes may be issued under the Programme in different Series with different terms and in amounts that are to be determined. There is no assurance that the prices at which the Notes will sell in the market after their initial offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after such offering. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the

Programme to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's regulated market, there is no assurance that an active trading market will develop, and 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. In addition, liquidity may be limited if the Notes are allocated to a limited number of investors.

***Changes in the Group's credit ratings and/or the credit ratings assigned to the Notes could adversely affect the value of the Notes***

Any of the rating agencies that rate the debt of the Group has the ability to lower the ratings currently assigned to that debt as a result of its views about the Group's current or future business, financial condition, results of operations or other matters. Any ratings decline could adversely affect the value of the Notes. In addition, one or more independent credit rating agencies may assign credit ratings to the Notes. Such credit ratings are intended to reflect the Issuer's ability to meet its repayment obligations in respect of the Notes, and may not reflect the potential impact of all risks related to the structure, the market, the Group and other factors on the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

***Risk of the UK no longer being party to Recast Brussels Regulation as a result of the UK's exit from the EU***

The UK left the EU on 31 January 2020 ("**Brexit**"). Upon the expiry of the post-Brexit transition period at 11pm GMT on 31 December 2020, the regulation concerning the recognition and enforcement of judgments that applies between the UK and EU Member States, namely the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 (the "**Recast Regulation**") no longer applies to the UK (and English court judgments). Consequently, a judgment entered against the Issuer in an English court can no longer be recognised or enforced in EU courts under the Recast Regulation.

On 8 April 2020, the UK Government formally applied for the UK to re-join the Lugano Convention as an independent contracting state. However, on 4 May 2021, the European Commission communicated that it considers that the EU should not give its consent to the accession of the UK to the Lugano Convention. On 28 September 2020, the UK deposited its instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the "**Hague Convention**"). The Hague Convention requires that contracting states recognise and respect exclusive jurisdiction clauses, and to enforce related judgments, in favour of other contracting states. The Netherlands is a party to the Hague Convention as a consequence of being an EU Member State. Therefore, judgments of the English courts should be both recognised and enforced in the Netherlands pursuant to the Hague Convention. However, the scope of the Hague Convention is limited and it applies only to contracts with an exclusive jurisdiction clause.

On 24 December 2020, the UK and EU agreed the Trade and Cooperation Agreement Between the European Union and the European Atomic Energy Community and the United Kingdom of Great Britain and Northern Ireland (the "**Trade and Cooperation Agreement**"). Although provisionally effective from 1 January 2021, the Trade and Cooperation Agreement does not cover civil enforcement and recognition of judgments.

Although unlikely, it cannot be excluded that Dutch courts considering the recognition and enforcement of English court judgments will apply (i) the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, or (ii) the 1967 Convention between the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland providing for the Reciprocal Recognition and Enforcement of Judgments in Civil Matters.

Therefore, Noteholders seeking to enforce an English court judgment against the Issuer may need to rely on Dutch civil procedure rules for the recognition and enforcement of any such judgment in the Netherlands. As a result, a judgment entered against the Issuer in an English court may not be recognised or enforceable without a re-trial on its merits. A Dutch court will, under current practice, generally confirm a final, conclusive and enforceable foreign court judgement without substantive re-examination or re-litigation on the merits if (i) the jurisdiction of the English court has been based on an internationally generally accepted ground, (ii) proper legal procedures have been observed, (iii) the judgment does not contravene Dutch public policy, and/or (iv) the judgment is not irreconcilable with a judgment of a Dutch court or an earlier judgment of an English court that is capable of being recognised in the Netherlands.

Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, Noteholders may be able to enforce in the Netherlands, judgments in civil and commercial matters obtained from English courts. However, no assurance can be given that such judgments will be enforceable.



## PRESENTATION OF FINANCIAL INFORMATION

### Presentation of Financial Information

The audited consolidated financial statements of the Group as of and for the financial years ended 31 December 2021 and 2020 are incorporated by reference herein, as described under “*Information Incorporated by Reference*” and have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as endorsed by the EU and with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code.

No other information in this Base Prospectus has been audited.

### Alternative Performance Measures (or “Non-IFRS Financial Measures”)

In this Base Prospectus, the Issuer presents certain financial measures when discussing the Group’s performance that are not measures of financial performance or liquidity under IFRS (“**non-IFRS**”). These non-IFRS measures (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of the Group’s performance and believes that they are widely used in the industry in which the Group operates as a means of evaluating a company’s operating performance and liquidity. The Group believes that an understanding of its sales performance, profitability, financial strength and funding requirements is enhanced by reporting the following non-IFRS measures:

- Comparable sales growth;
- EBITA
- Adjusted EBITA;
- Adjusted income from continuing operations attributable to shareholders;
- Adjusted income from continuing operations attributable to shareholders per common share (in EUR) – diluted (Adjusted EPS);
- Adjusted EBITDA;
- Free cash flow;
- Net debt : group equity ratio; and
- Organic Return on Invested Capital (“**Organic ROIC**”).

Non-IFRS measures do not have standardised meanings under IFRS and not all companies calculate non-IFRS measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies that have the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS measures contained in this Base Prospectus and they should not be considered as substitutes for sales, net income, net cash provided by operating activities or other financial measures computed in accordance with IFRS.

This section contains the definitions of the non-IFRS measures used in this Base Prospectus as well as reconciliations from the most directly comparable IFRS measures. These non-IFRS measures should not be viewed in isolation or as alternatives to equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures.

The non-IFRS financial measures presented are not measures of financial performance or liquidity under IFRS, but measures used by management to monitor the underlying performance of the Group’s business and operations and, accordingly, they have not been audited or reviewed by the Group’s external auditors.

Additionally, the Group provides forward-looking targets for comparable sales growth, adjusted EBITA margin improvement, free cash flow and Organic ROIC, which are non-IFRS financial measures. The Group has not provided a quantitative reconciliation of these targets to the most directly comparable IFRS measures because certain information needed to reconcile these non-IFRS financial measures to the most comparable IFRS financial measures are dependent on specific items or impacts which are not yet determined, are subject to uncertainty and variability in timing and amount due to their nature, are outside of the Group's control, or cannot be predicted, including items and impacts such as currency exchange rates, acquisitions and disposals, legal and tax gains and losses and pension settlements, charges and costs such as impairments, restructuring and acquisition-related charges, amortisation of intangible assets and net capital expenditures. Accordingly, reconciliations of these non-IFRS forward looking financial measures to the most directly comparable IFRS financial measures are not available without unreasonable effort. Such unavailable reconciling items could significantly impact the Group's results of operations and financial condition.

Comparative results have been restated to reflect the treatment of the Domestic Appliances business as a discontinued operation.

### ***Comparable sales growth***

Comparable sales growth represents the period-on-period growth in sales excluding the effects of currency movements and changes in consolidation. As indicated in “*Significant accounting policies*” to the Group's audited consolidated financial statements as of and for the financial year ended 31 December 2021, incorporated by reference herein, foreign currency sales and costs are translated into the Group's presentation currency, the euro, at the exchange rates prevailing at the respective transaction dates. As a result of significant foreign currency sales and currency movements during the periods presented, the effects of translating foreign currency sales amounts into euros could have a material impact on the comparability of sales between periods. Therefore, these impacts are excluded when presenting comparable sales in euros by translating the foreign currency sales of the previous period and the current period into euros at the same average exchange rates. In addition, the years presented were affected by a number of acquisitions and divestments, as a result of which various activities were consolidated or deconsolidated. The effect of consolidation changes has also been excluded in arriving at the comparable sales. For the purpose of calculating comparable sales, when a previously consolidated entity is sold or control is lost, relevant sales for that entity of the corresponding prior year period are excluded. Similarly, when an entity is acquired and consolidated, relevant sales for that entity of the current year period are excluded.

Comparable sales growth is presented for the Group, operating segments and geographic clusters. The Group believes that the presentation of comparable sales growth is meaningful for investors to evaluate the performance of the Group's business activities over time. Comparable sales growth may be subject to limitations as an analytical tool for investors, because comparable sales growth figures are not adjusted for other effects, such as increases or decreases in prices or quantity/volume. In addition, interaction effects between currency movements and changes in consolidation are not taken into account.

	<b>Sales growth composition per segment in %</b>			
	<b>Nominal Growth</b>	<b>Consolidation Changes</b>	<b>Currency Effects</b>	<b>Comparable Growth</b>
<b>2021 versus 2020</b>				
Diagnosis & Treatment	5.6	0.0	2.5	8.1
Connected Care	(17.5)	(7.2)	2.2	(22.6)
Personal Health	7.4	0.0	1.6	9.0
<b>Group</b>	<b>(0.9)</b>	<b>(2.5)</b>	<b>2.2</b>	<b>(1.2)</b>

Sales growth composition per geographic cluster in %				
	Nominal Growth	Consolidation Changes	Currency Effects	Comparable Growth
<b>2021 versus 2020</b>				
Western Europe	(1.5)	(1.3)	(0.4)	(3.2)
North America	(1.5)	(5.5)	3.6	(3.4)
Other mature geographies	(3.2)	(0.1)	3.6	0.3
<b>Total Mature geographies<sup>1)</sup></b>	<b>(1.8)</b>	<b>(3.5)</b>	<b>2.4</b>	<b>(2.8)</b>
<b>Growth geographies<sup>2)</sup></b>	<b>1.2</b>	<b>-</b>	<b>1.8</b>	<b>3.0</b>
<b>Group</b>	<b>(0.9)</b>	<b>(2.5)</b>	<b>2.2</b>	<b>(1.2)</b>

1) Mature geographies are the highly developed markets comprising of Western Europe, North America, Japan, South Korea, Israel, Australia and New Zealand.

2) Growth geographies are the developing geographies comprising of Asia Pacific (excluding Japan, South Korea, Australia and New Zealand), Latin America, Central and Eastern Europe, Middle East & Turkey (excluding Israel) and Africa.

### ***EBITA and Adjusted EBITA***

The term Adjusted EBITA is used to evaluate the performance of the Group and its segments. EBITA represents Income from operations excluding amortisation and impairment of acquired intangible assets and impairment of goodwill. Adjusted EBITA represents EBITA excluding gains or losses from restructuring costs, acquisition-related charges and other items.

Restructuring costs are defined as the estimated costs of initiated reorganisations, the most significant of which have been approved by the Group's executive committee (the "**Executive Committee**"), and which generally involve the realignment of certain parts of the industrial and commercial organisation.

Acquisition-related charges are defined as costs that are directly triggered by the acquisition of a company, such as transaction costs, purchase accounting related costs and integration-related expenses.

Other items are defined as any individual item with an income statement impact (loss or gain) that is deemed by management to be both significant and incidental to normal business activity. Other items may extend over several quarters and are not limited to the same financial year.

The Group considers the use of Adjusted EBITA appropriate as the Group uses it as a measure of segment performance and as one of its strategic drivers to increase profitability through re-allocation of its resources towards opportunities offering more consistent and higher returns. This is done with the aim of making the underlying performance of the businesses more transparent.

EBITA excludes amortisation and impairment of acquired intangible assets (and impairment of goodwill), which primarily relates to brand names, customer relationships and technology, as the Group believes that such amounts are inconsistent in amount and frequency, are significantly impacted by the timing and/or size of acquisitions and do not factor into its decisions on allocation of its resources across segments. Although the Group excludes amortisation and impairment of acquired intangible assets from its Adjusted EBITA measure, the Group believes that it is important for investors to understand that these acquired intangible assets contribute to revenue generation.

The Group believes Adjusted EBITA is useful to evaluate financial performance on a comparable basis over time by factoring out restructuring costs, acquisition-related charges and other incidental items which are not directly related to the operational performance of the Group or its segments.

Adjusted EBITA may be subject to limitations as an analytical tool for investors, as it excludes restructuring costs, acquisition-related charges and other incidental items and therefore does not reflect the expense associated with such items, which may be significant and have a significant effect on the Group's net income.

Adjusted EBITA margin refers to Adjusted EBITA divided by sales expressed as a percentage.

Adjusted EBITA is not a recognised measure of financial performance under IFRS. The reconciliation of Adjusted EBITA to the most directly comparable IFRS measure, Net income, for the years indicated is included in the following table. Net income is not allocated to segments as certain income and expense line items are monitored on a centralised basis, resulting in them being shown on a Group level only.

**Reconciliation of Net income to Adjusted EBITA  
in millions of EUR**

	<u>Group</u>	<u>Diagnosis &amp; Treatment</u>	<u>Connected Care</u>	<u>Personal Health</u>	<u>Other</u>
<b>2021</b>					
Net Income	3,323				
Discontinued operations, net of income taxes	(2,711)				
Income tax expense	(103)				
Investments in associates, net of income taxes	4				
Financial expenses	188				
Financial income	(149)				
<b>Income from operations</b>	<b>553</b>	<b>941</b>	<b>(732)</b>	<b>585</b>	<b>(242)</b>
Amortisation and impairment of acquired intangible assets	322	153	148	15	6
Impairment of goodwill	15	2	13		
EBITA	890	1,097	(571)	600	(236)
Restructuring and acquisition-related charges	95	7	93	(1)	(5)
Other items	1,069	(32)	965	-	136
<b>Adjusted EBITA</b>	<b>2,054</b>	<b>1,071</b>	<b>488</b>	<b>599</b>	<b>(105)</b>
	<u>Group</u>	<u>Diagnosis &amp; Treatment</u>	<u>Connected Care</u>	<u>Personal Health</u>	<u>Other</u>
<b>2020</b>					
Net Income	1,195				
Discontinued operations, net of income taxes	(196)				
Income tax expense	212				
Investments in associates, net of income taxes	9				
Financial expenses	202				
Financial income	(158)				
<b>Income from operations</b>	<b>1,264</b>	<b>497</b>	<b>711</b>	<b>356</b>	<b>(300)</b>
Amortisation and impairment of acquired intangible assets	377	209	134	16	18
Impairment of goodwill	144	-	144		
EBITA	1,784	706	989	371	(282)
Restructuring and acquisition-related charges	195	29	97	31	37
Other items	299	83	112	24	81
<b>Adjusted EBITA</b>	<b>2,277</b>	<b>818</b>	<b>1,198</b>	<b>426</b>	<b>(165)</b>

***Adjusted income from continuing operations attributable to shareholders***

The term Adjusted income from continuing operations attributable to shareholders represents income from continuing operations less continuing operations non-controlling interests, amortisation and impairment of acquired intangible assets, impairment of goodwill, excluding gains or losses from restructuring costs and acquisition-related charges,

other items, adjustments to net finance expenses, adjustments to investments in associates and adjustments to tax expense. Shareholders refers to shareholders of the Issuer.

Restructuring costs, acquisition-related charges and other items are all defined in the EBITA and Adjusted EBITA section above.

Net finance expenses are defined as either the financial income or expense component of an individual item already identified to be excluded as part of the Adjusted income from continuing operations, fair value movements of equity investments in limited life funds recognised at fair value through profit or loss or a financial income or expense component with an income statement impact (gain or loss) that is deemed by management to be both significant and incidental to normal business activity.

The adjustments to tax expense include the tax impact of the adjustments to income from continuing operations as well as tax only adjusting items and uses the weighted average statutory tax rate plus any recurring tax costs or benefits.

The Group considers the use of Adjusted income from continuing operations attributable to shareholders appropriate as it uses it as the basis for the Adjusted income from continuing operations attributable to shareholders per common share (in EUR) - diluted, a non-IFRS measure.

Adjusted income from continuing operations attributable to shareholders may be subject to limitations as an analytical tool for investors, as it excludes certain items and therefore does not reflect the expense associated with such items, which may be significant and have a significant effect on the Group's net income. Net income for the years indicated is included in the following table. Net income is not allocated to segments as certain income and expense line items are monitored on a centralised basis, resulting in them being shown on a Group level only.

Adjusted income from continuing operations attributable to shareholders is not a recognised measure of financial performance under IFRS. The reconciliation of Adjusted income from continuing operations attributable to shareholders to the most directly comparable IFRS measure, Net income, for the years indicated is included in the table below.

***Adjusted income from continuing operations attributable to shareholders per common share (in EUR) – diluted (Adjusted EPS)***

Adjusted income from continuing operations attributable to shareholders per common share (in EUR) - diluted is calculated by dividing the Adjusted income from continuing operations attributable to shareholders by the diluted weighted average number of shares (after deduction of treasury shares) outstanding during the period, as defined in “Significant accounting policies” to the Group’s audited consolidated financial statements as of and for the financial year ended 31 December 2021, incorporated by reference herein.

The Group considers the use of Adjusted income from continuing operations attributable to shareholders per common share (in EUR) - diluted appropriate as it is a measure that is useful when comparing its performance to other companies in the health technology (“**HealthTech**”) industry. However, it may be subject to limitations as an analytical tool for investors, as it uses Adjusted income from continuing operations attributable to shareholders which has certain items excluded.

Adjusted income from continuing operations attributable to shareholders per common share (in EUR) - diluted is not a recognised measure of financial performance under IFRS. The most directly comparable IFRS measure, income from continuing operations attributable to shareholders per common share (in EUR) - diluted for the years indicated, is included in the table below.

**Adjusted income from continuing operations attributable to shareholders<sup>1)</sup>**

**in millions of EUR unless otherwise stated**

	<b>2020</b>	<b>2021</b>
Net Income	1,195	3,323
Discontinued operations, net of income taxes	(196)	(2,711)
<b>Income from continuing operations</b>	<b>999</b>	<b>612</b>
Continuing operations non-controlling interest	(8)	(4)
<b>Income from continuing operations attributable to shareholders<sup>1)</sup></b>	<b>991</b>	<b>608</b>
Adjustments for:		
Amortisation and impairment of acquired intangible assets	377	322
Impairment of goodwill	144	15
Restructuring costs and acquisition-related charges	195	95
Other items	299	1,069
Net finance income/expenses	(125)	(84)
Tax impact of adjusted items and tax only adjusting items	(285)	(527)
<b>Adjusted Income from continuing operations attributable to shareholders<sup>1)</sup></b>	<b>1,594</b>	<b>1,497</b>
<b>Earnings per common share:</b>		
Income from continuing operations attributable to shareholders <sup>1)</sup> per common share (in EUR) - diluted	1.08	0.67
Adjusted income from continuing operations attributable to shareholders <sup>1)</sup> per common share (in EUR) - diluted	1.74	1.65

1) Shareholders refers to shareholders of the Issuer.

**Adjusted EBITDA**

Adjusted EBITDA is defined as Income from operations excluding amortisation and impairment of intangible assets, impairment of goodwill, depreciation and impairment of property, plant and equipment, restructuring costs, acquisition-related charges and other items.

The Group understands that Adjusted EBITDA is broadly used by analysts, rating agencies and investors in their evaluation of different companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. The Group considers Adjusted EBITDA useful when comparing its performance to other companies in the HealthTech industry. However, Adjusted EBITDA may be subject to limitations as an analytical tool because of the range of items excluded and their significance in a given reporting period. Furthermore, comparisons with other companies may be complicated due to the absence of a standardised meaning and calculation framework. The Group's management compensates for the limitations of using Adjusted EBITDA by using this measure to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business rather than IFRS results alone. In addition to the limitations noted above, Adjusted EBITDA excludes items that may be recurring in nature and should not be disregarded in the evaluation of performance. However, the Group believes it is useful to exclude such items to provide a supplemental analysis of current results and trends compared to other periods. This is because certain excluded items can vary significantly depending on specific underlying transactions or events. Also, the variability of such items may not relate specifically to ongoing operating results or trends and certain excluded items, while potentially recurring in future periods and may not be indicative of future results. A reconciliation from net income to Adjusted EBITDA is provided below. Net income, for the years indicated is included in the following table. Net income is not allocated to segments as certain income and expense line items are monitored on a centralised basis, resulting in them being shown on a Group level only.

**Reconciliation of Net income to Adjusted EBITDA**  
in millions of EUR

	<b>Group</b>	<b>Diagnosis &amp; Treatment</b>	<b>Connected Care</b>	<b>Personal Health</b>	<b>Other</b>
<b>2021</b>					
Net Income	3,323				
Discontinued operations, net of income taxes	(2,711)				
Income tax expense	(103)				
Investments in associates, net of income taxes	4				
Financial expenses	188				
Financial income	(149)				
<b>Income from operations</b>	<b>553</b>	<b>941</b>	<b>(732)</b>	<b>585</b>	<b>(242)</b>
Depreciation, amortisation and impairment of fixed assets	1,323	459	384	130	350
Impairment of goodwill	15	2	13		
Restructuring and acquisition-related charges	95	7	93	(1)	(5)
Other items	1,069	(32)	965	-	136
Adding back impairment of fixed assets included in Restructuring and acquisition-related charges and Other items	(70)	(21)	(51)		2
<b>Adjusted EBITDA</b>	<b>2,985</b>	<b>1,358</b>	<b>672</b>	<b>714</b>	<b>241</b>
<hr/>					
	<b>Group</b>	<b>Diagnosis &amp; Treatment</b>	<b>Connected Care</b>	<b>Personal Health</b>	<b>Other</b>
<b>2020</b>					
Net Income	1,195				
Discontinued operations, net of income taxes	(196)				
Income tax expense	212				
Investments in associates, net of income taxes	9				
Financial expenses	202				
Financial income	(158)				
<b>Income from operations</b>	<b>1,264</b>	<b>497</b>	<b>711</b>	<b>356</b>	<b>(300)</b>
Depreciation, amortisation and impairment of fixed assets	1,462	536	415	144	368
Impairment of goodwill	144	-	144		
Restructuring and acquisition-related charges	195	29	97	31	37
Other items	299	83	112	24	81
Adding back impairment of fixed assets included in Restructuring and acquisition-related charges and Other items	(102)	(35)	(64)	1	(4)
<b>Adjusted EBITDA</b>	<b>3,262</b>	<b>1,111</b>	<b>1,415</b>	<b>556</b>	<b>180</b>

***Free cash flow***

Free cash flow is defined as net cash flows from operating activities minus net capital expenditures. Net capital expenditures are comprised of the purchase of intangible assets, expenditures on development assets, capital expenditures on property, plant and equipment and proceeds from sales of property, plant and equipment.

The Group discloses free cash flow as a supplemental non-IFRS financial measure, as the Group believes it is a meaningful measure to evaluate the performance of its business activities over time. The Group understands that free cash flow is broadly used by analysts, rating agencies and investors in assessing its performance. The Group also believes that the presentation of free cash flow provides useful information to investors regarding the cash generated by the Group's operations after deducting cash outflows for purchases of intangible assets, capitalisation of product

development, expenditures on development assets, capital expenditures on property, plant and equipment and proceeds from disposal of property, plant and equipment. Therefore, the measure gives an indication of the long-term cash generating ability of the business. In addition, because free cash flow is not impacted by purchases or sales of businesses and investments, it is generally less volatile than the total of net cash provided by (used for) operating activities and net cash provided by (used for) investing activities.

Free cash flow may be subject to limitations as an analytical tool for investors, as free cash flow is not a measure of cash generated by operations available exclusively for discretionary expenditures and the Group requires funds in addition to those required for capital expenditures for a wide variety of non-discretionary expenditures, such as payments on outstanding debt, dividend payments or other investing and financing activities. In addition, free cash flow does not reflect cash payments that may be required in future for costs already incurred, such as restructuring costs.

**Composition of free cash flow  
in millions of EUR**

	<b>2020</b>	<b>2021</b>
Net cash flows provided by operating activities	2,511	1,629
Net capital expenditures:	(876)	(729)
<i>Purchase of intangible assets</i>	(114)	(107)
<i>Expenditures on development assets</i>	(296)	(259)
<i>Capital expenditures on property, plant and equipment</i>	(485)	(397)
<i>Proceeds from disposals of property, plant and equipment</i>	19	33
<b>Free cash flow</b>	<b>1,635</b>	<b>900</b>

***Net debt : group equity ratio***

Net debt : group equity ratio is presented to express the financial strength of the Group. Net debt is defined as the sum of long- and short-term debt minus cash and cash equivalents. Group equity is defined as the sum of shareholders' equity and non-controlling interests. This measure is used by the Group's Treasury management and investment analysts to evaluate financial strength and funding requirements. This measure may be subject to limitations because cash and cash equivalents are used for various purposes, not only debt repayment. The net debt calculation deducts all cash and cash equivalents whereas these items are not necessarily available exclusively for debt repayment at any given time.

**Composition of net debt to group equity  
in millions of EUR unless otherwise stated**

	<b>2020</b>	<b>2021</b>
Long-term debt	5,705	6,473
Short-term debt	1,229	506
<b>Total debt</b>	<b>6,934</b>	<b>6,980</b>
Cash and cash equivalents	3,226	2,303
<b>Net debt</b>	<b>3,708</b>	<b>4,676</b>
Shareholders' equity	11,870	14,438
Non-controlling interests	31	36
<b>Group equity</b>	<b>11,901</b>	<b>14,475</b>
<b>Net debt : group equity ratio</b>	<b>24:76</b>	<b>24:76</b>

***Organic ROIC***

Organic ROIC is defined as organic return which includes income from operations for the year excluding the impact of: income or loss from operations of businesses acquired in the five year period prior to the measurement date; certain tax gains and losses determined by management to be material in nature and require separate disclosure and; certain other items; and tax effects of the other adjustments (calculated at Group effective tax rate) divided by average of the



Net operating capital at the end of each of the five quarters ending on the relevant measurement date excluding the average Net operating capital at the end of each of the five quarters ending on the relevant measurement date of the businesses acquired in the five year period prior to the measurement date, expressed as a percentage.

Net operating capital is defined as tangible fixed assets, intangible fixed assets, including goodwill, inventories and receivable balances, minus payable balances and provisions, all as further defined below. Net operating capital is also adjusted to exclude assets and liabilities of businesses acquired in the five year period prior to the relevant measurement date. Organic ROIC is calculated after taxes.

Other items are defined as material in nature and require separate disclosure and have the same nature as the items excluded from Adjusted EBITA. In the years 2020 to 2021 these other items included legal provisions, pension settlements and results of divestments.

The term Organic ROIC is used by management to evaluate the Group's efficiency at allocating the capital under its control to profitable investments and how well the company uses capital to generate returns. The Issuer believes that Organic ROIC provides useful information to investors because it excludes the impact of recently acquired businesses, giving a more accurate representation of how the Group's business system is leveraged to drive operational excellence and removes irregularity caused by various operating models of recently acquired businesses. The Issuer also believes that excluding certain items determined by management to be material in nature and requiring separate disclosure enhances comparability across several periods. Organic ROIC may be subject to limitations as an analytical tool for investors, as it excludes income or loss from operations of acquired businesses and tax gains and losses and certain other items, which may have a significant effect on ROIC. Organic ROIC is not a recognised measure of financial performance under IFRS.

The most comparable IFRS measure to Organic ROIC is Return on total assets, calculated as Income from operations for the year divided by total assets as of the end of the year. Return on total assets as of the balance sheet date for the years ended 31 December 2020 and 2021 is included in the table below.

**Return on total assets  
in millions of EUR unless otherwise stated**

	2020	2021
Income from operations	1,264	553
Total assets	27,713	30,961
Return on total assets (%)	4.6%	1.8%

The reconciliation of Average Net operating capital and the reconciliation of Net income to Organic ROIC for the years ended 31 December 2021 and 2020 are included in the following tables.

**Reconciliation of Average Net operating capital<sup>1)</sup>  
in millions of EUR unless otherwise stated**

	2020	2021
Tangible fixed assets	2,799	2,716
Intangible assets (including goodwill)	11,789	13,454
Inventories	3,056	3,248
Receivables balances <sup>2)</sup>	5,010	4,648
Payable balances <sup>3)</sup>	(6,520)	(6,627)
Provisions <sup>4)</sup>	(2,066)	(2,178)
<b>Group Average Net operating capital</b>	<b>14,068</b>	<b>15,261</b>
Net operating capital of businesses acquired	(3,176)	(5,511)
<b>Average Net operating capital</b>	<b>10,892</b>	<b>9,750</b>

- 1) All line items represent the average of each of the five quarters ending before the relevant measurement date.
- 2) Receivable balances consists of (Non-)Current receivables, Other (non-)current assets, (Non-)current derivative financial assets and Income tax receivable.
- 3) Payable balances consist of Accounts payable, Accrued liabilities, (Non-)Current contract liabilities, Other (non-)current liabilities, (Non-)current derivative financial liabilities and (Non-)Current tax liabilities.
- 4) Provisions consist of Long-term and Short-term provisions.

**Reconciliation of Net Income to Organic ROIC**  
**in millions of EUR unless otherwise stated**

	<b>2020</b>	<b>2021</b>
Net Income	1,195	3,323
Discontinued operations, net of income taxes	(196)	(2,711)
Income tax expense	212	(103)
Investments in associates, net of income taxes	9	4
Financial expenses	202	188
Financial Income	(158)	(149)
<b>Income from operations</b>	<b>1,264</b>	<b>553</b>
(Income) Loss from operations of businesses acquired	265	124
Tax gains and losses	(22)	(197)
Other items	59	887
Income tax expense	(212)	103
Tax effects of other adjustments	30	(33)
<b>Organic return</b>	<b>1,384</b>	<b>1,437</b>
<b>Average Net operating capital</b>	<b>10,892</b>	<b>9,750</b>
<b>Organic ROIC (%)</b>	<b>12.7%</b>	<b>14.7%</b>

## INFORMATION INCORPORATED BY REFERENCE

The information set out below which has previously been published or is published simultaneously with this Base Prospectus and has been filed with the CSSF, shall be incorporated by reference in, and form part of, this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

- (a) The audited consolidated financial statements of the Group as of and for the financial years ended 31 December 2021 and 2020 (including consolidated statements of income, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of cash flows, consolidated statements of changes in equity and notes to the consolidated financial statements).

- (i) The Group's audited consolidated financial statements as of and for the financial year ended 31 December 2021 are set out on the following pages of the Annual Report 2021:

Consolidated statements of income .....	Page 129
Consolidated statements of comprehensive income .....	Page 130
Consolidated balance sheets .....	Page 131
Consolidated statements of cash flows .....	Page 132
Consolidated statements of changes in equity .....	Pages 133
Explanatory Notes .....	Pages 135

The Annual Report 2021 is available on the Issuer's website at the link below:  
<https://www.results.philips.com/publications/ar21/downloads/pdf/en/PhilipsFullAnnualReport2021-English.pdf?v=20220222084522>

- (ii) The Group's audited consolidated financial statements as of and for the financial year ended 31 December 2020 are set out on the following pages of the Annual Report 2020:

Consolidated statements of income .....	Page 122
Consolidated statements of comprehensive income .....	Page 123
Consolidated balance sheets .....	Page 124
Consolidated statements of cash flows .....	Page 125
Consolidated statements of changes in equity .....	Pages 126-127
Explanatory Notes .....	Pages 128-202

The Annual Report 2020 is available on the Issuer's website at the link below:  
<https://www.results.philips.com/publications/ar20/downloads/pdf/en/PhilipsFullAnnualReport2020-English.pdf?v=20210223102911>

- (b) (i) The independent auditors' report on the audited consolidated financial statements of the Group, as of and for the financial year ended 31 December 2021, is set out on pages 217 to 224 of the Annual Report 2021, which is available on the Issuer's website at the link below:  
<https://www.results.philips.com/publications/ar21/downloads/pdf/en/PhilipsFullAnnualReport2021-English.pdf?v=20220222084522>

- (ii) The independent auditors' report on the audited consolidated financial statements of the Group, as of and for the financial year ended 31 December 2020, is set out on pages 216 to 224 of the Annual Report 2020, which is available on the Issuer's website at the link below: <https://www.results.philips.com/publications/ar20/downloads/pdf/en/PhilipsFullAnnualReport2020-English.pdf?v=20210223102911>
- (c) The overview of the Group's strategy and business set out in the following sections of the Annual Report 2021 (which is available on the Issuer's website at the following link: <https://www.results.philips.com/publications/ar21/downloads/pdf/en/PhilipsFullAnnualReport2021-English.pdf?v=20220222084522>):
  - (i) Section 6.4 entitled "Our businesses", on page 15.
  - (ii) Section 6.4.1 entitled "Diagnosis & Treatment businesses", on pages 15 to 17.
  - (iii) Section 6.4.2 entitled "Connected Care businesses", on pages 17 to 19.
  - (iv) Section 6.4.3 entitled "Personal Health businesses", on pages 19 to 20.
  - (v) Section 6.4.4 entitled "Other", on pages 21 to 23.
  - (vi) Section 5.3.1 entitled "Green/EcoDesigned Innovation" on pages 49 to 50.
  - (vii) Section 5.3.2 entitled "Green/EcoDesigned Revenues" on page 51.
- (d) The organisational structure of the Group in the section entitled "Group Companies" on page 156 of the Annual Report 2021, which is available on the Issuer's website at the following link: <https://www.results.philips.com/publications/ar21/downloads/pdf/en/PhilipsFullAnnualReport2021-English.pdf?v=20220222084522>
- (e) The description of the Issuer's significant shareholders in the section entitled "Major shareholders" on page 124 of the Annual Report 2021, which is available on the Issuer's website at the following link: <https://www.results.philips.com/publications/ar21/downloads/pdf/en/PhilipsFullAnnualReport2021-English.pdf?v=20220222084522>
- (f) The overview of the pending or threatened litigation proceedings which may have a significant effect on the Issuer's consolidated financial position, in the section entitled "Legal proceedings" on pages 188 to 189 of the Annual Report 2021, which is available on the Issuer's website at the following link: <https://www.results.philips.com/publications/ar21/downloads/pdf/en/PhilipsFullAnnualReport2021-English.pdf?v=20220222084522>
- (g) The terms and conditions set out on pages 34 to 65 of the base prospectus dated 9 March 2020 relating to the Programme, in the section entitled "Terms and Conditions of the Notes", which is available on the Issuer's website at the following link: [https://www.philips.com/c-dam/corporate/about-philips/investors/debt-info/Philips - Base Prospectus EMTN Programme.pdf](https://www.philips.com/c-dam/corporate/about-philips/investors/debt-info/Philips_-_Base_Prospectus_EMTN_Programme.pdf)

Copies of the information incorporated by reference into this Base Prospectus have been filed with the CSSF and the Luxembourg Stock Exchange and may be inspected free of charge at the registered office of the Issuer and from the specified office of the Principal Paying Agent, in each case at the address given at the end of this Base Prospectus, as well as on the website of the Issuer at the links provided above. The information incorporated by reference will also be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any websites referred to in this Base Prospectus are for information purposes only and do not form part of this Base Prospectus.

Any documents themselves incorporated by reference in the information incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

## FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the “**Temporary Global Note**”), without interest coupons (“**Coupons**”), or a permanent global note (the “**Permanent Global Note**”), without Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear, and/or Clearstream, Luxembourg, and/or any other relevant clearing system. Each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Note is to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

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

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Note**

If the relevant Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note at the specified office of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent from Euroclear and/or Clearstream, Luxembourg of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specify “in the limited circumstances specified in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Events of Default*) occurs and is continuing.

The Permanent Global Note will also become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Notes if, by reason of any change in the laws of The Netherlands, the Issuer is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the specified office of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specify that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specify that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the specified office of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specify the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specify “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) an Event of Default occurs and is continuing.

The Permanent Global Note will also become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Notes if, by reason of any change in the laws of The Netherlands, the Issuer is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the specified office of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

### **Legend concerning United States persons**

In the case of any Tranche of Notes having a maturity of more than one year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined in this section “Terms and Conditions of the Notes”) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to the “Form of Final Terms” for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

Koninklijke Philips N.V. (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issue of up to €10,000,000,000 in aggregate principal amount of notes (the “**Notes**”) on the terms set out in these Conditions and in the Trust Deed (as defined below).

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of final terms (the “**Final Terms**”) which complete these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.

The Notes are constituted by, are subject to and have the benefit of a trust deed dated 9 March 2020 as amended and restated on 8 March 2022 (as amended and/or restated and/or supplemented from time to time, the “**Trust Deed**”) made between the Issuer and Citicorp Trustee Company Limited as trustee (the “**Trustee**”, which expression shall include its successor(s)) as trustee for the holders of the Notes (the “**Noteholders**”) and the holders of the interest coupons appertaining thereto (the “**Couponholders**” and the “**Coupons**” respectively) and are the subject of an agency agreement dated 9 March 2020 as amended and restated on 8 March 2022 (as amended or supplemented from time to time, the “**Agency Agreement**”) made between the Issuer, Citibank, N.A., London Branch as principal paying agent (the “**Principal Paying Agent**” and, together with any other agents appointed in accordance with such agreement, the “**Paying Agents**”, which expression shall include any successor(s)), Citibank, N.A., London Branch as calculation agent (the “**Calculation Agent**” and, together with the Paying Agents, the “**Agents**”), and the Trustee.

All subsequent references in these Conditions to “**Notes**” are to the Notes of the relevant Series. Copies of the relevant Final Terms are available for inspection and may be obtained during normal business hours at the registered office of the Trustee and the specified office of the Principal Paying Agent.

Certain provisions of these Conditions are summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed and the Agency Agreement. The Noteholders and 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 the Agency Agreement applicable to them.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours by the Noteholders and the Couponholders at the principal office for the time being of the Trustee, being at the date of issue of the Notes at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the specified office of each of the Paying Agents.

### 1. Interpretation

#### 1.1 Definitions

In these Conditions the following expressions have the following meanings:

“**Business Day**” means a day which is both:



- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the relevant Final Terms; and
- (ii) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET2 System**”) is open; and
- (iii) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day (as defined below) and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

“**Business Day Convention**”, in relation to any particular date, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred; **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Coupon Sheet**” means, in respect of a Note in definitive form, a coupon sheet relating to the Note;

“**Day Count Fraction**” means (subject as provided in Condition 5.1 (*Fixed Rate Note Provisions*)), in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if “**Actual/365**” or “**Actual/Actual (ICMA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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 so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is so specified, means 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 so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and “**D<sub>2</sub>**” 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 **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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 D<sub>2</sub> will be 30; and

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30, **provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

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

“**Early Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the

European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“**euro**” means the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended;

“**Extraordinary Resolution**” has the meaning given in the Trust Deed;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Group**” means the Issuer and its Subsidiaries from time to time;

“**Holding Company**” of any other person means a company in respect of which that other person is a Subsidiary;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms or if none is so specified, the Reference Rate is EURIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period;

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Period End Date and ending on (but excluding) the next Interest Period End Date;

“**Interest Period End Date**” means each Interest Payment Date or such other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms;

“**ISDA Definitions**” means, in relation to any Series of Notes:

- (a) unless “ISDA 2021 Definitions” are specified as being applicable in the relevant Final Terms, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org)); or

- (b) if “ISDA 2021 Definitions” are specified as being applicable in the relevant Final Terms, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA (or any successor) on its website (<http://www.isda.org>), on the date of issue of the first Tranche of the Notes of such Series;

**"Margin"** has the meaning given in the relevant Final Terms;

**“Material Subsidiary”** means, at any time, a Subsidiary of the Issuer whose total assets represent at least 5 per cent. of the consolidated total assets of the Group or whose total net sales represent at least 7.5 per cent. of the consolidated net sales of the Group and in relation to which the Issuer has, directly or indirectly, the power to direct its management and policies whether through the ownership of voting capital, by contract or otherwise. For this purpose:

- (a) in the case of each Subsidiary, the calculation shall be made by comparing the total assets or, as the case may be, total net sales of that Subsidiary individually (and not on a consolidated basis) to those of the Group;
- (b) assets or sales which arise from transactions between members of the Group and which would be eliminated in the consolidated financial statements of the Group shall be excluded;
- (c) the total assets or total net sales of a Subsidiary shall be calculated by reference to:
  - (i) the accounts of that Subsidiary used for the purpose of the latest audited consolidated financial statements of the Group; or
  - (ii) if the company became a Subsidiary after the end of the financial period to which the latest audited consolidated financial statements of the Group relate, its then latest audited accounts;
- (d) the consolidated total assets or consolidated net sales of the Group shall be calculated by reference to the latest audited consolidated financial statements of the Group, adjusted as appropriate to reflect the total assets or total net sales of any company which has become or ceased to be a Subsidiary after the end of the financial period to which those accounts relate; and
- (e) where a Material Subsidiary transfers all or substantially all of its assets to the Issuer or another Subsidiary, the transferor (if it is not the Holding Company of the transferee) shall cease to be a Material Subsidiary and (if the transferee is a Subsidiary but not a Material Subsidiary) the transferee shall become a Material Subsidiary;

**“Payment Business Day”** means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (a) in the case of Notes in definitive form only, the relevant place of presentation, and (b) each Additional Financial Centre specified in the relevant Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open;

**“Permitted Reorganisation”** means (i) any merger, consolidation, amalgamation, reorganisation, transfer of all or substantially all of its business, assets or undertaking (by operation of law or by way of sale,

contribution, lease, conveyance, demerger or otherwise), reconstruction or restructuring on a solvent basis of the Issuer or a Material Subsidiary, and in the case of the Issuer, pursuant to which the surviving or acquiring company (if not the Issuer) assumes all obligations of the Issuer under the Notes and the Trust Deed either expressly, by operation of law or by universal succession; or (ii) for the purposes of or in connection with, and followed by, a substitution of the relevant entity pursuant to and in accordance with Condition 14.5 (*Substitution*);

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“Principal Financial Centre”** means, in relation to any currency, the principal financial centre for that currency; **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent; and
- (ii) in relation to Australian dollars or New Zealand dollars, it means either Sydney or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Make-Whole Redemption Amount, the Residual Call Early Redemption Amount, or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**“Reference Banks”** means four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

**“Reference Rate”** means EURIBOR, SONIA, SOFR or €STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms. Other than in the case of U.S. dollar-denominated floating rate Notes for which the “Reference Rate” is specified in the relevant Final Terms as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate.

**“Relevant Date”** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13 (*Notices*).

**“Relevant Indebtedness”** means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other debt security which is, or is intended to be, listed, quoted or traded on any stock exchange or on any other recognised securities market (including, without limitation, any over-the-counter securities market);

**“Relevant Jurisdiction”** means the Netherlands or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject by reason of its tax residence in respect of payments made by or on behalf of it of principal and interest on the Notes and Coupons;

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters or Bloomberg) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Specified Currency”** means the relevant currency as specified in the relevant Final Terms;

**“Specified Denomination”** means such denominations as specified in the relevant Final Terms;

**“specified office”** has the meaning given in the Agency Agreement;

**“Specified Period”** means each period specified as such in the relevant Final Terms;

**“Subsidiary”** means a consolidated entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting rights or similar right of ownership and **“control”** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

**“Sub-Unit”** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.;

**“Talon”** means a talon for further Coupons; and

**“Zero Coupon Note”** means a Note specified as such in the relevant Final Terms.

## 1.2 Interpretation

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*) or any undertakings given in addition to or in substitution for that Condition, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) or any undertakings given in addition to or in substitution for that Condition and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being **“outstanding”** shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 1.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms give no such meaning or specify that such expression is **“not applicable”** then such expression is not applicable to the Notes; and

- (viii) Any reference in these Conditions to any legislation (whether primary legislation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

## 2. Form, Denomination and title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and in the Specified Denomination(s) and, if interest-bearing (in the case of definitive Notes), with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Subject as set out below, title to the Notes and the Coupons will pass by delivery. The Issuer, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) for all purposes and shall not be liable to any Person for so treating such bearer, but in the case of a Note in global form (a “**Global Note**”) without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each Person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any Person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents and the Trustee as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, any Paying Agent and the Trustee as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly. In determining whether a particular Person is entitled to a particular principal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned. Payment in respect of Notes represented by a Global Note will only be made in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

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

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the relevant Final Terms or as may otherwise be approved by the Issuer, the Paying Agents and the Trustee.

## 3. Status

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.



#### **4. Negative Pledge**

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness (as defined below) or any guarantee of Relevant Indebtedness, without:

- (a) at the same time or prior thereto ensuring that the Issuer's obligations under the Notes are secured equally and rateably therewith to the satisfaction of the Trustee; or
- (b) providing such other guarantee or other arrangement (whether or not comprising security) as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed).

#### **5. Interest**

##### **5.1 Fixed Rate Note Provisions**

(a) *Application*

This Condition 5.1 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest*

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject to Condition 6 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5.1 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount and Broken Amount*

If the Notes are in definitive form, except as provided in the relevant Final Terms, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount. If the Notes are in definitive form, if so specified in the relevant Final Terms, the amount of interest payable on any Interest Payment Date shall be the Broken Amount so specified. The amount of interest payable shall be the product of the Fixed Coupon Amount or, as the case may be, the Broken Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination.

(d) *Calculation of Interest Amount*

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

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

and, in each case, multiplying such product by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1 (*Fixed Rate Note Provisions*):

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

## 5.2 Floating Rate Note Provisions

### (a) Application

This Condition 5.2 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

### (b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 6 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5.2 (*Floating Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case

may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination*

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR is specified as the Reference Rate in the relevant Final Terms) determined, subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre inter-bank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) provide such quotations to the Calculation Agent who shall determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Principal Paying Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, requested and selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin (as specified

in the Final Terms) and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

(d) *ISDA Determination*

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where:

“**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms;
- (iv) if applicable, the “Applicable Benchmark”, “Fixing Day”, “Fixing Time” and/or any other items specified in the relevant Final Terms are as specified in the relevant Final Terms; and
- (v) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Rate of Interest for such Interest Period shall be calculated as if Linear Interpolation were not applicable.

(e) *Interest – Floating Rate Notes referencing SONIA*

- (i) This Condition 5.2(e) (*Interest – Floating Rate Notes referencing SONIA*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the “Reference Rate” is specified in the relevant Final Terms as being “SONIA”. Where “SONIA” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest

Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Condition 5.2(e) (*Interest – Floating Rate Notes referencing SONIA*):

“**Compounded Daily SONIA**”, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

“**d**” means the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>o</sub>**” means the number of London Banking Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**i**” means a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n<sub>i</sub>**” for any London Banking Day “i”, in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day “i” up to, but excluding, the following London Banking Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “p” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but

excluding, the date which is “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms;

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

“**SONIAi**” means the SONIA Reference Rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms; the relevant London Banking Day “i”;

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (ii) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), be:
  - (A) the Bank of England's Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).
- (iii) Subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(e) (*Interest – Floating Rate Notes referencing SONIA*), the Issuer shall give notice thereof to the Agents, the Trustee and the Noteholders in accordance with Condition 13 (*Notices*) no later than the Determination Cut-off Date and the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and

excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period), in each case as determined by the Calculation Agent.

- (f) *Interest – Floating Rate Notes referencing SOFR*
- (i) This Condition 5.2(f) (*Interest – Floating Rate Notes referencing SOFR*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the “Reference Rate” is specified in the relevant Final Terms as being “SOFR”. Where “SOFR” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

For the purposes of this Condition 5.2(f) (*Interest – Floating Rate Notes referencing SOFR*):

“**Benchmark**” means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 5.2(f) (*Interest – Floating Rate Notes referencing SOFR*).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 5.2(f)(i) to (iv) below will apply.*

“**Business Day**” means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

“**Compounded SOFR**” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

“**d<sub>o</sub>**” is the number of U.S. Government Securities Business Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

“**i**” is a series of whole numbers from one to “**d<sub>o</sub>**”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “**p**” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

“**ni**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day “**i**” to, but excluding, the following U.S. Government Securities Business Day (“**i+1**”);

“**Observation Period**” in respect of an Interest Period means the period from, and including, the date falling “**p**” U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling “**p**” U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms;

“**SOFR**” with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the “**SOFR Determination Time**”); or
- (ii) Subject to Condition 5.2(f)(ii) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

“**SOFR Administrator's Website**” means the website of the Federal Reserve Bank of New York, or any successor source;



“**SOFRI**” means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day “i”; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (ii) If the Issuer or, at the Issuer’s request, the Independent Adviser determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time. If the Issuer exercises its right to make Benchmark Replacement Conforming Changes at any time, at the request and expense of the Issuer, but subject to receipt by the Trustee and the Paying Agents of a certificate signed by two Authorised Signatories of the Issuer pursuant to the below, the Trustee, without any requirement for the consent or approval of the Noteholders, and the Paying Agents shall concur with the Issuer in effecting any Benchmark Replacement Conforming Changes required to these Conditions, the Trust Deed and/or the Agency Agreement (regardless of whether or not the effecting of such Benchmark Replacement Conforming Changes would constitute a Basic Terms Modification (as defined in the Trust Deed) or one or more provisos under Condition 14 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination, Substitution*)) and neither the Trustee nor the Paying Agents shall be liable to any party for any consequences thereof. Notwithstanding the above, neither the Trustee nor the Paying Agents shall be obliged so to concur if in its reasonable opinion doing so would have the effect of (i) imposing more onerous obligations upon it or exposing it to any additional duties, responsibilities or liabilities or reducing or amending the rights and/or protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or agency agreement) in any way or (ii) exposing the Trustee to any liabilities against which it has not been indemnified and/or prefunded and/or secured to their satisfaction.

Any determination, decision or election that may be made by the Issuer or the Independent Adviser, as the case may be pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error; (ii) if made by the Issuer, will be made in the sole discretion of the Issuer; and (iii) if made by the Independent Adviser, will be made after consultation with the Issuer and the Independent Adviser will not make any such determination, decision or election to which the Issuer reasonably objects; and (iv) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

For the purposes of this Condition 5.2(f)(ii):

“**Benchmark**” means, initially, Compounded SOFR, as such term is defined above; *provided that* if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the

published daily SOFR used in the calculation thereof) or the then-current Benchmark, then “Benchmark” shall mean the applicable Benchmark Replacement.

**“Benchmark Replacement”** means the first alternative set forth in the order below that can be determined by the Issuer or the Independent Adviser, as the case may be, as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer or the Independent Adviser, as the case may be, as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**“Benchmark Replacement Adjustment”** means the first alternative set forth in the order below that can be determined by the Issuer or the Independent Adviser, as the case may be, as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or the Independent Adviser, as the case may be, giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**“Benchmark Replacement Conforming Changes”** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or the Independent Adviser, as the case may be, decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or the Independent Adviser, as the case may be, decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or the Independent Adviser, as the case may be, determines is reasonably necessary);

**“Benchmark Replacement Date”** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**“Benchmark Transition Event”** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**“ISDA Fallback Adjustment”** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**“ISDA Fallback Rate”** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**“Reference Time”** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer or the Independent Adviser, as the case may be, after giving effect to the Benchmark Replacement Conforming Changes;

**“Relevant Governmental Body”** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**“Unadjusted Benchmark Replacement”** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (iii) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 5.2(f)(ii) above will be notified promptly, but in any event no later than the Determination Cut-off Date (as defined below), by the Issuer to the Trustee, the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Trustee and the Paying Agents of the same, the Issuer shall deliver to the Trustee and the Paying Agents a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.2(f)(ii); and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Trustee and the Paying Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee’s or the Paying Agent’s ability to rely on such certificate as aforesaid) be binding on the Trustee, the Paying Agents and the Noteholders.

- (iv) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(f) (*Interest – Floating Rate Notes referencing SOFR*), the Issuer shall give notice thereof to the Agents, the Trustee and the Noteholders in accordance with Condition 13 (*Notices*) no later than the Determination Cut-off Date and the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (g) *Interest – Floating Rate Notes referencing €STR*

- (i) This Condition 5.2(g) (*Interest – Floating Rate Notes referencing €STR*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the “Reference Rate” is specified in the relevant Final Terms as being “€STR”. Where “€STR” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

For the purposes of this Condition 5.2(g) (*Interest – Floating Rate Notes referencing €STR*):

**“Compounded Daily €STR”** means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the

calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“**d**” means the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**D**” means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

“**do**” means the number of TARGET Settlement Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the “**€STR reference rate**”, in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate (“**€STR**”) for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

“**€STR<sub>i</sub>**” means the €STR reference rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling “*p*” TARGET Settlement Days prior to the relevant TARGET Settlement Day “*i*”; or
- (ii) where “*Observation Shift*” is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day “*i*”.

“**i**” is a series of whole numbers from one to “*d<sub>o</sub>*”, each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “*Observation Shift*” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

“*n<sub>i</sub>*” for any TARGET Settlement Day “*i*” in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day “*i*” up to (but excluding) the following TARGET Settlement Day;

“**Observation Period**” means, in respect of any Interest Period, the period from (and including) the date falling “*p*” TARGET Settlement Days prior to the first day of the relevant Interest Period (and the final Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling “*p*” TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable;

“*p*” for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms; and

“**Target Settlement Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

- (ii) Subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to the foregoing provisions of this Condition 5.2(g) (*Interest – Floating Rate Notes referencing €STR*), in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (iii) Subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(g) (*Interest – Floating Rate Notes referencing €STR*), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).
- (h) *Maximum or Minimum Rate of Interest*  
  
If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (i) *Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period by applying the Rate of Interest to:

- (A) in the case of Notes which are represented by a Global Note, the aggregate outstanding principal amount of the Notes represented by such Global Note; or
- (B) in the case of Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(j) *Calculation of other amounts*

If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

For the avoidance of doubt, in no event shall the Calculation Agent be responsible for determining any Successor Rate, Alternative Reference Rate, Adjustment Spread, Benchmark Replacement, Benchmark Replacement Adjustment or any Benchmark Replacement Conforming Changes. The Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Adviser and in the absence of fraud, negligence or bad faith, will have no liability for such actions taken at the direction of the Issuer or the Independent Adviser.

(k) *Publication*

Subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), the Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority and stock exchange (if any) by which the Notes have then been admitted to listing and/or trading as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(l) *Notifications etc.*

All notifications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5.2 (*Floating Rate Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(m) *Benchmark Discontinuation (Independent Adviser)*

Notwithstanding the provisions of Condition 5.2 (*Floating Rate Note Provisions*) above, and other than in the case of a U.S. dollar-denominated floating rate Note for which the Reference Rate is specified in the relevant Final Terms as being “SOFR”, if the Issuer determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to

be determined by such Reference Rate (the “**Original Reference Rate**”), then the following provisions shall apply:

- (i) the Issuer shall notify the Calculation Agent and shall use reasonable endeavours to select and appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the “**Determination Cut-off Date**”), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
- (ii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)); **provided, however, that** if the Independent Adviser is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin or Maximum or Minimum Rate of Interest that applied to such preceding Interest Period for the Margin or Maximum or Minimum Rate of Interest that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (ii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*);
- (iii) if the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) that an Adjustment Spread (as defined below) is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines 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 Reference Rate (as applicable). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (iv) if the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) a Successor Rate or an Alternative Reference Rate (as applicable) and/or an Adjustment Spread in accordance with the above provisions, the Independent Adviser, may (acting in good faith and in a commercially reasonable manner) also specify changes to these Conditions, the Trust Deed, and/or the Agency Agreement, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, which are necessary in order to ensure the proper operation of such Successor Rate or the Alternative Reference Rate (as applicable) and/or Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*)) (each of the changes described above, a “**Benchmark Amendment**” and together, the “**Benchmark Amendments**”). For the avoidance of doubt, at the request and expense of the Issuer and subject to receipt by the Trustee and the Paying Agents of a certificate signed by two Authorised Signatories of the Issuer pursuant to sub-paragraph (v) below, the Trustee, without any requirement for the consent or approval of the Noteholders, and the Paying Agents shall concur with the Issuer in effecting any Benchmark Amendments to the Trust Deed, the Agency Agreement and these Conditions as the Issuer determines and certifies to the Trustee and the Paying Agents are required to be made in order to give effect to this Condition 5.2(m)



(*Benchmark Discontinuation (Independent Adviser)*) regardless of whether or not giving effect to such Benchmark Amendments would constitute a Basic Terms Modification (as defined in the Trust Deed) or one or more provisos under Condition 14 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination, Substitution*), **provided, however**, that neither the Trustee nor the Paying Agents (as applicable) shall be obliged so to concur if in the opinion of the Trustee and/or the Paying Agents (as applicable), doing so would (i) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee and/or the Paying Agents (as applicable) in these Conditions, the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement or (ii) expose the Trustee and/or the Paying Agents (as applicable) to any additional liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction. Noteholder approval or consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes, including for the execution of any documents or other steps by the Trustee or Paying Agents (if required);

- (v) the Issuer shall promptly, but in any event no later than the Determination Cut-Off Date, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) or Adjustment Spread, give notice thereof and of any changes pursuant to sub-paragraph (iv) above to the Trustee, the Paying Agents and the Noteholders in accordance with Condition 13 (*Notices*), which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate or Adjustment Spread (as applicable) and any Benchmark Amendments required to be made to these Conditions, the Trust Deed and/or the Agency Agreement. No later than notifying the Trustee and the Paying Agents of the same, which shall not be less than the Determination Cut-Off Date, the Issuer shall deliver to the Trustee and the Paying Agent a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer:
  - (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, Alternative Reference Rate and (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provision of this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*); and
  - (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate, and/or any Adjustment Spread, as the case may be.

The Trustee and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any), and the Benchmark Amendments (if any) determined in accordance with this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) and specified in such certificate will (in the absence of manifest error or negligence in the determination of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and/or the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents and the Noteholders;

- (vi) an Independent Adviser appointed pursuant to this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer and (in the absence of bad faith, fraud or negligence) shall have no liability whatsoever to the Trustee, the Paying Agents or the Noteholders for any determination made by it pursuant to this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*); and
- (vii) *Calculation Agent*: notwithstanding any other provision of this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), if following the determination of any Successor Rate,

Alternative Reference Rate, Adjustment Spread or Benchmark Amendments, in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default, or fraud) to make such calculation or determination for any reason it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default, or fraud) shall not incur any liability for not doing so.

For the purposes of this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*):

**“Adjustment Spread”** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer), determines (acting in good faith and in a commercially reasonable manner) is required to be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

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

**“Alternative Reference Rate”** means the rate (and related alternative screen page or source, if available) that the Independent Adviser determines in accordance with this Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) 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) in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate;

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published on the Relevant Screen Page for a period of at least 5 Business Days or ceasing to exist; or
- (ii) 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

- (iii) 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
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which 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 by a specified date within the following six months; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is no longer representative of an underlying market; or
- (vi) it has become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

in each case, as determined by the Issuer or, in the case of sub-paragraph (vi) above, the relevant party, and notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii) or (iv) above and the specified date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified date.

**“Independent Adviser”** means an independent financial institution of international repute or other independent financial adviser with appropriate expertise in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense;

**“Relevant Nominating Body”** means, in respect of a reference rate or screen rate (as applicable):

- (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate or screen page (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or screen page (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of
  - (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate or screen rate (as applicable) relates,
  - (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or screen rate (as applicable),
  - (iii) a group of the aforementioned central banks or other supervisory authorities, or
  - (iv) the International Swaps and Derivatives Association, Inc. or any part thereof, or
  - (v) the Financial Stability Board or any part thereof; and

**“Successor Rate”** means the rate (and related alternative screen page or source, if available) that the Independent Adviser determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

### 5.3 Zero Coupon Note Provisions

- (a) *Application*

This Condition 5.3 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon Notes*

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## 6. Payments

### 6.1 Principal

Payments of principal in respect of definitive Notes shall be made only against presentation and (**provided that** payment is made in full) surrender of definitive Notes at the specified office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in London). Payments of principal in respect of Notes represented by any Global Note will be made in the manner specified in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### 6.2 Interest

Payments of interest in respect of definitive Notes shall, subject to Condition 6.7 (*Unmatured coupons void*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in Condition 6.1 (*Principal*) above. Payments of interest (if any) in respect of Notes represented by any Global Note will be made in the manner specified in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### 6.3 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or to the order of, the holder of such Global Note.

#### 6.4 Payments in New York

Payments of principal or interest may be made at the specified office of a Paying Agent in New York if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

#### 6.5 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. For the avoidance of doubt, any amounts to be paid in respect of the Notes will be paid net of any deduction or withholding imposed or required pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code (any such deduction or withholding, “**FATCA Withholding**”), and no additional amounts will be required to be paid on account of any FATCA Withholding.

#### 6.6 Deductions for unmatured Coupons

In the case of definitive Notes, if the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub- paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 6.1 (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons within a period of ten years from the Relevant Date for the payment of such principal.

## **6.7 Unmatured Coupons void**

In the case of definitive Notes, if the relevant Final Terms specify that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 7.2 (*Redemption for Taxation Reasons*), Condition 7.3 (*Redemption at the option of the Issuer*), Condition 7.5 (*Redemption at the option of the Holders upon a Change of Control Put Event*) or Condition 10 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

## **6.8 Payments on business days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

## **6.9 Payments other than in respect of matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the specified office of any Paying Agent outside the United States (or in New York if permitted by Condition 6.4 (*Payments in New York*) above).

## **6.10 Partial payments**

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## **6.11 Exchange of Talons**

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the specified office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon) but excluding any Coupons in respect of which claims have already become void pursuant to Condition 9 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

# **7. REDEMPTION AND PURCHASE**

## **7.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their Final Redemption Amount specified in the applicable Final Terms on the Maturity Date.

## **7.2 Redemption for Taxation Reasons**

The Issuer may at its option, subject to giving notice to the Trustee in accordance with this Condition 7.2 (*Redemption for Taxation Reasons*), and on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem all the Notes, but not some only:

- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

at their principal amount together with interest accrued to but excluding the date of redemption, if:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after the date of the agreement to issue the first Tranche of the Notes, on the next Interest Payment Date, the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*); and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days (or, if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to such Notes plus 60 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 relevant Notes then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that the Issuer is entitled to effect such redemption, and setting forth a statement of facts showing that the conditions precedent as set out in this Condition 7.2 (*Redemption for Taxation Reasons*) to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment referred to above. The Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in paragraphs (a) and (b) above, in which event they shall be conclusive and binding on the Noteholders and the Couponholders and the Trustee shall be entitled to rely on such certificate and opinion without further enquiry and without liability to any person.

### 7.3 Redemption at the option of the Issuer

#### *Issuer Maturity Par Call*

If the Issuer Maturity Par Call is specified as being applicable in the relevant Final Terms, the Issuer may at its option, having given not less than 10 nor more than 30 days' notice (or such other period of notice as is specified in the relevant Final Terms) to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the period commencing on (and including) the Par Call Commencement Date (as specified in the relevant Final Terms) to (but excluding) the Maturity Date at their Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

#### *Make-Whole Redemption by the Issuer*

If so specified in the relevant Final Terms, the Issuer may at its option, subject to compliance with all relevant laws, regulations and directives and on giving not less than 10 nor more than thirty (30) days' notice (or such other period of notice as is specified in the relevant Final Terms) to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption, and, for the avoidance of doubt, may be subject to one or more conditions precedent), redeem in whole or in part the Notes at any time prior to the Maturity Date (the "**Make-Whole Redemption Date**") at the Make-Whole Redemption Amount.

The "**Make-Whole Redemption Amount**" will be calculated by the Make-Whole Calculation Agent and will be an amount in the Specified Currency rounded to the nearest Sub-Unit (with half a Sub-Unit rounded upwards) and equal to the greater of:

- (a) 100 per cent. of the principal amount of the Note; or
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest on such Note to the Maturity Date (or, if a Par Call Commencement Date is specified in the relevant Final Terms, to the Par Call Commencement Date) (not including any interest accrued on the Note to, but excluding, the Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate (as specified in the relevant Final Terms and as determined three Business Days prior to the Make-Whole Redemption Date) plus a Make-Whole Redemption Margin (as specified in the relevant Final Terms), plus in each case, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

**“Make-Whole Calculation Agent”** means the international credit institutions or financial services institution or any other competent entity of recognised standing with appropriate expertise appointed by the Issuer prior to the giving of any notice referred to above in connection with the exercise of the Make-Whole Redemption in accordance with this Condition 7.3 (*Redemption at the option of the Issuer—Make-Whole Redemption by the Issuer*).

#### *Issuer Residual Call*

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 25 per cent. or less of the aggregate nominal amount of the Series issued (other than as a result of the exercise by the Issuer of its redemption right under this Condition 7.3 (*Redemption at the option of the Issuer*) to redeem some but not all of the Notes at the Make-Whole Redemption Amount), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as not being applicable) or on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable), on giving not less than 10 nor more than 30 days’ notice (or such other period of notice as is specified in the relevant Final Terms) to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption) at the Residual Call Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

## **7.4 Partial Redemption**

If the Notes are to be redeemed in part only on any date in accordance with Condition 7.3 (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected:

- (a) (if the Notes are in definitive form) by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 7.3 (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed; or
- (b) (if the Notes are in global form) in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Make-Whole Redemption Amount shall in no event be greater than the maximum or be less than the minimum so specified.



## 7.5 Redemption at the option of the Holders upon a Change of Control Put Event

If Change of Control Put is specified as being applicable in the relevant Final Terms, upon the occurrence of a Change of Control Put Event, unless the Issuer has exercised its right to redeem the Notes in accordance with Condition 7.2 (*Redemption for Taxation Reasons*) or Condition 7.3 (*Redemption at the option of the Issuer*), each Noteholder shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount together with interest accrued to but excluding the Put Date.

Within 60 days following the date upon which the Change of Control Put Event has occurred, the Issuer shall give notice to the Noteholders in accordance with Condition 13 (*Notices*) of the occurrence of a Change of Control Put Event and shall, in the notice, specify a date being not less than 30 nor more than 60 days after the date on which the notice was given as the **"Put Date"**.

To exercise such option, the Noteholder must deliver such Note to be redeemed or purchased, together with all Coupons relating to it maturing after the Put Date, to the specified office of the Principal Paying Agent at any time during normal business hours together with a duly completed notice of exercise in the form obtainable from the specified office of the Principal Paying Agent (a **"Change of Control Put Notice"**), not less than 15 nor more than 30 days before the Put Date. If the Notes are in global form, the Noteholder must specify in the Change of Control Put Notice the principal amount of Notes in respect of which such option is being exercised. A Change of Control Put Notice, once given, shall be irrevocable.

If 75 per cent. or more in aggregate principal amount of the Notes then outstanding have been redeemed or purchased pursuant to the foregoing provisions of this Condition 7.5 (*Redemption at the option of the Holders upon a Change of Control Put Event*), the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date) in accordance with Condition 13 (*Notices*), redeem or purchase (or procure the purchase of), at its option, all (but not some only) of the remaining Notes at their principal amount together with interest accrued to but excluding the date fixed for such redemption or purchase.

In this Condition 7.5 (*Redemption at the option of the Holders upon a Change of Control Put Event*):

A **"Change of Control"** means the occurrence of any one of the following: (i) Control is acquired or held by any Person or any Persons acting in concert ("acting in concert" to be within the meaning of Section 5:45, subsection 5 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*)) as to the exercise of Voting Shares or (ii) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the outstanding Voting Shares of the Issuer or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Shares of the Issuer outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Shares of the surviving Person immediately after giving effect to such transaction, provided that a Change of Control shall be deemed not to occur (i) solely as a result of the issuance or transfer, with the co-operation of the Issuer's Supervisory Board, Board of Management or the Issuer's general meeting of shareholders, as applicable, and, in each case, if required, of any preference shares in the Issuer's share capital to the foundation Stichting Preferente Aandelen Philips or its successor; or (ii) if the event which would otherwise have constituted a Change of Control occurs or is carried on terms previously approved by the Trustee or by an Extraordinary Resolution.

**"Change of Control Put Event"** means the Notes are rated below Investment Grade by each of the Rating Agencies on any date during the period (the **"Change of Control Period"**) commencing on the date of the first public announcement by the Issuer of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Change of Control Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings downgrade) and are not, within the Change of Control Period, subsequently upgraded to an Investment Grade rating provided that a Change of Control Put Event 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 (and shall not be deemed a Change of Control Put Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Change of Control Put Event). Notwithstanding the foregoing, no Change of Control Put Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

**“Control”** means the ownership of such a number of Voting Shares carrying more than 50 per cent. of the voting rights of the Issuer.

**“Investment Grade”** means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s); a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P); a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch) or the equivalent investment grade credit rating from any replacement Rating Agency of equivalent international standing.

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

**“Rating Agency”** means each of Moody’s Deutschland GmbH (**“Moody’s”**), Fitch Ratings Ltd (**“Fitch”**) and S&P Global Ratings Europe Limited (**“S&P”**) and their respective successors.

**“Voting Shares”** means shares in the issued share capital of the Issuer carrying voting rights.

## **7.6 Early redemption of Zero Coupon Notes**

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 7.6 (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

## **7.7 Purchases**

The Issuer or any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

## **7.8 Cancellations**

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes or may be reissued or resold.

## 7.9 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 (*Redemption for Taxation Reasons*), Condition 7.3 (*Redemption at the option of the Issuer*) or Condition 7.5 (*Redemption at the option of the Holders upon a Change of Control Put Event*) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

## 8. TAXATION

### 8.1 Payment without Withholding

All payments in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”), unless the withholding or deduction of the Taxes is required by law. In the event of Tax imposed or levied by or on behalf of any Relevant Jurisdiction, the Issuer will pay such additional amounts as may be necessary in order that any amount received by the Noteholders or Couponholders after the withholding or deduction is equal to the amount that would have been received in respect of the Notes or, as the case may be, Coupons, in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder or beneficial owner (for the purposes of the relevant Tax) of which is liable for Tax in respect of such Note or Coupon by reason of having or having had a present or former connection with the Relevant Jurisdiction other than a mere holding of the Notes or Coupons; or
- (b) presented for payment in the Netherlands where such withholding or deduction would not have been required had such Note or Coupon not been presented in the Netherlands; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6 (*Payments*)); or
- (d) presented for payment by, or on behalf of, a holder where the holder or the beneficial owner for the purpose of the relevant Tax is entitled to avoid such withholding or deduction in respect of such Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (e) where such withholding or deduction is required pursuant to the application of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or
- (f) payable due to any combination of items (a) to (e).

Notwithstanding any other provisions contained herein, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (“**FATCA Withholding**”). The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any Paying Agent or any other party.

For the avoidance of doubt, the obligation of the Issuer to pay additional amounts in respect of Taxes will not apply to (i) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty,

assessment or other governmental charge or (ii) any Taxes payable otherwise than by deduction or withholding from payments of principal of, or interest on, the Notes or, as the case may be, Coupons.

## 8.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 (*Taxation*) or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

## 9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and 5 years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments*).

## 10. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may and, if so requested in writing by holders of at least one-quarter in principal amount of the Notes then outstanding or, if so directed by an Extraordinary Resolution, shall (subject, in the case of the happening of any of the events mentioned in paragraphs (b) to (g) (other than (d) below), to the Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the Noteholders) subject in all cases, to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal or interest due in respect of the Notes, and that failure to pay continues for more than 14 days after the due date for payment; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any one or more other obligations under or in respect of the Notes or the Trust Deed required to be performed or observed by the Issuer and such default is either:
  - (i) in the opinion of the Trustee, incapable of remedy, in which case no notice referred to in (ii) below will be required; or
  - (ii) in the opinion of the Trustee, capable of remedy and the default remains unremedied for 30 days (or such longer period as the Trustee may agree) after the Trustee has given written notice to the Issuer specifying the default and requiring that default to be remedied; or
- (c) **Cross-acceleration:** (i) the repayment of any indebtedness for borrowed money owing by the Issuer or any of its Material Subsidiaries is accelerated by reason of default (however expressed) and such acceleration has not been rescinded, waived, cancelled or annulled, or (ii) the Issuer or any of its Material Subsidiaries is in default (after the expiry of any originally applicable grace period) in any payment when due of such indebtedness for borrowed money; provided that no such event shall constitute an Event of Default (A) if it is being contested in good faith by, in the reasonable opinion of the Issuer, appropriate proceedings; or (B) unless the aggregate outstanding amount of such accelerated or unpaid indebtedness for borrowed money, whether alone or when aggregated with all other such outstanding accelerated or unpaid indebtedness for borrowed money, exceeds €100 million (or its equivalent in another currency or currencies); or
- (d) **Winding-up:** any final order is made by any competent court or other authority, or an effective resolution is passed for the liquidation, dissolution or winding-up of the Issuer or any of its Material

Subsidiaries otherwise than (i) for the purposes of a Permitted Reorganisation; or (ii) on terms previously approved by the Trustee or by an Extraordinary Resolution; or

- (e) **Insolvency, etc.:** (i) the Issuer or any of its Material Subsidiaries admits in writing that it is insolvent or unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Material Subsidiaries or the whole or substantially all of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, (iii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business otherwise, in each of (i) to (iv), than (i) for the purposes of a Permitted Reorganisation; or (ii) on terms previously approved by the Trustee or by an Extraordinary Resolution;
- (f) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially all of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (g) **Analogous Event:** if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have an analogous effect to any of the events referred to in subparagraphs (d) to (f) above.

## **11. ENFORCEMENT**

### **11.1 Enforcement by the Trustee**

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing and provided that the Trustee shall not be liable for the consequences of taking any such action and may take such action without having regard to the effect of such actions on individual Noteholders or Couponholders.

### **11.2 Limitation on Trustee actions**

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

### **11.3 Enforcement by the Noteholders**

No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and such failure shall be continuing.

## **12. REPLACEMENT OF NOTES AND COUPONS**

Should any Note or Coupon be 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 Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **13. NOTICES**

### **13.1 Notices to the Noteholders**

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London and, so long as the Notes are admitted to listing on the Official List and to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that exchange so require, a daily newspaper of general circulation in Luxembourg or the website of the Luxembourg Stock Exchange (at [www.bourse.lu](http://www.bourse.lu)). It is expected that publication in a newspaper will normally be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant Notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

### **13.2 Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## **14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION, SUBSTITUTION**

### **14.1 Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification of any of these Conditions or any of the provisions of the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of the Noteholders holding not less than one-quarter of the aggregate principal amount of the outstanding Notes.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of

the Notes held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Trust Deed as a Basic Terms Modification, including the modification of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or interest payable in respect of the Notes, altering the currency of payment of the Notes, altering the method of calculating the amount of any payment in respect of the Notes or changing the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution), the necessary quorum required to pass an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding.

In addition, the Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Notes for the time being outstanding or consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than two-thirds in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

#### **14.2 Modification, Waiver, Authorisation and Determination**

The Trustee may agree, without the consent of the Noteholders or Couponholders (i) (other than in relation to any Basic Terms Modification (as defined in the Trust Deed)) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders), or (ii) to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of law. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, save the Trustee shall only agree without the consent of the Noteholders to such modification if, in the opinion of the Trustee, such modification is not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation, determination or waiver shall be binding on the Noteholders and Couponholders.

Additionally, the Issuer may, subject to Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) and Condition 5.2(f) (*Interest – Floating Rate Notes referencing SOFR*), vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders of the relevant Notes or Coupons, as described in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) and the Trustee and the Paying Agents shall concur to such Benchmark Amendments and/or Benchmark Replacement Conforming Changes (as applicable) on the basis set out in Condition 5.2(m) (*Benchmark Discontinuation (Independent Adviser)*) and Condition 5.2(f) (*Interest – Floating Rate Notes referencing SOFR*).

#### **14.3 Trustee to have Regard to Interests of Noteholders as a Class**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or

Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

#### **14.4 Notification to the Noteholders**

Any modification, abrogation, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

#### **14.5 Substitution**

The Trustee may agree, without the consent of the Noteholders or the Couponholders, to the substitution of (i) any Subsidiary of the Issuer or (ii) any company which directly or indirectly owns 100 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote in the Issuer in place of the Issuer as issuer and principal debtor under the Trust Deed, the Notes and the Coupons; provided that the Notes are unconditionally and irrevocably guaranteed by the Issuer and certain other conditions specified in the Trust Deed are fulfilled. Any such substitution shall be binding on the Noteholders and Couponholders and shall be notified to the Noteholders within 14 days thereafter.

### **15. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER**

#### **15.1 Indemnification and protection of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

#### **15.2 Trustee Contracting with the Issuer**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

### **16. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.



## **17. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **17.1 Governing Law**

The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons are governed by, and construed in accordance with, English law.

### **17.2 Submission to Jurisdiction**

- (a) Subject to Condition 17.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons (a “**Dispute**”) and each of the Issuer, the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 17.2 (*Submission to Jurisdiction*), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Issuer, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

### **17.3 Appointment of Process Agent**

The Issuer irrevocably appoints Philips Electronics UK Limited (Attention: Company Secretary), Philips Centre, Guildford Business Park, Guildford, Surrey GU2 8XG as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Philips Electronics UK Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition 17.3 (*Appointment of Process Agent*) shall affect the right to serve process in any other manner permitted by law.

### **17.4 Other Documents**

The Issuer has in the Agency Agreement and the Trust Deed submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

## **18. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## FORM OF FINAL TERMS

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

**[[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: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs 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 PRIPs Regulation.]

**[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: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the “**FSMA**”) to implement Directive (EU) 2016/97, 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 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 (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.]

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

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is 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 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. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to 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.]

**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 Section 309A of the SFA that the Notes are [“prescribed capital markets products”]/[capital markets products other than “prescribed capital markets products”]) (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Final Terms dated [•]

**Koninklijke Philips N.V.**

*(a public limited liability company (naamloze vennootschap) incorporated under the laws of the Netherlands)*

Legal Entity Identifier Code (LEI): H1FJE8H61JGM1JSGM897

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

**under the €10,000,000,000**

**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[*Option 1* - Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated 8 March 2022 [and the supplement[s] to the base prospectus dated [•]] ([together,] the “**Base Prospectus**”) [which together constitute] [which constitutes] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8(4) of the Prospectus Regulation. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus.]

[*Option 2* - Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated 9 March 2020 (the “**Original Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8(4) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and must be read in conjunction with the base prospectus dated 8 March 2022 [and the supplement[s] to the base prospectus dated [•]] ([together,] the “**Base Prospectus**”) [which together constitute] [which constitutes] a base prospectus for the purposes of the Prospectus Regulation save in respect of the Conditions which are set forth in the Original Prospectus and are incorporated by reference in the Base Prospectus.]

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms[, the Conditions] and the Base Prospectus. The base prospectus dated 8 March 2022 [and the supplement to the base prospectus[es] dated [•]] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

- |    |       |  |  |
|----|-------|--|--|
| 1. | (i)   | Issuer:  | Koninklijke Philips N.V.   |
| 2. | (i)   | Series Number:   | [•]  |
|    | (ii)  | Tranche Number:  | [•]  |
|    | (iii) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [•] on [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 [•]][Not Applicable] |
| 3. |       | Specified Currency or Currencies:                                      | [•]  |
| 4. |       | Aggregate Principal Amount:  |  |
|    | (i)   | [Series]:  | [•]  |

- [(ii) Tranche: [●]]
5. Issue Price: [●]% of the Aggregate Principal Amount [plus accrued interest from [●]]
6. (i) Specified Denomination(s): [●]
- (No Notes may be issued which have a minimum denomination of less than €100,000 (or nearly the equivalent in another currency))*
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
8. Maturity Date: [[●]/Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●]% Fixed Rate]
- [EURIBOR/SONIA/SOFR/€STR] +/-[●]% Floating Rate]
- [Zero Coupon]
- (See paragraph [15/16/17] below)
10. Redemption / Payment Basis: Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their principal amount.
11. Change of Interest Basis: [●]/[Not Applicable]
12. Put/Call Options: [Issuer Maturity Par Call]/[Not Applicable]
- [Make-Whole Redemption by the Issuer]
- [Issuer Residual Call]
- [Change of Control Put]
- (See paragraph [18/19/20/21/22/23] below)
13. [Date [Board] approval for issuance of Notes [●] [and [●], respectively [and Guarantees] obtained: [●] [and [●], respectively]
14. Method of distribution [Syndicated/Non-Syndicated]

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

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

	(i) Rate[(s)] of Interest:	[●]% per annum (payable [annually/semi-annually/quarterly/monthly]) in arrear]
	(ii) Interest Payment Date(s):	[●] in each year up to and including the Maturity Date [adjusted [for payment purposes only] in accordance with [●]/not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[Actual/Actual (ICMA)] [30/360]
	(vi) Interest Determination Date(s):	[[●] in each year][Not Applicable]
16.	<b>Floating Rate Note Provisions</b>	[Applicable/Not Applicable]
	(i) Interest Period(s):	[●]
	(ii) Specified Period:	[●]
	(iii) Interest Payment Dates:	[●]
	(iv) Business Day Convention:	[Following Business Day Convention/ Modified Following Business Day Convention/ Modified Business Day Convention/ Preceding Business Day Convention/ FRN Convention/ Floating Rate Convention/Eurodollar Convention/ No Adjustment]
	(v) Additional Business Centre(s):	[Not Applicable/[●]]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii) Calculation Agent (if not the Principal Paying Agent):	[●]
	(viii) Screen Rate Determination:	
	• Reference Rate:	[●] month [EURIBOR/SONIA/SOFR/€STR]
	• Observation Method:	[Lag / Observation Shift]
	• Lag Period:	[5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
	• Observation Shift Period:	[5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]

*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*

[360/365] / [●] / [Not Applicable]

- Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - Relevant Time: [●]
  - Relevant Financial Centre: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA 2021 Definitions: [Applicable/Not Applicable]
    - [Applicable Benchmark [●]/Not Applicable]
    - [Fixing Day [●]
    - [Fixing Time [●]
    - [Any other terms relating to the 2021 ISDA Definitions] [[●]/ Not Applicable]]
- (x) Linear interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [+/-][●]% per annum
- (xii) Minimum Rate of Interest: [●]% per annum/[Not Applicable]
- (xiii) Maximum Rate of Interest: [●]% per annum/[Not Applicable]
- (xiv) Day Count Fraction: [Actual/365/Actual/Actual (ICMA)]
- [Actual/365 (Fixed)]
- [Actual/360]

- [Actual/360 (Sterling)]
- [30/360]
- [30E/360/Eurobond Basis]
- [30E/360(ISDA)]
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Accrual Yield: [●]% per annum
- (ii) Reference Price: [●]

#### PROVISIONS RELATING TO REDEMPTION

18. **Issuer Maturity Par Call** [Applicable/Not Applicable]
- (i) Par Call Commencement Date: [●]
- (ii) Notice Periods (if other than as set out in the Conditions): [Minimum Period: [●] days / Not Applicable]  
[Maximum Period: [●] days / Not Applicable]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount/[Not Applicable]
- (b) Maximum Redemption Amount: [●] per Calculation Amount/[Not Applicable]
19. **Final Redemption Amount** [●] per Calculation Amount
20. **Early Redemption Amount**
- Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount
21. **Make-whole Redemption** [Applicable/Not Applicable]
- (i) Notice Periods (if other than as set out in the Conditions): [Minimum Period: [●] days / Not Applicable]  
[Maximum Period: [●] days / Not Applicable]
- (ii) Make-Whole Redemption Rate: [●]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount/[Not Applicable]

- (b) Maximum Redemption Amount: [●] per Calculation Amount/[Not Applicable]
- (iv) Make-Whole Redemption Margin: [●]
22. **Issuer Residual Call** [Applicable/Not Applicable]
- (i) Residual Call Early Redemption Amount: [●] per Calculation Amount
- (ii) Notice Periods (if other than as set out in the Conditions): [Minimum Period: [●] days / Not Applicable]
- [Maximum Period: [●] days / Not Applicable]
23. **Change of Control Put** [Applicable/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- (N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by Permanent Bearer Global Notes exchangeable for Definitive Notes).*
25. **New Global Note:** [Yes] [No]
26. **Additional Financial Centre(s):** [Not Applicable/[●]]
27. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes/No]



## **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of Luxembourg Stock Exchange of the Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of Koninklijke Philips N.V. as Issuer.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information] has been extracted from [ ]. 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 [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Koninklijke Philips N.V.

By \_\_\_\_\_

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [The Official List of the Luxembourg Stock Exchange/None]
- (ii) Admission to trading: Application [has been][will be] made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on its regulated market with effect from [●] [and for the Notes to be displayed on the Luxembourg Green Exchange] / [Not Applicable]
- (iii) Estimate of total expenses related to [●] admission to trading:

### 2. RATINGS

[Each of Moody's Deutschland GmbH (“**Moody's**”), Fitch Ratings Ireland Limited (“**Fitch**”) and S&P Global Ratings Europe Limited (“**S&P**”) are established in the EEA and are included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 (as amended, the “**CRA Regulation**”). The ratings of Moody's, Fitch and S&P are endorsed by Moody's Investors Service Ltd (“**Moody's UK**”), Fitch Ratings Ltd (“**FRL**”) and S&P Global Ratings UK Limited (“**S&P UK**”) respectively, in accordance with the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**UK CRA Regulation**”), for use in the UK. Each of Moody's UK, FRL and S&P UK is established in the UK and registered under the UK CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU or and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EU which is certified under the CRA Regulation.

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK

but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.]

Ratings:

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

[[●]]: [●]

[[●]]: [●]

[include definitions of ratings]

[The Notes to be issued have not been specifically rated]

### 3. **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

Reasons for the offer:

[General corporate purposes] / [To [finance/refinance] Green Eligible Projects (*see “Use of Proceeds” section in Base Prospectus*).]

Estimated net proceeds:

[●]

### 3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save as discussed in [*“Subscription and Sale”*], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. 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 other services for, the Issuer and their affiliates in the ordinary course of business.]

### 4. ***Fixed Rate Notes only* – YIELD**

Indication of yield:

[●] per cent. per annum/[Not Applicable]

### 5. **DISTRIBUTION**

If syndicated, name of Managers:

[Not Applicable/*give names*]

Stabilisation Manager(s) (if any):

[Not Applicable/*give name(s)*]

If non-syndicated, name of relevant Dealer:

[Not Applicable/*give name*]

U.S. selling restrictions:

[Reg. S Compliance Category: 2]

[TEFRA D/TEFRA C/TEFRA Not Applicable]

6. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[●]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [●]

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

Relevant Benchmark [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/

[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/

[Not Applicable]

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

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the

Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## USE OF PROCEEDS

An amount equal to the net proceeds of the issue of each Tranche of Notes will (as specified in the applicable Final Terms) be applied by the Issuer either:

- (a) for its general corporate purposes;
- (b) to finance a portfolio (the “**Green Eligible Projects Portfolio**”) of eligible green innovations (the “**Green Eligible Projects**”), or to finance any other particular identified use of proceeds set out in the relevant Final Terms, which belong to the following categories: (i) Group expenditures related to Green Innovation in R&D; (ii) Group expenditures related to the implementation of circular products and solutions; and/or (iii) expenditures under the Group’s “**Sustainable Operations Programmes**”, as further described in the Framework available on the Group’s global investor relations website (<https://www.philips.com/a-w/about/investor.html>). The information on the website does not form part of this Base Prospectus and has not been scrutinised or approved by the competent authority. For the avoidance of doubt, the Framework is not, nor shall it be deemed to be, incorporated and/or form part of this Base Prospectus; or
- (c) to finance any other particular identified use of proceeds as stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER AND THE GROUP

### History and Development

The Issuer is a public limited liability company (*naamloze vennootschap*) organised under the laws of the Netherlands and is the parent company of the Group, headquartered in Amsterdam, the Netherlands. The Issuer, which started as a limited partnership with the name Philips & Co in Eindhoven, the Netherlands, in 1891, was converted into a company with limited liability with the name N.V. Philips' Gloeilampenfabrieken on 11 September 1912. The Issuer's legal and commercial name was changed to Philips Electronics N.V. on 6 May 1994, to Koninklijke Philips Electronics N.V. on 1 April 1998 and to Koninklijke Philips N.V. on 15 May 2013. Its shares have been listed on the Amsterdam Stock Exchange, Euronext Amsterdam, since 1912. The shares have been traded in the United States since 1962 and have been listed on the New York Stock Exchange since 1987. The Issuer's corporate seat (*statutaire zetel*) is in Eindhoven, the Netherlands, and the executive offices of the Issuer are located at the Philips Center, Amstelplein 2, 1096 BC Amsterdam, the Netherlands.

The Issuer is registered with the Dutch Chamber of Commerce with number 17001910. Its telephone number is +31 20 59 77 777.

The Issuer is managed by the members of the Executive Committee (comprising the board of management ("**Board of Management**") and certain key officers) under the supervision of the supervisory board ("**Supervisory Board**"). The Executive Committee operates under the chairmanship of the Chief Executive Officer ("**CEO**") and shares responsibility for the deployment of the Group's strategy and policies, and the achievement of its objectives and results.

In 2014, the Issuer announced its plan to sharpen its strategic focus by establishing two standalone companies focused on the HealthTech and Lighting opportunities respectively. After establishing a standalone structure for the lighting activities within the Group, Philips Lighting (renamed Signify in 2018) was listed and started trading on Euronext in Amsterdam under the symbol 'LIGHT' on 27 May 2016. Through a series of accelerated bookbuilt offerings (in total five) and open market sales in the course of 2017, 2018 and 2019, the Issuer's shareholding in Signify was reduced to nil in September 2019.

In January 2020, the Issuer announced that it would review options for future ownership of its Domestic Appliances business, part of the Personal Health segment. After a separate legal structure for this business was created within the Group, the sale of the Domestic Appliances business was completed on 1 September 2021.

The Issuer's existing long-term debt is rated Baa1 by Moody's, A- by Fitch and BBB+ by S&P.

The Issuer's website can be accessed at: <https://www.philips.com/a-w/about/investor.html>. The information on the website does not form part of this Base Prospectus except to the extent that information is incorporated by reference into this Base Prospectus.

### Business of the Group

In 2021, the Group's reportable segments were the Diagnosis & Treatment businesses, Connected Care businesses, and Personal Health businesses, each having been responsible for the management of its business worldwide. Additionally, the Issuer identifies the reportable segment Other.

Since the completion of the sale of the Domestic Appliances business (formerly part of the Personal Health businesses), it is no longer consolidated by the Group as from 1 September 2021.

## ***Diagnosis & Treatment Businesses***

### *Overview*

The Group's Diagnosis & Treatment businesses create value through their portfolio of innovative solutions consisting of systems, smart devices, software and services powered by AI enabled informatics that support precision diagnoses and minimally invasive procedures in therapeutic areas such as cardiology, peripheral vascular, neurology, surgery and oncology. With these solutions, the Group enables its customers to realise the full potential of the "quadruple aim": better health outcomes, improved patient experience, improved staff experience, and lower cost of care.

Serving diagnostic enterprise imaging markets globally, is the Group sees significant opportunity to enable precise diagnoses while at the same time supporting adjacent needs for guidance across care pathways and increasing departmental productivity. The Group does this through smart diagnostic systems, connected workflow solutions, integrated diagnostics and clear care pathways, driving enterprise-wide operational efficiency and supporting clinicians to provide an early and definitive diagnosis, enabling them to select tailored care pathways and predictable outcomes for every patient.

The Group also provides integrated solutions combining imaging systems and diagnostic and therapeutic devices, which optimise interventional procedures and so deliver more effective treatment, better outcomes and higher productivity. Building upon the Group's Image Guided Therapy System (Azurion), it continues to innovate, optimising clinical and operational laboratory performance through advances in workflow and integration for routine procedures, and expanding the role of image-guided interventions to treat new groups of patients such as those with complex diseases including stroke, lung cancer and spine disorders. The Group is also innovating the way in which it engages with its customers in new business models across different care settings, including out-of-hospital settings such as office-based labs and ambulatory surgical centres, which offer clear clinical, financial and operational benefits.

In 2021, the Diagnosis & Treatment businesses benefited from a partial resumption of elective procedures and exams as the COVID-19 restrictions eased, and strong order growth for capital equipment, which bodes well for 2022. The Group continued to make advances in innovation, strengthening its portfolio and providing clinical and economic evidence to support the adoption of its solutions. In oncology care, it deepened its collaboration with leading precision radiation therapy company Elekta, with the aim of advancing comprehensive and personalised cancer care through precision oncology solutions. The launch of the Spectral Computed Tomography 7500 system is a significant step forward in integrating the additional diagnostic benefits of spectral computed tomography into standard workflows and in combination with the Image Guided Therapy System (Azurion) represents what the Issuer believes to be the world's first always-on spectral detector angio-computed tomography solution. Significant new clinical data demonstrated the value of intravascular ultrasound, in which the Group is a global leader, in the treatment of a broad range of peripheral vascular patient populations.

In 2021, the Diagnosis & Treatment segment consisted of the following areas of business:

- **Diagnostic Imaging:** Magnetic Resonance Imaging, with helium-free for life operations, bundled with associated software to streamline workflows, optimise diagnostic quality, and improve patient experience; X-ray systems, together with associated software to streamline workflows and optimise diagnostic quality; advanced and efficient computed tomography systems and software, including detector-based spectral computed tomography; molecular and hybrid imaging solutions for nuclear medicine.
- **Ultrasound:** echography solutions focused on diagnosis, treatment planning and guidance for cardiology, general imaging, obstetrics/gynaecology, and point-of-care applications, as well as proprietary software capabilities to enable advanced diagnostics and interventions.
- **Enterprise Diagnostic Informatics:** a suite of integrated products and services that deliver a comprehensive platform designed to connect clinical data and optimise workflows around every step in the patient's journey across a range of diagnostic (radiology, point-of-care, laboratory) and clinical (oncology, cardiology, neurology) service lines.



- **Image Guided Therapy:**
  - Systems: integrated interventional systems that combine information from imaging systems, interventional devices, navigation tools and patient health records to provide interventional staff with the control and information they need to perform procedures efficiently;
  - Devices: interventional diagnostic and therapeutic devices to treat coronary artery and peripheral vascular disease, including intravascular ultrasound, intracardiac echo, fractional flow reserve and instantaneous wave-free ratio, physiology measurement, atherectomy catheters, a dissection repair implant, as well as drug-coated balloons and lead extraction devices.

Revenue is predominantly earned through the sale of products, leasing, customer services fees, recurring per-procedure fees for disposable devices, and software licence fees. For certain offerings, per-study fees or outcome-based fees are earned over the contract term.

Sales channels are a mix of a direct sales force, especially in all the larger markets, third-party distributors and an online sales portal. This varies by product, market and price segment. The Group's sales organisations have an intimate knowledge of technologies and clinical applications, as well as the solutions necessary to solve problems for its customers.

Under normal circumstances, sales at the Group's Diagnosis & Treatment businesses are generally higher in the second half of the year, largely due to the timing of customer spending patterns.

As of 31 December 2021, Diagnosis & Treatment had approximately 32,000 employees worldwide.

For the year ended 31 December 2021, in the Diagnosis & Treatment segment, Diagnostic Imaging represented 42 per cent. of total sales, Ultrasound represented 19 per cent. of total sales, Enterprise Diagnostic Informatics represented 8 per cent. of total sales, and Image Guided Therapy represented 31 per cent. of total sales.

### ***Connected Care Businesses***

#### *Overview*

Spanning the entire health continuum, the Connected Care businesses help broaden the reach and deepen the impact of healthcare with solutions that unite devices, informatics, data and people across care networks. In this way, the Group connects patients and caregivers across care settings, delivering clinical, operational and therapeutic solutions that help the Group's customers address the "quadruple aim" of better health outcomes, improved patient and staff experience and lower cost of care.

In 2021, Connected Care continued to play a crucial role in fulfilling patient and customer needs created by the COVID-19 global pandemic: delivering core systems such as patient monitors, supporting the expansion of telehealth for the intensive care units ("ICU"), providing ventilators and oxygen and delivering remote patient care safely.

COVID-19 continues to accelerate the digital transformation of healthcare, enabled by, for example, cloud and SaaS offerings. Increasingly, the Group's customers need to support the transition of care, in the hospital and from the hospital to the home, making virtual care services an essential part of healthcare delivery. At the same time, customers want to be able to unlock data siloes and translate data into clinical and operational insights to support better outcomes; and leverage automation and remote support in order to improve workflows and alleviate staffing constraints.

The Group has a deep understanding of clinical care and the patient experience inside and outside the hospital. The combination of the Group's advanced technological solutions and consultative approach allows it to be an effective partner to customers in their transformation, both across the enterprise and at the level of the individual clinician, nurse and patient. The Group's consultation services are set up to help redesign and optimise patient and work flows, as well as to provide predictive analytics, customised training and improved accessibility across the Group's application landscape, thus reducing the burden on hospital staff and improving patient safety.

This requires secure common digital platforms that connect and align consumers, patients, payers and healthcare providers in an interoperable manner. The Group's platforms aggregate and leverage information from clinical, devices, patient and historical data to support care providers in patient engagement, diagnostics, (ambulatory) patient monitoring and (clinical) therapy solutions.

In 2021, the Connected Care segment consisted of the following areas of business:

- **Hospital Patient Monitoring:** This business delivers acute patient management solutions to improve clinical and patient outcomes and achieve operational and economic efficiencies. Leveraging a strong presence in the ICU, Hospital Patient Monitoring solutions enhance customers' experience and improve patient outcomes with seamless patient data monitoring from admission to discharge and by turning patient data into clinical insights that are actionable at the right time and specific to targeted care settings.
- **Emergency Care:** The Group's business propositions play a critical role in connected acute care management, both inside and outside the hospital, including cardiac resuscitation (for example, automated external defibrillators) and emergency care solutions (such as devices, services and digital/data solutions).
- **Sleep & Respiratory Care:** the Group's cloud-based sleep and respiratory patient management solutions enable the care of more than 10.5 million connected patients, driving adherence, reimbursement and remote patient management. This extends from ambulatory patient care solutions for obstructive sleep apnea, to end-to-end solutions that encompass consumer engagement, diagnostics, people-centric therapy, cloud-based connected propositions and care management services for patients with chronic obstructive pulmonary disease and respiratory conditions. Hospital respiratory care provides invasive and non-invasive ventilators for acute and sub-acute hospital environments; home respiratory care supports chronic care management in the home.
- **Connected Care Informatics:** This business includes a fully integrated electronic medical record and care management business, which enables centralised management of clinical, organisational and operational processes, virtual care delivery propositions, including remote patient management, and real-time monitoring in acute care, including telehealth in the ICU. The Group's Tele-ICU programme continues to play a pivotal role, enabling clinicians and nursing staff to remotely monitor a scalable number of ICU beds from a central monitoring facility with predictive analytics, enabled by the Group's HealthSuite Platform. In 2021, the Group acquired Capsule Technologies, Inc., which now forms part of Clinical Data Services. Capsule is a leader in medical device and data integration across the enterprise, integrating with more than 1,000 vendor-agnostic device models. Building on its core integration and interoperability capabilities, along with the HealthSuite Platform, the Group will fuel its data and healthcare 'Internet of Things' capabilities in support of integrated workflow solutions for the hospital. In 2021, the Group acquired BioTelemetry, Inc. and it now forms part of the Ambulatory Monitoring & Diagnostics business. BioTelemetry holds a leading position in patient care management in ambulatory and home care settings in North America through a suite of cardiac diagnostic and monitoring solutions to identify heart rhythm disorders supported by AI algorithms. In the first quarter of 2021, the Group sold its Personal Emergency Response Services and Senior Living, including the Aging & Care Giving business, to Connect America.

For the year ended 31 December 2021, in the Connected Care segment, Hospital Patient Monitoring represented 43 per cent. of total sales, Emergency Care represented 5 per cent. of total sales, Sleep & Respiratory Care represented 37 per cent. of total sales and Connected Care Informatics represented 15 per cent. of total sales.

In most of the Connected Care businesses, revenue is earned through the sale of products and solutions, customer services fees and software licence fees. Where bundled offerings result in solutions for the Group's customers, or offerings are based on the number of people being monitored, the Group sees more usage-based earnings models. In the patient care management business (Ambulatory Monitoring & Diagnostics and Sleep & Respiratory Care), revenue is generated through clinical services, product sales and through rental models, whereby revenue is generated over time.

Sales channels include a mix of a direct salesforce, partly paired with an online sales portal and distributors (varying by product, market and price segment). Sales are mostly driven by a direct salesforce with an intimate knowledge of the procedures that use the Group's integrated solutions' smart devices, systems, software and services. The Group works with customers and partners to co-create solutions, drive commercial innovation and adapt to new models such as monitoring-as-a-service.

Sales in the Connected Care businesses are generally higher in the second half of the year, largely due to customer spending patterns. However, in 2021, the Philips Respironics voluntary recall notification in the Group's Sleep & Respiratory Care business in June had a negative impact on sales in the second half of the year (see the section headed "Legal proceedings" on pages 188 to 189 of the Annual Report 2021 which is incorporated by reference in the Base Prospectus).

As of 31 December 2021, the Connected Care businesses had approximately 18,000 employees worldwide.

## ***Personal Health Businesses***

### *Overview*

The Group's Personal Health businesses play an important role on the health continuum, in the healthy living, prevention and home care stages, delivering compelling value propositions to enable people to live a healthy life and proactively manage their own health.

The Group aims to drive profitable growth through a focus on innovation across three key areas:

- reaching more people through consumer-driven product and solutions innovation;
- accelerating online growth and engaging more people through an end-to-end digital approach; and
- expanding the Group's ecosystem through partnerships with leading retailers and scaling new business models.

In September 2021, the Group completed the sale of its Domestic Appliances business to Hillhouse Investment, a global investment firm. As a result, in 2021 the Personal Health segment consisted of the following areas of business:

- Oral Healthcare: power toothbrushes for a range of price segments, from entry-level battery-operated toothbrushes for a young audience, to premium intuitive power toothbrushes connected to the Sonicare app with in-app coaching and teledentistry service; brush heads, which are also available as a subscription service; products for interdental cleaning and for teeth whitening.
- Mother & Child Care: products to support parents and babies in the first 1,000 days, including infant feeding (breast pumps, baby bottles, sterilisers), digital parental solutions (Pregnancy+ and Baby+ apps).
- Personal Care: products from entry-level to premium for male grooming (shavers, OneBlade, groomers, trimmers, hair clippers), including premium solutions with 'SkinIQ' technology and in-app coaching for a personalised shave, blade subscriptions; beauty solutions (skin care, hair care, hair removal), including solutions with the latest 'SenseIQ' technology that sense and adapt for personalised care, also available through subscription models.

For the year ended 31 December 2021, Oral Healthcare represented 34 per cent. of total sales in the Personal Health segment, Mother & Child Care represented 10 per cent. of total sales and Personal Care represented 56 per cent. of total sales.

Through its Personal Health businesses, the Group offers a broad range of solutions in various consumer price segments, always aiming to offer and realise premium value. The Group continues to rationalise its portfolio of locally relevant innovations and increase its accessibility, particularly in lower-tier cities in growth geographies. A notable

aspect of the Group's commercial strategy is driving increased direct-to-consumer relationships and sales through its consumer communities and online store. Globally, about half of the Group's Personal Health sales now take place online.

The Group is leveraging connectivity to offer new business models, partnering with other players in the health ecosystem, for example, insurance companies, with the goal of extending opportunities for people to live healthily, prevent or manage disease. The Group is engaging with consumers in their health journey in new and impactful ways through social media and digital innovation.

For example, the Group's Sonicare offers a wide range of solutions for complete oral care: from intelligent and intuitive power toothbrushes to interdental cleaning solutions and apps that help users to manage their complete oral care on a daily basis and give the option to share brushing data with their dental practitioners, putting personalised guidance at their fingertips. The Group also offers mobile solutions to support parents and parents-to-be for a more informed, more connected and healthier journey to parenthood. The Pregnancy app and Baby app offer parents supportive content at every stage of their first 1,000-day journey. Pregnancy also offers state-of-the-art, photo-realistic and interactive 3D fetal models to make the experience even more exciting, with new, personalised content for each day of the pregnancy. As of 31 December 2021, the Pregnancy app and Baby app combined have more than 56 million downloads, almost 2 million daily active users and are available in 22 languages.

The Group's wide portfolio of connected consumer health platforms leverages its HealthSuite Platform, a cloud-enabled connected health ecosystem of devices, apps and digital tools that support personalised health and continuous care.

The revenue model is mainly based on product sale at the point in time the products are delivered to retailers and online platforms. The Group is increasingly diversifying the revenue model with new business models, including direct-to-consumer, subscriptions and services.

The Group's Personal Health businesses experience seasonality, with higher sales around key national and international events and holidays.

As of 31 December 2021, Personal Health employed approximately 10,000 people worldwide.

## ***Other***

### ***Overview***

In the Group's external reporting on Other it reports on the items Innovation & Strategy, IP Royalties, Central costs, and other small items. As of 31 December 2021, approximately 18,000 people worldwide were working in these areas.

### ***Green/EcoDesigned Innovation***

Green/EcoDesigned Innovation is the Group's R&D investment related to the development of new generations of "Green/EcoDesigned products and solutions" and "Green Technologies", addressing the United Nations' Sustainable Development Goal 12 ("to ensure sustainable consumption and production patterns").

Sustainable Innovation is the Group's R&D investment related to the development of new generations of products and solutions that address the United Nations' Sustainable Development Goals 3 ("to ensure healthy lives and promote well-being for all at all ages") or 12.

In 2021, the Group invested €197 million in Green/EcoDesigned Innovation and over €1.5 billion in Sustainable Innovation.

## Share Capital and Ownership

As of 31 December 2021, authorised common shares consist of 2 billion shares (31 December 2020: 2 billion) and the issued and fully paid share capital consists of 883,898,696 common shares, each share having a par value of €0.20 (31 December 2020: 911,053,001).

## Management and Supervisory Bodies

The Issuer has a two-tier board structure consisting of a Board of Management and a Supervisory Board, each of which is accountable to the General Meeting of Shareholders for the fulfilment of its respective duties.

### *Board of Management and Executive Committee*

The Board of Management is entrusted with the management of the Issuer. The other members of the Executive Committee have been appointed to support the Board of Management in the fulfilment of its managerial duties.

Set forth below is the name, year of birth and position of each of the persons currently serving on the Board of Management. The business address of each person listed below is c/o Koninklijke Philips N.V., Philips Center, Amstelplein 2, 1096 BC Amsterdam, the Netherlands.

Name	Year of Birth	Position	Positions outside the Issuer
Frans van Houten	1960	Chief Executive Officer (CEO) Chairman of the Board of Management and the Executive Committee	Served as Co-Chair at the World Economic Forum in Davos in 2017. Currently co-chair of the World Economic Forum Platform to Accelerate the Circular Economy. Member of the European Round Table for Industry Co-founder and advocate of NL2025, a platform of Dutch influencers who support initiatives to create a better future for the Netherlands in the areas of education, vitality and sustainable growth. Co-founder of the Graduate Entrepreneur start-up ecosystem in the Netherlands. Appointed a member of the Board of Directors of Novartis in February 2017 and is a member of its Audit Committee since 2021.
Abhijit Bhattacharya	1961	Executive Vice President Chief Financial Officer (CFO)	Previously, Head of Investor Relations of the Issuer, CFO of Philips Healthcare, Head of Operations & Quality at ST-Ericsson, the joint venture of ST Microelectronics and Ericsson, and CFO of NXP's largest business group.
Marnix van Ginneken	1973	Executive Vice President Chief Legal Officer	Previously, in-house lawyer for Akzo Nobel and prior to that an attorney in a private practice. Professor of International Corporate Governance at

the Erasmus School of Law in Rotterdam since 2011.

Set forth below is the name, year of birth and position of each of the persons currently serving on the Executive Committee of the Issuer. Unless otherwise indicated, the business address of each person listed below is c/o Koninklijke Philips N.V., Philips Center, Amstelplein 2, 1096 BC Amsterdam, the Netherlands.

<b>Name</b>	<b>Year of Birth</b>	<b>Position</b>
Sophie Bechu	1960	Executive Vice President Chief Operations Officer
Andy Ho	1961	Executive Vice President Chief Market Leader of Philips Greater China
Roy Jakobs	1974	Executive Vice President Chief Business Leader Connected Care
Deeptha Khanna	1976	Executive Vice President Chief Business Leader Personal Health
Bert van Meurs	1961	Executive Vice President Chief Business Leader Image Guided Therapy and jointly responsible for Diagnosis & Treatment
Edwin Paalvast	1963	Executive Vice President Chief of International Markets
Shez Partovi	1967	Executive Vice President Chief Innovation & Strategy Officer
Vitor Rocha	1969	Executive Vice President Chief Market Leader of Philips North America
Daniela Seabrook	1973	Executive Vice President Chief Human Resources Officer
Kees Wesdorp	1976	Executive Vice President Chief Business Leader Precision Diagnosis and jointly responsible for Diagnosis & Treatment

#### ***Supervisory Board***

Set forth below is the name and year of birth of each of the persons currently serving on the Supervisory Board, as well as details of their involvement in other committees of the Issuer. The business address of each person listed below is c/o Koninklijke Philips N.V., Philips Center, Amstelplein 2, 1096 BC Amsterdam, the Netherlands.

<b>Name</b>	<b>Year of Birth</b>	<b>Positions outside the Issuer</b>
Feike Sijbesma <sup>2) 3)</sup>	1959	Former CEO and member of the Managing Board of Koninklijke DSM NV. Currently Honorary Chairman of Koninklijke DSM NV, member of the Supervisory Board of Dutch Central Bank (DNB), non-executive Director of Unilever NV, Co-Chair of the Global Climate Adaptation Center and Member of the Board of Trustees of the World Economic Forum.
Chua Sock Koong <sup>1)</sup>	1957	Former Group CEO of Singapore Telecommunications Limited and currently member of the Board of Directors of Prudential plc, Bharti Airtel Limited, Bharti Telecom Limited and Cap Vista Pte Ltd. Member of the Council of Presidential Advisors of Singapore, Deputy Chairman of the Public Service Commission of Singapore.
Neelam Dhawan <sup>1)5)</sup>	1959	Non-Executive Board Member of ICICI Bank Limited, Yatra Online Inc. and Skylo Technologies Inc. and Capita plc. Chair of the Board of Directors at Capillary Technologies Ltd. Former Vice President, Global Sales and Alliance - Asia Pacific & Japan, Hewlett Packard Enterprise.
Liz Doherty <sup>1)</sup>	1957	Former CFO and board member of Reckitt Benckiser Group PLC, former CFO of Brambles Ltd, former non-executive director and audit committee member at Delhaize Group, Nokia Corp., SABMiller PLC and Dunelm Group PLC. Currently, member of the Supervisory Board and Chairwoman of the audit committee of Novartis AG and of Corbion N.V. Fellow of the Chartered Institute of Management Accountants. Former non-executive board member of the UK Ministry of Justice and of Her Majesty's Courts and Tribunals Service (UK). Currently advisor to GBfoods and Affinity Petcare SA, subsidiaries of Agrolimen SA.
Marc Harrison <sup>4)6)</sup>	1964	Currently President and Chief Executive Officer of Intermountain Healthcare. Former Chief of International Business Development for Cleveland Clinic and Chief Executive Officer of Cleveland Clinic Abu Dhabi.
Peter Löscher <sup>1)4)</sup>	1957	Former President and CEO of Siemens AG, President of Global Human Health and Member of the Executive Board of Merck & Co., President and CEO of GE Healthcare Bio-Sciences and member of GE's Corporate Executive Council, CEO and Delegate of the Board of Directors of Renova Management AG. Currently Chairman of the Board of Directors of Sulzer AG, member of the Board of Directors of Telefónica S.A. and Chairman of the Supervisory Board of Telefónica Deutschland Holding AG, Non-Executive Director of Thyssen-Bornemisza Group

Name	Year of Birth	Positions outside the Issuer
		AG and Doha Venture Capital LLC and Senior Advisor at Bain Capital Private Equity.
Indra Nooyi <sup>3)</sup>	1955	Former CFO and Chairman and CEO of PepsiCo. Currently member of the Board of Directors and Chair of the Audit Committee of Amazon, Inc. Member of the International Board of Advisors of Temasek, member of the Board of Trustees and Executive Committee of the Massachusetts Institute of Technology.
David Pyott <sup>2)4)</sup>	1953	Former Chairman and Chief Executive Officer of Allergan, Inc. and Lead Director of Avery Dennison Corporation. Currently member of the Board of Directors of Alnylam Pharmaceuticals Inc., BioMarin Pharmaceutical Inc. and Pliant Therapeutics. Deputy Chairman of the Governing Board of London Business School, member of the Board of Trustees of California Institute of Technology, President of the Ophthalmology Foundation and President of the Advisory Board of the Foundation of the American Academy of Ophthalmology.
Paul Stoffels <sup>2)3)6)</sup>	1962	With effect from 1 April 2022, CEO of Galapagos NV. Until 1 January 2022, Vice Chair of the Executive Committee and Chief Scientific Officer at Johnson & Johnson. Previously, Worldwide Chair of Pharmaceuticals at Johnson & Johnson, CEO of Virco and Chairman of Tibotec. With effect from 1 April 2022, CEO of Galapagos NV.

1) Member of the Audit Committee

2) Member of the Remuneration Committee

3) Member of the Corporate Governance and Nomination & Selection Committee

4) Member of the Quality & Regulatory Committee

5) Neelam Dhawan will retire after third consecutive term, effective upon closing of the 2022 Annual General Meeting.

6) Paul Stoffels and Marc Harrison, whose first terms expire in 2022, will be proposed for re-appointment.

## Potential Conflicts of Interests

There are no potential conflicts of interest between any duties of the members of the Executive Committee which includes the Board of Management and the Supervisory Board and their private interests or other duties in relation to the issue of the Notes by the Issuer.

## Material Contracts

### *Royal Philips Revolving Credit Facility*

On 12 April 2017 and as amended and restated on 26 January 2022, the Issuer entered into a €1 billion revolving credit facility (“RCF”) with a consortium of international banks. The interest rate under the RCF will be partially dependent on the Issuer’s year-on-year sustainability performance improvement. This innovative construction was created by the Issuer in collaboration with ING as the ‘Sustainability Coordinator’ of the RCF and supported by the banks in the consortium.



The RCF has a maturity date of 21 April 2024, and can be used for general corporate purposes. As of 31 December 2021, the Issuer has no amounts outstanding under the RCF.

## TAXATION

### Taxation in the Netherlands

This section outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to Noteholders. For the purpose of this section, the term “Notes” also refers to Coupons, and the term “Noteholders” also refers to Couponholders.

For Dutch tax purposes, a Noteholder may include an individual, or an entity, that does not hold the legal title of the Notes, but to whom or to which nevertheless the Notes are, or their income from the Notes is, attributed based either on this individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions. These include statutory provisions under which Notes are attributed 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.

This section is intended as general information only. A prospective Noteholder should consult his 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 this Base Prospectus, including, for the avoidance of doubt, 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 must 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.

Any reference made to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*), the Tax Regulation the Netherlands Curacao (*Belastingregeling Nederland Curacao*), the Tax Regulation for the Netherlands Saint Martin (*Belastingregeling Nederland Sint Maarten*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the avoidance of double taxation.

This section does not describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder:

- (i) who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) which has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a Noteholder has a substantial interest in the Issuer if the Noteholder, alone or, in the case of an individual, together with a partner for Dutch tax purposes, or any relative by blood or by marriage in the ascending or descending line (including foster-children) of the Noteholder or the partner, owns or holds, or is deemed to own or hold, certain rights to shares, including rights to directly or indirectly acquire shares, directly or indirectly representing 5 per cent. or more of the Issuer’s issued capital as a whole or for any class of shares or profit participating certificates (*winstbewijzen*) relating to 5 per cent. or more of the Issuer’s annual profits or 5 per cent. or more of the Issuer’s liquidation proceeds;
- (iii) that 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 in full or in part exempt from Dutch corporate income tax (such as a qualifying pension fund);

- (iv) that is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 CITA; or
- (v) that is an entity that is related (*gelieerd*) to the Issuer within the meaning of the Withholding Tax Act 2021 (*Wet Bronbelasting 2021*). An entity is considered related if (i) it has a Qualifying Interest in the Issuer, (ii) the Issuer has a Qualifying Interest in the Noteholder, or (iii) a third party has a Qualifying Interest in both the Issuer and the Noteholder. The term Qualifying Interest means a direct or indirectly held interest – either by the entity individually or jointly if the Noteholder is part of a collaborating group (*samenwerkende groep*) – that enables the entity or the collaborating group to exercise such a decisive influence on the Issuer's decisions that it can determine the Issuer's activities.

### ***Withholding Tax***

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch taxes.

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

#### **Residents of the Netherlands**

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

- (i) individuals who are resident or deemed to be resident in the Netherlands (“**Dutch Individuals**”); and
- (ii) entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands (“**Dutch Corporate Entities**”).

#### ***Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities***

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 49.50 per cent. with respect to any benefits derived or deemed to be derived from the Notes, including any capital gains realised on their disposal, that are attributable to:

- (iii) an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement (*medegerechtigde*) to the net worth of this enterprise other than as an entrepreneur or a shareholder; or
- (iv) miscellaneous activities, including, without limitation, activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

#### ***Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities***

Generally, the Notes held by a Dutch Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the Notes are not attributable to that enterprise or miscellaneous activities, will be subject annually to an income tax imposed on a fictitious yield on the Notes. The Notes held by this Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a percentage of the positive balance of the fair market value of these assets, including the Notes, and the fair market value of these liabilities. The percentage increases:

- (i) from 1.82 per cent. over the first €50,650 of such positive balance;
- (ii) to 4.37 per cent. over any excess positive balance of €50,650.01 up to and including €962,350; and

- (iii) to a maximum of 5.53 per cent. over any excess positive balance of €962,350.01 or higher.

No taxation occurs if this positive balance does not exceed a certain threshold (*heffingvrij vermogen*). The fair market value of assets, including the Notes, and liabilities that are taxed under this regime is measured on 1 January of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 31 per cent.

Based on a decision by the Dutch Supreme Court of 24 December 2021 (ECLI:NL:HR:2021:1963) concerning the years 2017 and 2018, taxation under the regime for savings and investments in its current form, as described above, may under specific circumstances contravene Section 1 of the First Protocol to the European Convention on Human Rights (Protection of property) in combination with Section 14 of the European Convention on Human Rights (Protection from discrimination). The Dutch State Secretary of Finance has announced that also the regime for taxation of savings and investments as in effect on the date of this Base Prospectus will be amended to comply with the decision of the Dutch Supreme Court mentioned above. At the date of this Base Prospectus, no legislative changes to the regime for savings and investments have been proposed yet. Noteholders are advised to consult their own tax advisor to assess how to ensure that tax is levied in accordance with the decision of the Dutch Supreme Court.

#### *Dutch Corporate Entities*

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25.8 per cent. with respect to any benefits derived or deemed to be derived from the Notes, including any capital gains realised on their disposal.

#### Non-residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

- (i) individuals who are not resident and not deemed to be resident in the Netherlands (“**Non-Dutch Individuals**”); and
- (ii) entities that are not resident and not deemed to be resident in the Netherlands (“**Non-Dutch Corporate Entities**”).

#### *Non-Dutch Individuals*

A Non-Dutch Individual will not be subject to any Dutch taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Notes, unless:

- (i) the Non-Dutch Individual derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of this 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 the Notes are attributable;
- (ii) the Non-Dutch Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (iii) the Non-Dutch Individual is entitled to a share in the profits of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

#### *Non-Dutch Corporate Entities*

A Non-Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Notes, unless:

- (i) the Non-Dutch Corporate Entity derives profits from an enterprise, which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands, to which the Notes are attributable; or
- (ii) the Non-Dutch Corporate Entity 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 securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Under certain specific circumstances, Dutch taxation rights may be restricted for Non-Dutch Individuals and Non-Dutch Corporate Entities pursuant to treaties for the avoidance of double taxation.

#### ***Dutch Gift Tax or Inheritance Tax***

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

- (i) at the time of the gift or death of the Noteholder, the Noteholder is resident, or is deemed to be resident, in the Netherlands;
- (ii) the Noteholder dies within 180 days after the date of the gift of the Notes while being, or being deemed to be, resident in the Netherlands at the time of his 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 is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

#### ***Other Taxes and Duties***

No other Dutch taxes, including 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 Noteholders by reason only of the issue, acquisition or transfer of the Notes.

#### ***Residency***

A Noteholder will not become resident, or deemed resident, in the Netherlands by reason only of holding the Notes. Subject to the exceptions above, a Noteholder will not become subject to Dutch taxes by reason only of the Issuer's performance, or the Noteholder's purchase (by way of issue or transfer to the Noteholder), ownership or disposal of the Notes.

#### **The proposed financial transactions tax**

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

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

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

The Commission's Proposal remains subject to negotiation among the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Notes may be issued from time to time by the Issuer to any one or more of the Dealers specified under “*Overview of the Programme*”, and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a “Dealer” and together, the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in a dealer agreement dated 8 March 2022 (the “**Dealer Agreement**”) and made among the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

*Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the issue date and completion of the distribution of all the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and that such Dealer will send to each dealer to which it sells any Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

### Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Notes includes a legend titled “Prohibition of Sales to EEA Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the 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 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; 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 does not include a legend titled “Prohibition of Sales to EEA Retail Investors” then, in relation to each Member State of the EEA (each a “**Relevant State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

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

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

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

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

If the Final Terms in respect of any Notes includes a legend titled “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto 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 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 Directive (EU) 2016/97, 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 it forms part of domestic law by virtue of the EUWA; 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 does not include the legend “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to



represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base 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:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) 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; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to (a) to (c) 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 and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### **United Kingdom**

Each Dealer has represented and agreed that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **The Netherlands**

For selling restrictions in respect of The Netherlands, see “*Prohibition of Sales to EEA Retail Investors*” above and in addition:

- (a) *Regulatory capacity to provide investment services or perform investment activities:* Each Dealer under the Programme that did not and does not have the requisite Dutch regulatory capacity to make offers or sales of financial instruments in The Netherlands has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and will not offer or sell any of the Notes of the Issuer in The Netherlands, other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales;

- (b) *Compliance with Dutch Savings Certificates Act:* Each Dealer has represented, covenanted and agreed that Zero Coupon Notes (as defined below) in definitive form and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) 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 N.V. admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. (Euronext Member) 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 issue of Notes 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 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.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, accordingly, each Dealer has represented and agreed 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 resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

## **Canada**

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 Base 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.

## **General**

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the Issuer that, to the best of its knowledge and belief, it has complied and will comply in all material respects with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that any of the provisions relating to any specific jurisdiction (as set out above) shall be deemed to be modified to the extent (if at all) that any of such provisions shall, as a result of change(s) in, or change(s) in official interpretation of, or amendments to applicable laws and regulations after the date hereof, no longer be applicable.

## GENERAL INFORMATION

### Authorisations

The renewal of the Programme was authorised by a resolution of the Board of Management of the Issuer dated 20 January 2020 and approved by the Supervisory Board of the Issuer on 21 January 2022, as evidenced by the certificate of the Supervisory Board dated 21 January 2022. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

### Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi, Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is H1FJE8H61JGM1JSGM897.

### Litigation

Other than as disclosed in the section headed “Legal proceedings” on pages 188 to 189 of the Annual Report 2021, which is incorporated by reference into this Base Prospectus, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

### Material Contracts

Other than as disclosed in the section headed “*Description of the Issuer and the Group—Material Contracts*”, neither the Issuer nor any other member of the Group has entered into any material contracts outside the ordinary course of business which could result in its being under an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

### No significant and material adverse change

There has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2021 and there has been no material adverse change in the prospects or financial position of the Issuer or the Group since 31 December 2021.

### Auditors

The statutory auditor of the Issuer for the period covered by the historical financial information incorporated by reference in this Base Prospectus is Ernst & Young Accountants LLP (“EY”), whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered at the Chamber

of Commerce of Rotterdam in The Netherlands under number 24432944. The office address of the independent auditor of EY that signed the independent auditor's report is Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands.

EY has audited and issued an unqualified independent auditors' report on the consolidated financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2020. No other information in this Base Prospectus has been audited.

EY is currently the Issuer's independent registered audit firm. The register accountants of EY are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

### **Documents available for inspection**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer and at the specified office of the Principal Paying Agent, and on the website of the Issuer at: <https://www.philips.com/a-w/about/investor.html>, namely:

- (a) the constitutive documents of the Issuer;
- (b) the Agency Agreement;
- (c) the Trust Deed (which contains the forms of the Notes in global and definitive form);
- (d) this Base Prospectus and any supplements thereto and any Final Terms relating to Notes;
- (e) the documents set out in the "*Information Incorporated by Reference*" section of this Base Prospectus; and
- (f) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the relevant 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.

### **Interest of natural and legal persons**

Certain of the Dealers and their affiliates (including their parent companies) have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their

affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term “affiliates” include also parent companies.

#### **Validity of Base Prospectus and Base Prospectus supplements**

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period on 8 March 2023.

## **REGISTERED OFFICE OF THE ISSUER**

**Koninklijke Philips N.V.**  
Philips Center  
Amstelplein 2  
1096 BC Amsterdam  
The Netherlands

## **ARRANGER AND DEALER**

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

## **DEALERS**

**ABN AMRO Bank N.V.**  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**BofA Securities Europe SA**  
51 rue la Boétie  
75008 Paris  
France

**Citigroup Global Markets Europe AG**  
Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Deutsche Bank Aktiengesellschaft**  
Mainzer Landstrasse 11-17  
60329 Frankfurt am Main  
Germany

**Coöperatieve Rabobank U.A.**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**HSBC Continental Europe**  
38, avenue Kléber  
75116 Paris  
France

**Goldman Sachs Bank Europe SE**  
Marienturm  
Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

**J.P. Morgan SE**  
Taunustor 1  
60310 Frankfurt am Main  
Germany

**ICBC Standard Bank Plc**  
20 Gresham Street  
London EC2V 7JE  
United Kingdom

**Morgan Stanley Europe SE**  
Grosse Gallusstrasse 18  
60312 Frankfurt-am-Main  
Germany

**Mizuho Securities Europe GmbH**  
Taunustor 1  
60310 Frankfurt am Main  
Germany

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**MUFG Securities (Europe) N.V.**  
World Trade Center, Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
The Netherlands

**UBS AG London Branch**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

#### **TRUSTEE**

**Citicorp Trustee Company Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

#### **PRINCIPAL PAYING AGENT**

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

#### **LEGAL ADVISERS**

*To the Issuer as to English law:*  
**Sullivan & Cromwell LLP**  
1 New Fetter Lane  
London EC4A 1AN  
United Kingdom

*To the Issuer as to Dutch law:*  
**De Brauw Blackstone Westbroek**  
Claude Debussylaan 80  
1082 MD Amsterdam  
the Netherlands



*To the Dealers and Trustee as to English law:*

**Clifford Chance LLP**

10 Upper Bank Street

London E14 5JJ

United Kingdom

**AUDITORS**

*To the Issuer*

**Ernst & Young Accountants LLP**

Cross Towers

Antonio Vivaldistraat 150

1083 HP Amsterdam

the Netherlands

**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: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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.

**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: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "FSMA") to implement Directive (EU) 2016/97, 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 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 (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.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of 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"); 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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

**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 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).

Final Terms dated 3 May 2022

**Koninklijke Philips N.V.**

*(a public limited liability company (naamloze vennootschap) incorporated under the laws of the Netherlands)*

Legal Entity Identifier Code (LEI): H1FJE8H61JGM1JSGM897

**Issue of EUR 750,000,000 1.875 per cent. Notes due May 2027**

**under the €10,000,000,000**

**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 (the "**Conditions**") set forth in the base prospectus dated 8 March 2022 and the supplement to the base prospectus dated 27 April 2022 (together, the "**Base Prospectus**") which together constitute a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8(4) of the Prospectus Regulation. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at <https://www.bourse.lu/programme/Programme-KoPhilips/14626> and during normal business hours at the registered office of the Issuer.

- |     |       |  |   |
|-----|-------|--|---|
| 1.  | (i)   | Issuer:  | Koninklijke Philips N.V.  |
| 2.  | (i)   | Series Number:   | 2022/1  |
|     | (ii)  | Tranche Number:  | 1   |
|     | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable  |
| 3.  |       | Specified Currency or Currencies:                                      | Euro (" <b>EUR</b> ")   |
| 4.  |       | Aggregate Principal Amount:  | EUR 750,000,000   |
| 5.  |       | Issue Price:   | 99.458 per cent. of the Aggregate Principal Amount  |
| 6.  | (i)   | Specified Denomination(s):   | EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No notes in definitive form will be issued with a denomination above EUR 199,000 |
|     | (ii)  | Calculation Amount:  | EUR 1,000   |
| 7.  | (i)   | Issue Date:  | 5 May 2022  |
|     | (ii)  | Interest Commencement Date:  | Issue Date  |
| 8.  |       | Maturity Date:   | 5 May 2027  |
| 9.  |       | Interest Basis:  | 1.875 per cent. Fixed Rate<br><br>(See paragraph 15 below)  |
| 10. |       | Redemption / Payment Basis:  | Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount.                            |
| 11. |       | Change of Interest Basis:  | Not Applicable  |
| 12. |       | Put/Call Options:  | Issuer Maturity Par Call  |

Make-Whole Redemption by the Issuer

Issuer Residual Call

Change of Control Put

(See paragraphs 18 to 23 below)

13. Date Board approval for issuance of Notes obtained: 26 April 2022

14. Method of distribution Syndicated

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

15. **Fixed Rate Note Provisions** Applicable
- (i) Rate of Interest: 1.875 per cent. per annum (payable annually in arrear)
- (ii) Interest Payment Date(s): 5 May in each year up to and including the Maturity Date , commencing 5 May 2023.
- (iii) Fixed Coupon Amount: EUR 18.75 per Calculation Amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Interest Determination Date(s): 5 May in each year
16. **Floating Rate Note Provisions** Not Applicable
17. **Zero Coupon Note Provisions** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

18. **Issuer Maturity Par Call** Applicable
- (i) Par Call Commencement Date: 5 February 2027
- (ii) Notice Periods (if other than as set out in the Conditions): Minimum Period: 10 days  
Maximum Period: 30 days
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable

19.	<b>Final Redemption Amount</b>	EUR 1,000 per Calculation Amount
20.	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default:	EUR 1,000 per Calculation Amount
21.	<b>Make-whole Redemption</b>	Applicable
	(i) Notice Periods (if other than as set out in the Conditions):	Minimum Period: 10 days Maximum Period: 30 days
	(ii) Make-Whole Redemption Rate:	OBL 0.00 per cent due April 2027 (DE0001141851)  The Make-Whole Redemption Rate will be calculated on the third business day prior to the Make-Whole Redemption Date at 11:00 a.m. (CET) at the mid-market annual yield to maturity of the specified reference bund.
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Make-Whole Redemption Margin:	+ 0.20 per cent.
22.	<b>Issuer Residual Call</b>	Applicable
	(i) Residual Call Early Redemption Amount:	EUR 1,000 per Calculation Amount
	(ii) Notice Periods (if other than as set out in the Conditions):	Minimum Period: 10 days Maximum Period: 30 days
23.	<b>Change of Control Put</b>	Applicable
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>		
24.	<b>Form of Notes:</b>	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
25.	<b>New Global Note:</b>	Yes

- |     |  |                |
|-----|--|----------------|
| 26. | <b>Additional Financial Centre(s):</b>   | Not Applicable |
| 27. | <b>Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):</b> | No             |

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of Luxembourg Stock Exchange of the Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of Koninklijke Philips N.V. as Issuer.

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. The descriptions of the ratings of the Notes contained in paragraph 2 of Part B have been extracted from the websites of Moody's Deutschland GmbH ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**") (as applicable) as indicated. 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 Moody's and S&P (as applicable), no facts have been omitted which would render the reproduced information inaccurate or misleading.



Signed on behalf of Koninklijke Philips N.V.

By

Paul Rehman

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- |       |   |   |
|-------|---|---|
| (i)   | Listing   | The Official List of the Luxembourg Stock Exchange  |
| (ii)  | Admission to trading:                                       | Application will be made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on its regulated market with effect from the Issue Date |
| (iii) | Estimate of total expenses related to admission to trading: | EUR 4,100   |

### 2. RATINGS

Each of Moody's Deutschland GmbH ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**") are established in the EEA and are included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 (as amended, the "**CRA Regulation**"). The ratings of Moody's and S&P are endorsed by Moody's Investors Service Ltd ("**Moody's UK**") and S&P Global Ratings UK Limited ("**S&P UK**") respectively, in accordance with the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**UK CRA Regulation**"), for use in the UK. Each of Moody's UK and S&P UK is established in the UK and registered under the UK CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU or and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EU which is certified under the CRA Regulation.

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK



CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Ratings:

The Notes to be issued are expected to be rated:

Moody's: Baa1

Obligations rated 'Baa' are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category.

(Source: Moody's, <https://www.moodys.com/ratings-process/Ratings-Definitions/002002>)

S&P: BBB+

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. The plus (+) sign shows the relative standing of the obligation within the rating category. (Source: S&P, [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352))

### 3. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

Reasons for the offer:

An amount equal to the net proceeds will be used for general corporate purposes, including refinancing of existing indebtedness through the following liability management transactions, which were announced by the Issuer on 28 April 2022:

- i. a tender offer for certain series of its outstanding U.S. Dollar-denominated bonds due 2025 and 2026;
- ii. a tender offer for certain series of its outstanding Euro-denominated notes due 2023, 2024 and 2025 (the "**Euro Tender Offer**");
- iii. the proposed make-whole redemption of any of the Euro-denominated notes due 2023 and 2024 that are not purchased in the Euro Tender Offer (the "**Euro Make-Whole Redemption**"); and
- iv. the proposed agreement with the relevant counterparties for early settlement of the outstanding forward contracts entered into in the third quarter of 2021 under the share

buyback programme for capital reduction purposes announced on 26 July 2021 (the "Early Forward Settlement").

Any decision by the Issuer to redeem outstanding notes in the Euro Make-Whole Redemptions, or to complete the Early Forward Settlement, will be made by the Issuer in its sole discretion at that time.

Estimated net proceeds: €743,872,500

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

Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. 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 other services for, the Issuer and their affiliates in the ordinary course of business.

**4. YIELD**

Indication of yield: 1.990 per cent. per annum

**5. DISTRIBUTION**

If syndicated, name of Bookrunners: BNP Paribas, BofA Securities Europe SA, ING Bank N.V., J.P. Morgan SE, Morgan Stanley Europe SE, ABN AMRO Bank N.V., Citigroup Global Markets Europe AG, Coöperatieve Rabobank U.A., Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ICBC Standard Bank Plc, Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V. and Société Générale

Stabilisation Manager(s) (if any): ING Bank N.V.

If non-syndicated, name of relevant Dealer: Not Applicable

U.S. selling restrictions: Reg. S Compliance Category: 2

**6. OPERATIONAL INFORMATION**

ISIN Code: XS2475954579

Common Code: 247595457

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s): Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Relevant Benchmark: Not Applicable

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