

EXECUTION COPY

SUBSCRIPTION AGREEMENT

7 JULY 2020

between

LOAN INVEST NV/SA, COMPARTMENT SME LOAN INVEST 2020
(institutionele VBS naar Belgisch recht/SIC institutionnelle de droit belge)
as the Issuer

KBC BANK NV
as the Seller

KBC BANK NV
as the Arranger

KBC BANK NV
as the Manager

and

DELOITTE BEDRIJFSREVISOREN/REVISEURS D'ENTREPRISES
(burgerlijke vennootschap onder de vorm van een CVBA)
as the Security Agent

relating to

EUR 3,500,000,000 FLOATING RATE NOTES DUE 2054,
ISSUE PRICE 100%, ISIN BE0002720010, COMMON CODE 219962681

ALLEN & OVERY

Allen & Overy LLP

0058578-0000348 EUO1: 2000634350.3

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THIS AGREEMENT is made on 7 July 2020

BETWEEN:

- (1) **LOAN INVEST NV/SA**, an *institutionele VBS naar Belgisch recht/SIC institutionnelle de droit belge*, having its registered office at Marnixlaan 23 (5th floor), 1000 Brussels, registered with the Crossroads Bank for Enterprises under number RPR 0889.054.884, Business Court of Brussels, acting through its Compartment SME Loan Invest 2020 (the **Issuer**);
- (2) **KBC BANK NV**, a credit institution organised under the laws of Belgium, having its registered office at Havenlaan 2, 1080 Brussels, registered with the Crossroads Bank for Enterprises under number RPR 0462.920.226, Business Court of Brussels (the **Seller**);
- (3) **KBC BANK NV**, a credit institution organised under the laws of Belgium, having its registered office at Havenlaan 2, 1080 Brussels, registered with the Crossroads Bank for Enterprises under number RPR 0462.920.226, Business Court of Brussels (the **Arranger**);
- (4) **KBC BANK NV**, a credit institution organised under the laws of Belgium, having its registered office at Havenlaan 2, 1080 Brussels, registered with the Crossroads Bank for Enterprises under number RPR 0462.920.226, Business Court of Brussels (the **Manager**); and
- (5) **DELOITTE BEDRIJFSREVISOREN/REVISEURS D'ENTREPRISES**, *burgerlijke vennootschap onder de vorm van een CVBA*, a cooperative limited liability company organised under the laws of Belgium, having its registered office at Gateway Building, Luchthaven Nationaal 1 (Box J), 1930 Zaventem, registered with the Crossroads Bank for Enterprises under number RPR 0429.053.863, Business Court of Brussels (the **Security Agent**).

WHEREAS:

- (A) On the Closing Date, the Issuer proposes to issue EUR 3,500,000,000 floating rate SME Loan-Backed Notes due 2054, ISIN BE0002720010, Common Code 219962681 (the **Notes**).
- (B) The Notes will be issued in denominations of EUR 250,000 in dematerialised form under the Company Code.
- (C) The Notes will be issued subject to, and have the benefit of, a pledge agreement (the **Pledge Agreement**) to be dated on or about the Closing Date and substantially in the Agreed Form between, among others, the Issuer and Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises, *burgerlijke vennootschap onder de vorm van een CVBA* (in such capacity, the **Security Agent**), as representative and security agent of the Noteholders and the other Secured Parties from time to time.
- (D) The Notes will be issued subject to, and have the benefit of, an agency agreement (the **Agency Agreement**) to be dated on or about the Closing Date and substantially in the Agreed Form between, among others, the Issuer, the Security Agent and KBC Bank NV (in such capacity, the **Paying Agent, Listing Agent and Reference Agent**) as the Paying Agent, listing agent and reference agent.
- (E) The Issuer's obligations to the Noteholders (and certain other secured creditors) will be secured by the security interest created pursuant to the Pledge agreement over the assets described therein.
- (F) The Issuer will use an amount equal to the net proceeds from the issue of the Notes to pay to the Seller (part of) the Initial Purchase Price for the SME Receivables, pursuant to the provisions of the SME Receivables Purchase Agreement (the **SME Receivables Purchase Agreement**) dated on or about the Closing Date between the Seller, the Issuer and the Security Agent.

- (G) The Issuer will on or about the Closing Date enter into a subordinated loan agreement with KBC Bank NV (the **Subordinated Loan Agreement**) pursuant to which KBC Bank NV (the **Subordinated Loan Provider**) will make available a EUR 1,550,000,000 subordinated loan to the Issuer (the **Subordinated Loan**). The Issuer will use the proceeds of the Subordinated Loan to (a) pay part of the Initial Purchase Price, and (b) credit the Reserve Account up to the Reserve Account Required Amount. The remaining part of the proceeds of the Subordinated Loan will be credited to the Issuer Collection Account.
- (H) The Issuer will on or about the Closing Date enter into a expenses subordinated loan agreement with KBC Bank NV (the **Expenses Subordinated Loan Agreement**) pursuant to which KBC Bank NV (the **Subordinated Loan Provider**) will make available a EUR 1,000,000 expenses subordinated loan to the Issuer (the **Expenses Subordinated Loan**). The Issuer will use the proceeds of the Expenses Subordinated Loan to pay certain initial costs and expenses in connection with the issue of the Notes.
- (I) The Notes offered by the Issuer may only be acquired, by direct subscription, by transfer or otherwise and may only be held by Eligible Holders which are not Excluded Holders.
- (J) The Issuer will suspend payment of interest on Notes of which the Issuer becomes aware that they are held by a holder that does not qualify as an Eligible Holder or that qualifies as an Excluded Holder.
- (K) The Issuer and the other parties described in the Prospectus (as defined below) will enter into certain other transaction documents as described in the Prospectus or as required in order to consummate the transactions described in the Prospectus.
- (L) The Manager has agreed to subscribe and pay for, or to procure subscription and payment for and the Issuer has agreed to sell the Notes in accordance with and subject to the terms of this Agreement.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- (a) In this Agreement (including its recitals), except so far as the context requires otherwise, words, expressions and capitalised terms used herein and not otherwise defined or construed herein shall have the same meanings as defined or construed in the master definitions agreement signed on or about 7 July 2020 by, amongst others, the parties to this Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time (the **Master Definitions Agreement**). The rules of interpretation as set forth in the Master Definitions Agreement and all other agreements and understandings between the parties hereto contained therein shall apply to this Agreement, unless otherwise provided herein.
- (b) The expression **Agreement** shall herein mean this Subscription Agreement.
- (c) This Agreement expresses and describes Belgian legal concepts in English and not in their original Dutch or French terms. Consequently, this Agreement is concluded on the express condition that all words, terms and expressions used herein shall be construed and interpreted in accordance with the laws of Belgium.
- (d) The Security Agent has agreed to become a party to this Agreement only for the purpose of taking the benefit of certain provisions of this Agreement expressed to be for its benefit and for the better preservation and enforcement of its rights under the Pledge Agreement and, save as aforesaid, the Security Agent shall assume no obligations or liabilities whatsoever towards the other Parties by virtue of the provisions hereof.

- (e) All the Issuer's rights and obligations resulting from this Agreement are expressly allocated to Compartment SME Loan Invest 2020 of the Issuer, in accordance with Article 271/11, §4 of the UCITS Act.

2. ISSUE AND PURCHASE

- (a) Subject to the terms and conditions of this Agreement, the Issuer agrees to issue the Notes and the Manager agrees to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of Notes set on the Closing Date at a subscription price of 100% of the Principal Amount Outstanding of the Notes (the **Notes Purchase Price**).
- (b) The Issuer confirms that:
 - (i) it has authorised the Manager to offer the Notes on its behalf to third parties who are Eligible Holders for subscription at the Notes Purchase Price;
 - (ii) it has prepared the Prospectus, and hereby authorises the Manager to distribute copies of the Prospectus in connection with the offering of the Notes subject to the provisions of Clause 12; and
 - (iii) the Manager may make arrangements on the Issuer's behalf for announcements in respect of the Notes to be published on such dates and in such newspapers or other publications as the Manager may agree with the Issuer.
- (c) The Notes will be in dematerialised form in accordance with Articles 7:35 sq. and 7:62 sq. of the Company Code and cannot be physically delivered. They will be delivered only in the form of an inscription on a securities account.

3. CLOSING

- (a) Subject to Clause 11 (Conditions Precedent), the closing of the issue shall take place on the Closing Date, whereupon:
 - (i) the Issuer shall issue and cause the Paying Agent to procure the creation of the Notes in accordance with the Agency Agreement for credit on the Closing Date to the accounts of the Manager with the Securities Settlement System through Euroclear and Clearstream, Luxembourg; and
 - (ii) the Manager shall procure the payment of the net subscription money in respect of the Notes, namely the sum of EUR 3,500,000,000 (representing the Notes Purchase Price) by the Paying Agent on behalf of the Manager to the Issuer on the Closing Date (or such other time and/or date as may be agreed) in immediately available funds.
- (b) The payments to be made to the Issuer under this Clause shall be made to the account notified in writing by the Issuer to the Paying Agent on behalf of the Manager not less than three (3) Business Days prior to the Closing Date.

4. COVENANTS

- (a) The Issuer undertakes with the Manager that:
 - (i) it will use all reasonable endeavours to procure satisfaction on or before the Closing Date of the conditions referred to in Clause 11 and, in particular, on or before the Closing Date, it

will enter into each of the Transaction Documents to which it is expressed to be a party (each in the Agreed Form);

- (ii) it will perform all of its obligations under each of the Transaction Documents to which it is a party, in each case, at such time and in such manner as required by the relevant Transaction Document;
- (iii) it will notify the Manager of any change affecting its representations and warranties and undertakings under this Agreement at any time before the Closing Date and it will take all steps reasonably requested by the Arranger to remedy and, if required by applicable law, amend or supplement the Prospectus to publish such change;
- (iv) it will bear and pay (i) any stamp or other duties or taxes on or in connection with the issue of the Notes and the execution and delivery of this Agreement and the other Transaction Documents and (ii) any value added tax payable in connection with the commissions or other amounts payable or allowed under this Agreement and otherwise in connection with the issue of the Notes;
- (v) between the date of this Agreement and the Closing Date (both dates inclusive), without the prior approval of the Arranger, it will not make any press or other public announcement referring to the proposed issue or the terms of the issue of the Notes and/or any other announcement which could have a material adverse effect on the marketability of the Notes;
- (vi) it will deliver to the Arranger, without charge, from time to time, such number of copies of the Prospectus as the Arranger may reasonably request;
- (vii) prior to the Closing Date, it will not amend the terms of any of the already executed Transaction Documents except with the prior consent of the Manager;
- (viii) so long as any of the Notes remains outstanding, it will furnish to the Arranger copies of each document filed by the Issuer with the FSMA and Euronext Brussels, and copies of the financial statements and other periodic reports that the Issuer may furnish generally to holders of the Notes;
- (ix) it will at all times comply with the measures taken in accordance with the 2006 Royal Decree VBS/SIC to guarantee that the Notes and its shares are only acquired or held by Eligible Holders and it will not in any way contribute to or enhance the possession of the Notes or its shares by investors who are not Eligible Holders;
- (x) it will conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of the Insolvency Regulation will be and remain in Belgium and it will not have any "establishment" (as defined in the Insolvency Regulation) other than in Belgium;
- (xi) it will conduct its business and affairs such that, at all times, its principal place of business for the purposes of the Conflicts of Law Code, will be and remain in Belgium;
- (xii) if at any time prior to the earlier of (i) completion of the distribution of the Notes and (ii) the day which is ninety (90) days after the Closing Date, any event shall have occurred as a result of which the Prospectus would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made when such Prospectus is delivered, not misleading or for any other reason it shall be necessary to amend or supplement the relevant Prospectus in accordance with Article 23 of the Prospectus Regulation, then:

- (A) the Issuer will notify and give full details to the Manager about such event and, upon request, will prepare and furnish, without charge to the Manager, as many copies as the Manager may reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statements or omission; and
 - (B) the provisions of Clause 7 shall be deemed to be repeated as of the date of each amended Prospectus or supplement to the Prospectus by reference to the facts and circumstances then subsisting on the basis that each reference to "Prospectus" in Clause 7 shall be a reference to the Prospectus as amended or supplemented as at such date;
- (xiii) the Notes will be validly issued on or before the Closing Date in accordance with the Agency Agreement; and
- (xiv) it will not take, or cause to be taken, any action and will not permit any action to be taken, which it knows or has reason to believe would result in the Notes not being assigned a rating of at least AA(High)(sf) rating by DBRS and at least AAA(sf) rating by Fitch (DBRS and Fitch are together referred to as the **Rating Agencies** and each a **Rating Agency**).
- (b) The Seller undertakes with the Manager and the Issuer that:
- (i) it will use all reasonable endeavours to procure satisfaction on or before the Closing Date of the conditions referred to in Clause 11 and, in particular, on or before the Closing Date, enter into each of the Transaction Documents to which it is expressed to be a party (each in the Agreed Form);
 - (ii) it will perform all of its obligations under each of the Transaction Documents to which it is a party, in each case, at such time and in such manner as required by the relevant Transaction Document;
 - (iii) it will notify the Manager of any change affecting its representations and warranties and undertakings under this Agreement at any time before the Closing Date and it will take all steps reasonably requested by the Arranger to remedy such change;
 - (iv) between the date of this Agreement and the Closing Date (both dates inclusive), without the prior approval of the Arranger, it will not make any press or other public announcement referring to the proposed issue or the terms of the issue of the Notes and/or any other announcement which could have a material adverse effect on the marketability of the Notes;
 - (v) prior to the Closing Date, it will not amend the terms of any of the already executed Transaction Documents except with the prior consent of the Manager.
- (c) The Seller undertakes with the Manager and the Issuer:
- (i) that it shall retain a material net economic interest of not less than 5% in the securitisation contemplated by the Transaction in accordance with Article 6 of the Securitisation Regulation which as at the Closing Date, in accordance with Article 6(3)(d) of the Securitisation Regulation will be comprised of an interest in the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors;
 - (ii) that it shall retain a net economic interest referred to in (i) above during the period wherein the Notes are outstanding and shall inform the Issuer of any changes to such net economic interest;

- (iii) that it shall not sell, hedge or otherwise mitigate its credit risk under its material net economic interest; and
 - (iv) to make available to investors monthly investor reports wherein relevant information with regard to the retention of the material net economic interest by the Seller is disclosed with a view to complying with Article 7(e)(iii) of the Securitisation Regulation.
- (d) The Seller undertakes with the Manager and the Issuer that it shall comply with the information requirements set out in Article 7(1) of the Securitisation Regulation, for which it accepts to be designated as the responsible party in accordance with Article 7(2) of the Securitisation Regulation.
- (e) The Issuer confirms that it has made an application for the Notes to be rated at least AA(High)(sf) by DBRS and AAA(sf) by Fitch. In connection with such application, each of the Issuer and the Seller undertakes with the Manager and the Issuer that it will furnish from time to time any and all documents, instruments, information and undertakings that may be necessary in accordance with the normal requirements of the Rating Agencies in order to effect and maintain such ratings. Each of the Issuer and the Seller further undertakes with the Manager and the Issuer that it will not take, cause or permit any action that would, to its knowledge, result in the Notes being assigned a lower rating at the Closing Date than the rating ascribed to of the Notes as set out above, or which would, on or after the Closing Date, result in such rating being downgraded so long as the Notes remain outstanding.

5. COMMISSIONS

In consideration of the agreement by the Manager to act as the manager in relation to the issue of the Notes and to subscribe and pay for or procure subscriptions and payment for the Notes as provided above, the Issuer shall pay to the Manager on the Closing Date the management commissions as set out in and in accordance with the Fee Letter.

6. EXPENSES

- (a) The Issuer shall bear and pay all costs and expenses incurred in connection with the issue and distribution of the Notes to the Manager or the third party subscribers, as the case may be, including, without limitation, the costs of (i) preparation, printing, signing and distribution of the Prospectus and any supplement or amendment thereto, the Transaction Documents and all other documents relating to the issue of the Notes, (ii) advertising (as approved by the Issuer and the Arranger (including, without limitation, any road show expenses)), (iii) the listing of the Notes and (iv) obtaining and maintaining a rating for the Notes from the Rating Agencies (including, without limitation, annual fees and the fees and expenses of any legal advisers to the Rating Agencies).
- (b) In addition, the Issuer shall bear and pay the fees and expenses (including out-of-pocket expenses) of the Manager, the Arranger, the Security Agent, the Subordinated Loan Provider, the Account Bank, the Swap Counterparty, the Servicer, the Reference Agent, the Paying Agent, the Listing Agent, the Administrator, the Issuer Directors, the Corporate Services Provider and the Securities Settlement System Operator in relation to the negotiation, preparation and signing of the Transaction Documents (including, without limitation, the fees and expenses of any legal advisers to such parties). The Seller agrees to bear and pay its own costs and expenses in relation to the negotiation, preparation and signing of the Transaction Documents to which it is a party. The Issuer also agrees to pay to the Manager any expenses relating to legal, travelling, telex, telephone, facsimile, postage and other costs and expenses incurred and to be incurred by the Manager in connection with the preparation and management of the issue and distribution of the Notes. The fees and expenses and other amounts referred to in this Clause will be paid with the proceeds of the Expenses Subordinated Loan.

- (c) All payments by the Issuer under this Agreement shall be paid without set-off or counterclaim, and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed by the Kingdom of Belgium or by any department, agency or other political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto (**Taxes**). If any Taxes are required by law to be deducted or withheld in connection with any such payment, the Issuer will increase the amount paid so that the full amount of such payment is received by the payee as if no such deduction or withholding had been made. In addition, the Issuer agrees to indemnify and hold the Manager harmless against any Taxes which they are required to pay in respect of any amount paid by the Issuer under this Agreement.

7. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

As a condition of the obligation of the Manager to subscribe and pay for or procure subscriptions and payment for the Notes, the Issuer represents and warrants to the Manager, as at the date of this Agreement and the Closing Date, as follows:

- (a) that, by reference to the information and statements contained in the Prospectus (as at the date hereof):
- (i) each of the Prospectus contains all material information with respect to the Issuer, the Seller, the SME Receivables and the Notes (including all information which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes);
 - (ii) the statements of fact contained in the Prospectus are true, accurate, complete and not misleading and there are no other facts the omission of which would in the context of the issue of the Notes make any statement in the Prospectus misleading;
 - (iii) the statements of intention, opinion, belief or expectation contained in the Prospectus are honestly and reasonably made or held; and
 - (iv) in respect of the facts and statements referred to in this Subclause, all reasonable enquiries have been and will be made to ascertain all such facts and to verify the accuracy of all such statements;
- (b) that the Prospectus contains all information required by Belgian law and otherwise complies with such law to the extent applicable;
- (c) that the Prospectus has been approved by the FSMA in its capacity as competent authority under Article 20 of the Prospectus Regulation and by Euronext Brussels;
- (d) that the FSMA has not issued an order to suspend or prevent the use of the Prospectus and there are no grounds based on which the FSMA may suspend or prevent the use of the Prospectus;
- (e) upon issuance of the Notes, the minimum denomination of the Notes is EUR 250,000;
- (f) that the Issuer has been duly incorporated and is validly existing as a limited liability company (*naamloze vennootschap/société anonyme*) under Belgian law and that Compartment SME Loan Invest 2020 has been duly constituted and is validly existing as a compartment of the Issuer within the meaning of Article 271/11, §1 of the UCITS Act;

- (g) that the Issuer qualifies as an institutional VBS/SIC (*institutionele VBS naar Belgisch recht/SIC institutionnelle de droit belge*) and that the Issuer has taken all appropriate measures set out in the 2006 Royal Decree VBS/SIC;
- (h) that the Issuer and its Compartment SME Loan Invest 2020 have been duly registered as an institutional VBS/SIC with the Federal Public Service Finance (*Federale Overheidsdienst Financiën/Service Public Fédéral Finances*) in accordance with Article 271/14 of the UCITS Act;
- (i) that the Issuer is licensed by the FSMA as a mortgage credit provider in accordance with Book VII of the Code of Economic Law and such license has not been revoked by the FSMA and there are no grounds for such revocation;
- (j) that when the Notes are admitted to trading on Euronext Brussels, such admission will not be revoked or suspended and that there are no grounds for the admission being revoked or suspended;
- (k) that the Issuer has duly allocated all assets and liabilities relating to the Transaction to its Compartment SME Loan Invest 2020;
- (l) that the Issuer and its Compartment SME Loan Invest 2020:
 - (i) are not in a situation of cessation of payments within the meaning of Belgian insolvency laws;
 - (ii) have not resolved to enter into liquidation (*vereffening/liquidation*);
 - (iii) have not filed for bankruptcy or judicial reorganisation, as applicable, or for stay of payment; and
 - (iv) have not been adjudicated bankrupt or annulled as legal entity,nor has any corporate action been taken or is pending in relation to any of the above;
- (m) that since the date of the constitution of Compartment SME Loan Invest 2020, there has been no material adverse change in the financial condition or prospects of Compartment SME Loan Invest 2020 and there has been no significant change in the trading or the financial position of Compartment SME Loan Invest 2020, other than as a result of entering into the Transaction Documents;
- (n) that no transaction or payment by the Issuer under any Transaction Document to which the Issuer is a party, constitutes a fraudulent transaction or payment which damages the rights of the Issuer's creditors;
- (o) that the Notes Purchase Price received by the Issuer constitutes reasonably equivalent value and fair consideration for the issue of the Notes;
- (p) that the Purchase Price to be paid by the Issuer constitutes reasonably equivalent value and fair consideration for the SME Receivables and the Related Security;
- (q) that the Issuer has full power and authority to conduct its business as described in the Prospectus and is able lawfully to issue the Notes and to execute and perform its obligations under the Notes, this Agreement and the other Transaction Documents to which it is expressed to be a party;

- (r) that the Issuer is tax resident in Belgium, and it does not have a branch, business establishment or other fixed establishment other than in Belgium;
- (s) that the Issuer has no subsidiaries or subsidiary undertakings or employees;
- (t) since the date of its constitution, no financial statements of Compartment SME Loan Invest 2020 of the Issuer have been prepared;
- (u) that the Issuer's "centre of main interests" for the purposes of the Insolvency Regulation is in Belgium and that it has no "establishment" (as defined in the Insolvency Regulation) other than in Belgium;
- (v) that for the purpose of the Conflicts of Law Code, the principal place of business of the Issuer is located in Belgium since its incorporation;
- (w) that this Agreement has been duly authorised, executed and delivered by the Issuer and constitutes, and the issue of the Notes and other Transaction Documents to which it is expressed to be a party have been duly authorised by it and when executed, issued and delivered will constitute, legal, valid and binding obligations of the Issuer enforceable against it in accordance with their terms subject to any reservations and qualifications on the legal, valid, binding and enforceable nature of these obligations referred to in the legal opinions referred to in Clause 11(a);
- (x) that the execution and delivery and the performance of the terms of the Transaction Documents (including the issue and distribution of the Notes) by the Issuer do not and will not infringe any law or regulation of its jurisdiction of incorporation or, so far as the Issuer is aware, any other law or regulation and are not contrary to the provisions of the constitutional documents of the Issuer and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Issuer is a party or by which it or its property is bound and, in general, there are no contractual or similar restrictions binding on the Issuer that would prevent it from executing and delivering or performing the terms of the Transaction Documents (including the issue and distribution of the Notes);
- (y) that, upon issue, the Notes will constitute direct, unconditional, secured and unsubordinated obligations of the Issuer;
- (z) that the Notes and obligations of the Issuer under the Transaction Documents to which it is expressed to be a party will be secured in the manner provided for in the Pledge Agreement and with the benefit of the charges, covenants and other security provided for therein and granted pursuant thereto (subject to any reservations or qualifications on the nature or priority or effectiveness of such security referred to in any of the legal opinions referred to in Clause 11(a));
- (aa) that, other than as set out in the Transaction Documents, there exists no security interest or other encumbrance on or over any assets, undertaking or revenues of Compartment SME Loan Invest 2020 of the Issuer;
- (bb) that the creation by the Issuer of any security over its assets in accordance with the terms of the Pledge Agreement will not render the Issuer liable to offer or extend the benefit of such security to any persons other than the Security Agent (acting for the benefit of the Secured Parties) and the Secured Parties;
- (cc) that the Issuer is not involved in any governmental, legal, arbitration, insolvency or administration proceedings nor, so far as the Issuer is aware after making all due enquiries,

- are any such proceedings pending or threatened against it or any of its assets or properties (including, without limitation, the filing of documents with the court or the service of a notice of intention to appoint an administrator);
- (dd) that Compartment SME Loan Invest 2020 of the Issuer has not engaged in any activities since its constitution other than:
- (i) matters related to its registration and constitution;
 - (ii) the authorisation and execution of this Agreement and the other Transaction Documents;
 - (iii) the issue of the Prospectus;
 - (iv) the activities referred to or contemplated in this Agreement, the other Transaction Documents and the Prospectus;
 - (v) the authorisation and issue by it of the Notes, and
 - (vi) matters ancillary to any of the foregoing;
- (ee) that all consents, licences, approvals or authorisations of, or registrations or filings with, any governmental or other authority or agency required by law to be obtained by the Issuer in relation to the execution and delivery of the Transaction Documents, the issue and distribution of the Notes, the performance of the terms of the Transaction Documents and the creation of the security pursuant to the Pledge Agreement are (or will be by the Closing Date) unconditionally obtained and are (or will be by the Closing Date) in full force and effect;
- (ff) that it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any authority or that any stamp duty, stamp duty reserve tax, stamp duty land tax, registration, documentary or similar tax be paid on or in respect thereof, except that a stamp duty of EUR 0.15 is payable with respect to certain Transaction Documents;
- (gg) that no Belgian tax is required to be withheld or deducted from or in respect of any payments or interest or principal or other amounts payable in respect of the Notes provided that such Notes are held in an exempt account (an X-account) with a qualifying participant in the securities settlement system operated by the Securities Settlement System Operator in accordance with the Law of 6 August 1993 relating to transactions with certain securities and its implementing Decrees;
- (hh) that no event has occurred which would (whether or not with the giving of notice and/or the lapse of time and/or the fulfilment of any other condition), had the Notes already been issued, constitute an event of default under the Notes;
- (ii) that on the Closing Date, it will acquire full title on the SME Receivables and the Related Security and all other rights or interests transferred to it on the Closing Date pursuant to the SME Receivables Purchase Agreement;
- (jj) that neither the Issuer, its affiliates (as defined in 405 under the United States Securities Act of 1933, as amended (the **Securities Act**) (**Regulation D**)) nor any persons (other than the Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any form of “general solicitation” or “general advertising” or

“directed selling efforts” (as defined in Regulation S under the Securities Act (**Regulation S**)) in respect of the Notes;

- (kk) that the Issuer is a "foreign issuer" (as defined in Regulation S under the Securities Act);
- (ll) the Issuer, its affiliates and any person (other than the Manager, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S; and
- (mm) the Issuer is not and will not, and as a result of the offering and issue of the Notes or the receipt or application of the proceeds therefrom be, required to register as an “investment company” under, the U.S. Investment Company Act of 1940, as amended.

8. REPRESENTATIONS AND WARRANTIES OF THE SELLER

As a condition of the obligation of the Manager to subscribe and pay for or procure subscriptions and payment for the Notes, the Seller represents and warrants to the Manager and the Issuer, as at the date of this Agreement and the Closing Date, as follows:

- (a) that, by reference to the information and statements contained in the Prospectus (as at the date hereof):
 - (i) the sections "Overview of Belgian Market for SME Loans", "The Seller - KBC Bank NV", "Portfolio Overview", and "SME Loan Undertaking and Servicing" of each of the Prospectus are, in every material respect true, accurate, complete and not misleading and that there are no other facts the omission of which would make any statement in any of the above mentioned sections of the Prospectus not complete, not accurate or misleading;
 - (ii) the statements of intention, opinion, belief or expectation contained in the sections "Overview of Belgian Market for SME Loans", "The Seller - KBC Bank NV", "Portfolio Overview", and "SME Loan Undertaking and Servicing" and the information relating to Article 6 of the Securitisation Regulation, as set out on page 2 of the Prospectus are honestly and reasonably made or held; and
 - (iii) in respect of the facts and statements referred to in this Subclause, all reasonable enquiries have been made to ascertain all such facts and to verify the accuracy of all such statements;
- (b) that by reference to the information and statements contained in the Investor Information:
 - (i) the statements of fact contained in the Investor Information are true, accurate, complete and not misleading and that there are no facts the omission of which would in the context of the issue of the Notes make any such statement in the Investor Information misleading;
 - (ii) the statements of intention, opinion, belief or expectation contained in the Investor Information are honestly and reasonably made or held; and
 - (iii) in respect of the facts and statements referred to in this Subclause, all reasonable enquiries have been and will be made to ascertain all such facts and to verify the accuracy of all such statements;

- (c) that the Prospectus contains all information required by Belgian law and otherwise complies with such law to the extent applicable;
- (d) the Seller is not aware of any information, which investors, qualifying as Eligible Holders, and their investment advisers would reasonably require and reasonably expect to find in the Prospectus for the purpose of making an informed assessment of the transaction set forth in the Prospectus and the rights attaching to the Notes, not being included in the Prospectus;
- (e) that all information provided to the Manager, the Auditors and the Rating Agencies in connection with the issue of the Notes and the SME Receivables was true, accurate and complete in all material respects and no material information was omitted which would in the context of the issue of the Notes make any provided information not complete, not accurate or misleading;
- (f) that the Seller has been duly incorporated and is validly existing as a limited liability company (*naamloze vennootschap/société anonyme*) under Belgian law;
- (g) that the Seller is duly licensed as a credit institution by the NBB and as a mortgage credit provider by the FSMA under respectively the Credit Institutions Supervision Act and Book VII of the Code of Economic Law;
- (h) having made all reasonable inquiries, the Seller is not aware that any decision has been taken, or there are grounds for such decision to be taken, to withdraw the registration of the Seller as credit institution under the Credit Institutions Supervision Act with the NBB or as a mortgage credit provider with the FSMA and no reorganisation measures (*mesures d'assainissement/saneringsmaatregelen*) within the meaning of Article 3, 56° of the Credit Institutions Supervision Act, winding-up procedures (*procédures de liquidation/liquidatieprocedures*) within the meaning of Article 3, 59° of the Credit Institutions Supervision Act, nor redress measures (*herstelmaatregelen/mesures de redressement*) within the meaning of Book II, Title VI of the Credit Institutions Supervision Act are contemplated or have been taken against the Seller, nor is it in a situation as set out in Article 244, §1 of the Credit Institutions Supervision Act relating to the conditions for the application of a resolution mechanism (*afwikkelingsmaatregel/mesures de resolution*);
- (i) that the Seller:
 - (i) is not in a situation of cessation of payments with the meaning of Belgian insolvency laws;
 - (ii) has not resolved to enter into liquidation (*vereffening/liquidation*);
 - (iii) has not filed for bankruptcy or for stay of payment; and
 - (iv) has not been adjudicated bankrupt or annulled as legal entity,nor has any corporate action been taken or is pending in relation to any of the above;
- (j) that no transaction or payment by the Seller under any Transaction Document to which it is a party, constitutes a fraudulent transaction or payment which damages the rights of its creditors;
- (k) that the Purchase Price to be received by the Seller constitutes reasonably equivalent value and fair consideration for the SME Receivables and the Related Security;

- (l) that for the purpose of Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 (as amended from time to time) on the reorganisation and winding-up of credit institutions Belgium is the home member state of the Seller;
- (m) that for the purpose of the Conflicts of Law Code, the principal place of business of the Seller is located in Belgium since its incorporation;
- (n) that the Seller has full power and authority to conduct its business as described in the Prospectus and the Seller is able lawfully to execute and perform its obligations under this Agreement and the other Transaction Documents to which it is expressed to be a party;
- (o) that this Agreement has been duly authorised, executed and delivered by the Seller and constitutes, and other Transaction Documents to which it is expressed to be a party have been duly authorised by it and when executed and delivered will constitute, legal, valid and binding obligations of the Seller enforceable against it in accordance with their terms subject to any reservations and qualifications on the legal, valid, binding and enforceable nature of these obligations referred to in the legal opinions referred to in Clause 11(a);
- (p) that the execution and delivery and the performance by the Seller of the terms of this Agreement and the other Transaction Documents to which it is expressed to be a party do not and will not infringe any law or regulation of its jurisdiction of incorporation or, so far as the Seller is aware, any other law or regulation and are not contrary to the provisions of the constitutional documents of the Seller and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Seller is a party or by which it or its property is bound and, in general, there are no contractual or similar restrictions binding on the Seller that would prevent it from executing and delivering or performing the terms of the Transaction Documents (including the issue and distribution of the Notes);
- (q) that the obligations of the Seller under this Agreement and the other Transaction Documents to which it is a party will rank at least *pari passu* with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally;
- (r) that no Notification Event has occurred or will occur as a result of the entering into or performance of the Transaction Documents to which the Seller is a party;
- (s) that the Seller is not involved in any governmental, legal, arbitration, insolvency or administration proceedings relating to claims or amounts which could materially adversely affect its ability to perform its obligations under this Agreement and the other Transaction Documents to which it is expressed to be a party nor, so far as the Seller is aware after making all due enquiries, are any such proceedings pending or threatened against it or any of its assets or properties (including, without limitation, the filing of documents with the court or the service of a notice of intention to appoint an administrator);
- (t) that all consents, licences, approvals or authorisations of, or registrations or filings with, any governmental or other authority or agency required by law to be obtained by the Seller in relation to the execution and delivery of and the performance of the terms of this Agreement and the other Transaction Documents to which it is expressed to be a party have been (or will be by the Closing Date) unconditionally obtained and are (or will be by the Closing Date) in full force and effect;
- (u) that, at the date of this Agreement and on the Closing Date immediately prior to the transfer of the SME Receivables and the Related Security in accordance with the SME Receivables

Purchase Agreement, the Seller represents and warrants to the Manager the matters set out in Schedule 4 of the SME Receivables Purchase Agreement;

- (v) that the SME Receivables and Related Security exist and are valid, legally binding and enforceable obligations of the relevant Borrowers, or as the case may be, the relevant Insurance Company or third party provider of additional collateral;
- (w) that neither the Seller, its affiliates (as defined in rule 405 under the Securities Act) nor any persons (other than the Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any form of “general solicitation”, “general advertising” or “directed selling efforts” (as defined under Regulation S under the Securities Act) in respect of the Notes; and
- (x) having made all reasonable inquiries, it is not aware of any circumstances which make or could make the representations and warranties given by the Issuer in Clause 7 untrue or incorrect in any respect.

Without prejudice to the rights of the Indemnified Persons under this Agreement, the parties to this Agreement agree that (i) the representations and warranties set out above do not constitute a *beding ten behoeve van derde/stipulation pour autrui*, and (ii) no third party will have any direct or indirect rights under this Agreement.

9. INDEMNIFICATION

- (a) If at any time:
 - (i) any of the representations and warranties of the Issuer set forth in Clause 7 of this Agreement proves to have been untrue or incorrect, or is alleged to be untrue or incorrect;
 - (ii) the Issuer shall default in the performance of any of its covenants or obligations under this Agreement;
 - (iii) any of the representations and warranties of the Seller set forth in Clause 8 of this Agreement proves to have been untrue or incorrect, or is alleged to be untrue or incorrect; or
 - (iv) the Seller shall default in the performance of any of its covenants or obligations under this Agreement,

then the Issuer or, as the case may be, the Seller shall compensate the Manager and the Manager's affiliates, officers, directors, employees or any person controlling the Manager (the **Indemnified Persons**, and each an **Indemnified Person**) for any and all liability, loss, cost, claim, damage and expense whatsoever (including, without limitation, reasonable legal and accounting fees and expenses) sustained by such Indemnified Persons, provided that in respect of Clause 8(u), the Seller shall only have to compensate any Indemnified Person if:

- (A) the Seller has not repurchased the relevant SME Receivable(s) in accordance with the SME Receivables Purchase Agreement; or
- (B) an appropriate remedy to the satisfaction of the Issuer, the Security Agent and the Rating Agencies is not found and implemented within a period of thirty (30) days upon the Seller having knowledge of the breach of Clause 8(u).

The Seller agrees with the Manager that it will be jointly and severally liable with the Issuer for the obligations of the Issuer under Clause 9(a) hereof.

The Manager shall not have any duty or obligation, whether as fiduciary or trustee for any Indemnified Person or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 9.

- (b) In case any action shall be brought against any Indemnified Person in respect of which recovery may be sought from the Issuer and/or the Seller, as the case may be, under this Clause 9, the Manager shall promptly notify the Issuer and/or the Seller, as the case may be, in writing, but failure to do so will in itself not relieve the Issuer or the Seller from any liability under this Agreement. Subject to Clause 9(c), the Issuer or, as the case may be, the Seller may participate at its own expense in the defence of any action.
- (c) If it so elects within a reasonable time after receipt of the notice referred to in Clause 9(b), the Issuer or, as the case may be, the Seller may assume the defence of the action with legal advisers chosen by it and approved by the Indemnified Person, such approval not to be unreasonably withheld or delayed. Notwithstanding such election an Indemnified Person may employ separate legal advisers, and the Issuer or the Seller shall bear the fees and expenses of such separate legal advisers if:
 - (i) the use of the legal advisers chosen by the Issuer or the Seller to represent the Indemnified Person would present such legal advisers with a conflict of interest;
 - (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Person and the Issuer or the Seller and the Indemnified Person concludes that there may be legal defences available to it and/or other Indemnified Persons which are different from or additional to those available to the Issuer or the Seller;
 - (iii) the Issuer or the Seller has not employed legal advisers satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the institution of such action; or
 - (iv) the Issuer or the Seller authorises the Indemnified Person to employ separate legal advisers at the expense of the Issuer or the Seller.
- (d) If the Issuer or, as the case may be, the Seller assumes the defence of the action, the Issuer or, as the case may be, the Seller shall not be liable for any fees and expenses of legal advisers of the Indemnified Person incurred thereafter in connection with the action, except as stated above.
- (e) Neither the Issuer nor the Seller shall be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. Neither the Issuer nor the Seller shall without the prior written consent of the Indemnified Person, such consent not to be unreasonably withheld or delayed, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not any Indemnified Person is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each Indemnified Person from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of an Indemnified Person.
- (f) Each of the Issuer and the Seller undertakes with the Manager that it will forthwith upon becoming aware of any change affecting any of the above representations and warranties (assuming and deeming them to have been repeated at the time of the change) at any time before payment is made to the Issuer on the Closing Date, notify the Manager of such change and that it will take those steps which may be requested by the Arranger to remedy and/or publish the change or event (including, if requested, the publication of a supplement to the Prospectus). Upon any breach of any of the above representations and warranties or any change rendering any of the above representations and

warranties inaccurate or any such event coming to the notice of the Manager before payment being made to the Issuer on the Closing Date, the Manager shall be entitled (but not bound) by notice to the Issuer and the Seller to elect to treat such breach or change or event as (except as otherwise specifically provided) releasing and discharging the Manager from its obligations under this Agreement.

- (g) The above representations, warranties and indemnity shall continue in full force and effect in relation to the Manager notwithstanding its actual or constructive knowledge with respect to any of the matters referred to in the representations and warranties, the completion of the arrangements set out in this Agreement for the subscription and issue of the Notes or the termination of this Agreement pursuant to Clause 9(f), and Clause 11 or 15.

10. ADMISSION TO TRADING

- (a) The Issuer confirms that it has made an application for the Notes to be admitted to trading on Euronext Brussels. In connection with such application, the Issuer shall endeavour to obtain the admission to trading as promptly as practicable and the Issuer and the Seller shall furnish any and all documents, instruments, information and undertakings that may be necessary or advisable in order to obtain or maintain the admission to trading.
- (b) If (after the approval of the Prospectus by the FSMA and before the commencement of trading in the Notes) there arises or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Notes, then the Issuer shall give to the Arranger full information about the change or matter and shall produce and publish a supplementary prospectus (in a form approved by the Arranger) in accordance with Article 23 of the Prospectus Regulation.
- (c) The Issuer will use its best endeavours to maintain the admission to trading of the Notes on Euronext Brussels for so long as any of the Notes is outstanding. If, however, it is unable to do so, having used such best endeavours, or if the maintenance of such listing is unduly onerous (and the Security Agent is of the opinion that to do so would not be materially prejudicial to the interests of the Noteholders) or the Notes cease to be listed, then the Issuer shall endeavour promptly to list the Notes on another European Economic Area regulated market (for the purposes of MIFID II) to be agreed between the Issuer, the Arranger, based on prior consultation with and on behalf of the Manager and the Security Agent.

11. CONDITIONS PRECEDENT

- (a) This Agreement and the respective obligations of the parties hereunder are conditional upon:
- (i) the Issuer and the Seller having complied with all their respective obligations hereunder and there having been, as at the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, of the Issuer and/or the Seller from that set forth in the Prospectus, nor any event rendering untrue or inaccurate in any material respect as at the Closing Date any of the representations or warranties contained in Clause 7 and 8 respectively above;
- (ii) evidence satisfactory to the Manager, that all conditions precedent to each of the Transaction Documents have been or (subject to the issue of the Notes) will be satisfied;
- (iii) the delivery to the Manager on or before the Closing Date of:
- (A) a copy of the constitutional documents of the Issuer, the Seller and the Shareholder;

- (B) a copy of the resolutions of the management committee of the Seller authorising the Transaction, the execution of this Agreement and the other Transaction Documents to which the Seller is expressed to be a party and the performance of the transactions contemplated thereby;
 - (C) a copy of the resolutions of the board of directors of the Issuer authorising the issue of the Notes and the execution of this Agreement and the other Transaction Documents to which the Issuer is expressed to be a party and the performance of the transactions contemplated thereby;
 - (D) a certificate by an authorised representative of the Seller and the Issuer to the effect stated in Clause 11(a)(i) with regard to the Seller and the Issuer respectively;
 - (E) a legal opinion from Allen & Overy (Belgium) LLP, legal advisers in Belgium, addressed to the Seller, the Issuer, the Manager and the Security Agent, with respect to the Transaction Documents;
 - (F) a legal opinion from Allen & Overy LLP, legal advisers in England, addressed to the Seller, the Issuer, the Manager and the Security Agent, with respect to the Swap Agreement;
 - (G) such letters addressed to the Issuer and the Manager from the Issuer's auditors as the Manager may reasonably require in a form and substance reasonably satisfactory to the Manager;
 - (H) a solvency certificate executed by an authorised representative of the Issuer, effective on the Closing Date;
 - (I) a solvency certificate executed by an authorised representative of the Seller, effective on the Closing Date;
 - (J) a director's certificate in respect of the Issuer executed by an authorised representative of the Issuer, effective on the Closing Date;
 - (K) a director's certificate in respect of the Seller executed by an authorised representative of the Seller, effective on the Closing Date;
 - (L) any other documents (including, but not limited to, any resolutions, consents and authorisations) relating to the issue of the Notes which the Manager may reasonably require; and
 - (M) a duly signed copy of a letter from Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises, *burgerlijke vennootschap onder de vorm van een CVBA* confirming to the Issuer that the information contained in the relevant sections of the Prospectus for which they are responsible, is true, accurate, complete and not misleading and that there are no facts the omission of which would in the context of the issue of the Notes make any statement in such relevant sections not complete, not accurate or misleading.
- (iv) satisfactory confirmation having been received by the Arranger and the Manager that:
- (A) the listing for the Notes will be granted by Euronext Brussels, subject only to the issue of the Notes;

- (B) the Prospectus has been approved by the FSMA;
 - (C) the Notes have been admitted to the Securities Settlement System;
 - (D) the Compartment SME Loan Invest 2020 of the Issuer is registered with the Federal Public Service Finance (*Federale Overheidsdienst Financiën/Service Public Fédéral Finances*) as an institutional VBS/SIC; and
 - (E) notification has been given to the FSMA of the creation of the Compartment Home Loan Invest 2020.
- (v) satisfactory confirmation having been received by the Arranger and the Manager that the Paying Agent has delivered to the Securities Settlement System Operator:
- (A) the executed Clearing Agreement; and
 - (B) the issuance program summary, the issuer's information sheet and the security information form, if applicable.
- (vi) the execution and delivery of each of the Transaction Documents by the parties thereto in the Agreed Form;
- (vii) that the matters expressly referred to or contemplated as having occurred on or before the Closing Date by the Transaction Documents, as the case may be, have been completed to the satisfaction of the Arranger;
- (viii) satisfactory confirmation having been received by the Manager that
- (A) the Notes be assigned at least a AA(High)(sf) rating by DBRS and at least an AAAsf rating by Fitch,
 - (B) either without conditions or subject only to the execution and delivery on or before the Closing Date of documents in all material respects in the form in which they shall then have been executed or delivered; and
- (ix) no supplement to the Prospectus having been prepared pursuant to Clause 9(f) and/or 10(b).
- (b) In the event that any of the conditions set out in Clause 11(a) are not satisfied on or before the Closing Date, this Agreement shall (subject as mentioned below) terminate and the parties hereto shall (except for the liability of the Issuer and the Seller in relation to expenses as provided under, or under any arrangements referred to in, Clause 9 and any liability arising before or in relation to such termination) be under no further liability arising out of this Agreement, provided that the Manager may in its discretion and by notice to the Issuer and the Seller waive satisfaction of any of the above conditions or of any part of them.

12. MANAGER'S REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- (a)
- (i) The Manager understands that 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 accordance with Regulation S or pursuant to any other exemption from the registration requirements of the Securities Act under the Securities Act. The Manager represents, warrants and agrees that it has not offered or sold,

and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act¹. The Manager also represents, warrants and agrees that it has not offered and sold any Notes, and will not offer and sell any Notes (A) as part of its distribution at any time and (B) otherwise until forty (40) days after the later of the commencement of the offering and the closing of the offering (the **distribution compliance period**), except in accordance with Regulation S. The Manager agrees that, at or prior to confirmation of sale of the Notes, the Manager will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing of the offering, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Terms used in this Clause 12(a)(i) have the meanings given to them by Regulation S.

- (ii) The Manager represents, warrants and agrees that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any form of "general solicitation" or "general advertising" or any "directed selling efforts" with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

The terms used above have the meaning given to them by Regulation S.

- (b) The Manager represents and agrees that it will not at any time offer, sell, resell or deliver, directly or indirectly, the Notes in the United States or its possessions or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or its possessions. Further, in connection with the original issuance of such Notes, the Manager represents and agrees that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Manager or such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the **Code**) and the U.S. Treasury regulations thereunder.
- (c) The Manager represents, warrants and agrees that it has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Notes, except with its affiliates or with the prior written consent of the Issuer.
- (d) The Manager represents, warrants and agrees that:
 - (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **UK FSMA**) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
 - (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK FSMA) in connection with the issue or sale of

¹ Aligned to 2019 Subscription Agreement.

any Notes in circumstances in which Section 21(1) of the UK FSMA does not apply to the Issuer.

(e) In relation to each Member State of the European Economic Area (each, a **Relevant Member State**), the Manager represents and agrees that it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may make an offer of Notes to the public in that Relevant Member State:

- (i) to any legal entity which is a qualified investors as defined in the Prospectus Regulation;
- (ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation; or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided always that such offering shall be restricted to Qualifying Investors only and that such offer shall not require the Issuer or the Manager 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 the Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

The Manager acknowledges that the Issuer does not intend to request that the FSMA provides the competent authority of other EEA Member States or in the UK a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation.

The Manager further represents, warrants and agrees that it shall not offer, sell or otherwise deliver the Notes to any retail investor in the European Economic Area or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
- (ii) a customer within the meaning of Directive 2002/92/EC (the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;
- (iii) not a qualified investor as defined in the Prospectus Regulation.

The Manager acknowledges that consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

(f) Notwithstanding any other provision of this Clause 12, the Manager undertakes that it will only, directly or indirectly offer or sell any Notes to investors that satisfy the following criteria (**Eligible Holders**):

- (i) they qualify as qualifying investors (*in aanmerking komende beleggers/investisseurs éligibles*) within the meaning of Article 5, §3/1 of the UCITS Act, acting for their own

account; a list of qualifying investors for the time being is attached to this Agreement as Schedule 1;

- (ii) they do not constitute investors that, in accordance with the annex, section (I), second indent, of the Royal Decree of 19 December 2017 concerning further rules for implementation of MIFID II, have registered to be treated as non-professional investors; and
- (iii) they are holders of an exempt securities account (X-account) with the Securities Settlement System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system and will use that X-Account for the holding of the Notes.

After the initial distribution of the Notes, the Manager will have no obligation whatsoever to ensure that the Notes are offered, sold or held by Eligible Holders, without prejudice to the obligation of the Manager to only sell or offer Notes to Eligible Investors who are not Excluded Holders.

The Manager will ensure that each Investor Information will expressly mention that the Notes can only be acquired or held by Eligible Holders.

- (g) The Manager agrees and acknowledges and the Issuer represents to the Manager that the Issuer is an *institutionele VBS naar Belgisch recht/SIC institutionnelle de droit belge* under the UCITS Act and that its legal and commercial purpose is to attract funds from qualifying investors (*in aanmerking komende beleggers/investisseurs éligibles*) within the meaning of Article 5, §3/1 of the UCITS Act acting for their own account, and invest such funds in receivables acquired from third parties. The Manager shall procure that the Notes are subscribed by or placed with or that the placement will result in the Notes being held by multiple Eligible Holders (and in any event with not less than two separate Eligible Holders) each of which is acting for its own account and each of which would hold a significant amount of the Notes (which shall, in case of no more than two Eligible Holders, not be less than 5% of the principal outstanding amount of the Notes on the Closing Date). The Manager furthermore represents and undertakes to the Issuer that in its role as manager it shall by the Closing Date have undertaken marketing efforts in order to interest a material number of Eligible Holders outside of the KBC Group and to try to arrange for a placement of a material amount of Notes with such investors acting for their own account.
- (h) The Manager undertakes that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms and provided that it complies with the requirements of the 2006 Royal Decree VBS/SIC.
- (i) Without prejudice to the generality of Clause 12(g) and 12(h), the Manager agrees that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will, to the best of its knowledge and belief, comply with all such laws and regulations.
- (j) The Manager is not authorised to give any information or to make any representation in connection with the offering or sale of the Notes, other than those contained in the Prospectus.
- (k) The Manager undertakes it will not, directly or indirectly, offer or sell any Notes to:
 - (i) a Belgian or foreign transferee who is not subject to income tax or who is, as far as interest income is concerned, subject to a tax regime that is deemed by the Belgian tax authorities to be significantly more advantageous than the Belgian tax regime applicable to interest

income (within the meaning of Articles 54 and 198, 11° of the Belgian Income Tax Code 1992 or any successor provision); or

- (ii) a Belgian or foreign transferee that qualifies as an "affiliated company" (within the meaning of Article 1:20 of the Company Code) of the Issuer, save where such transferee also qualifies as a "financial institution" referred to in Article 56, §2, 2° of the Belgian Income Tax Code 1992; or
- (iii) a Belgian or foreign transferee being a resident of or having an establishment in, or acting, for the purposes of the Notes, through a bank account held on a tax haven jurisdiction, a low-tax jurisdiction or a non-cooperative jurisdiction as referred to in Article 307, §1/2 indent of the Belgian Income Tax Code of 1992 or any successor provision.

13. U.S. RISK RETENTION

- (a) Except where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer shall not be purchased by any person except for persons that are not Risk Retention U.S. Persons.
- (b) The Seller represents, warrants and undertakes to the Manager that the determination of the "U.S. person" status of potential investors under the final rules promulgated under the U.S. Risk Retention Rules is solely the responsibility of the Seller and neither the Manager nor any person who controls the Manager or any director, officer, employee, agent or affiliate of the Manager will have any liability for or shall have any responsibility for:
 - (i) any designation of the Seller as a "sponsor" as set out in the U.S. Risk Retention Rules;
 - (ii) the Seller's compliance (or lack thereof) with any obligations under the U.S. Risk Retention Rules that may be applicable to the Seller from time to time; or
 - (iii) determining the availability to the Seller of, or the Seller's compliance with, the exemption provided for in Section 20 of the U.S. Risk Retention Rules or any other safe harbour conditions (including any such determination made prior to the date hereof and including conducting any investigation or diligence into the status of a potential investor and, for the avoidance of doubt, including any such investigation or diligence conducted prior to the date hereof), and neither the Manager nor any person who controls the Manager or any director, officer, employee, agent or affiliate of the Manager accepts any liability or responsibility whatsoever for any such determination or compliance (including, for the avoidance of doubt, any such determination made prior to the date hereof), or in respect of any investigation or diligence into the status of a potential investor conducted on or prior to the Closing Date.

14. STABILISATION AND OVER-ALLOTMENT

- (a) The Arranger or any person(s) duly authorised to act on its behalf, may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than those which might otherwise prevail. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules. However, there is no assurance that the Arranger (or any person(s) duly authorised to act on its behalf) will undertake stabilisation action. 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 be ended at any time and must end no later than the earlier of thirty (30) calendar days after the issue date of the Notes and sixty (60) calendar days after the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Arranger (or any person(s) duly authorised to act on its behalf) in accordance with all applicable laws and rules. Any

loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Arranger. The Arranger acknowledges that the Issuer has not authorised the creation and issue of Notes in excess of EUR 3,500,000,000 in aggregate principal amount.

- (b) If the Arranger over-allots or effects transactions which support the market price of the Notes and/or any associated securities at a level higher than that which might otherwise prevail:
 - (i) It will not in doing so be deemed to act as an agent of the Issuer;
 - (ii) it is authorised by the Issuer to make all appropriate disclosure in relation to any such action; and
 - (iii) any loss resulting from any such action will be borne, and any net profit arising therefrom will be retained by Arranger for its account.
- (c) Each of the Issuer and the Seller represents, warrants and undertakes to the Manager that it has not issued and will not issue, without the prior approval of the Arranger any press or other public announcement referring to the proposed issue of the Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes.

15. TERMINATION

Notwithstanding anything herein contained, the Manager, may by notice to the Issuer terminate this Agreement at any time before the time on the Closing Date when payment would otherwise be due under this Agreement to the Issuer in respect of the Notes, if:

- (a) in the opinion of the Manager, there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and the distribution of the Notes or dealings in the Notes in the secondary market; or
- (b) any of the representations and warranties contained in Clause 7 and 8 shall have been untrue in any material respect at the time of making thereof or shall subsequently have become untrue in any material respect or there is any failure to perform any of the Issuer's or of any of the Seller's undertakings or agreements in this Agreement hereunder,

and upon such notice being given the parties hereto shall (except for the liability of the Issuer and, as the case may be, the Seller for the payment of costs and expenses as provided in Clause 6 and/or the representations and warranties set forth in Clauses 7 and 8 and/or any indemnification obligations set forth in Clause 9, if any, and any liability arising before such termination) be released and discharged from their respective obligations hereunder.

16. NON-PETITION

The Manager, the Arranger and the Seller agree that they may not institute against, or join any person in instituting against, the Issuer or any of its Compartments any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full.

The Manager, the Arranger and the Seller acknowledge and agree that they will not have any claim, by operation of law or otherwise, against, or recourse to the Issuer's issued and paid up capital.

17. NOTICES

(a) Any notice or notification in any form to be given pursuant to this Agreement may be delivered in person or sent by fax addressed to:

(i) if to the Issuer:

Loan Invest NV/SA, Compartment SME Loan Invest 2020
(institutionele VBS naar Belgisch recht/SIC institutionnelle de droit belge)

Marnixlaan 23 (5th floor)

1000 Brussels

Attention of: Christophe Tans

Email: christophe.tans@intertrustgroup.com

(ii) if to the Seller:

KBC Bank NV

Havenlaan 2

1080 Brussels

Fax number: +32 (0)2 429 51 60

Attention of: Innocenzo Soi

(iii) if to the Manager:

KBC Bank NV

Havenlaan 2

1080 Brussels

Fax number: +32 (0)2 429 3262

Attention of: Frederik Vyncke

(b) Any such notice or notification shall be in English and shall take effect, in the case of a letter, at the time of delivery, in the case of fax, at the time of despatch and, in the case of telephone, when made.

(c) Any notice or notification made by telephone shall be confirmed by letter or fax but failure to send or receive the confirmation shall not invalidate the original notice or notification.

18. GOVERNING LAW AND JURISDICTION

(a) This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Belgian law.

(b) Subject to Clause 18(c), each of the Issuer and the Seller agrees for the benefit of the Arranger that the courts of Brussels are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) and accordingly submit to the exclusive jurisdiction of the courts of Brussels.

(c) The Arranger and the Manager may, to the extent allowed by law, take any suit, action or proceedings (together referred to as **Proceedings**) against the Issuer or the Seller (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Agreement) in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

SCHEDULE 1

QUALIFYING INVESTORS UNDER THE UCITS ACT

Pursuant to Article 5, §3 and §3/1 of the UCITS Act, Qualifying Investors are the "professional investors" (**Professional Investors**). A royal decree may restrict or extend this definition. The professional investors are the professional clients listed under Annex A of the royal decree of 3 June 2007 (which has been replaced by the royal decree of 19 December 2017) and the eligible counterparties in the meaning of Article 3, §1 of the royal decree of 3 June 2007 (currently Article 3, §1 of the royal decree of 19 December 2017), namely:

- (a) the Belgian and foreign legal entities that have a license or are regulated in order to be active on the financial markets including:
 - (i) the credit institutions;
 - (ii) the investment firms;
 - (iii) the other financial institutions that have a license or are regulated;
 - (iv) the insurance companies;
 - (v) the collective investment undertakings and their management companies;
 - (vi) the pension funds and their management companies;
 - (vii) the traders in commodities futures and derivated instruments (*grondstoffen termijnhandelaren/intermediaries en matières premières et instruments dérivés sur celles-ci*);
 - (viii) the local companies;
 - (ix) the other institutional investors;
- (b) the other companies than those contemplated in item a above, that satisfy at least two of the following three criteria, on individual basis:
 - (i) total balance sheet of EUR 20 million;
 - (ii) net annual turnover of EUR 40 million; and
 - (iii) equity of EUR 2 million.
- (c) national governments, Belgian state, Communities and Regions, national, regional and foreign authorities, public undertakings in charge of the public debt, central banks, international and supranational institutions as the World Bank, the IMF, the European Central Bank, the European Investment Bank, and other similar international institutions.
- (d) other institutional investors whom the main activity is the investment in financial instruments, in particular entities in relation to assets securitisation and other financing operations.

The Royal Decree of 26 September 2006 (as amended from time to time and for the last time on 25 February 2017) has further modified the definition of "professional investors" for the purposes of Article 5, §3/1 of the UCITS Act as follows:

- (a) private individuals are not considered as professional investors;
- (b) professional investors that have elected to be treated as non-professional investors, as for the purposes of Article 5, §3/1 of the UCITS Act are considered as professional investors.

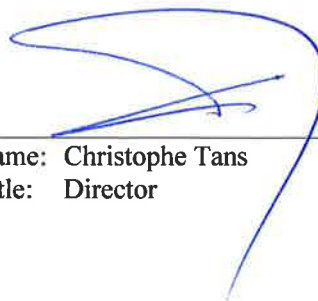
SIGNATORIES

This Agreement has been signed on 7 July 2020 at Brussels in 5 originals of which one will be delivered to each Party.

LOAN INVEST NV/SA, COMPARTMENT SME LOAN INVEST 2020
(institutionele VBS naar Belgisch recht/SIC institutionnelle de droit belge)
as Issuer

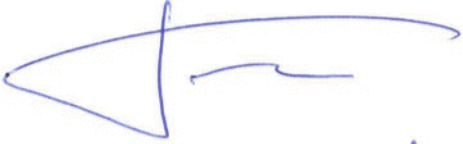


Name: Irène Florescu
Title: Director

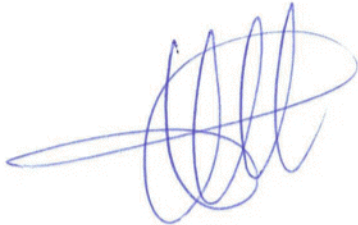


Name: Christophe Tans
Title: Director

KBC BANK NV
as Seller, Arranger and Manager

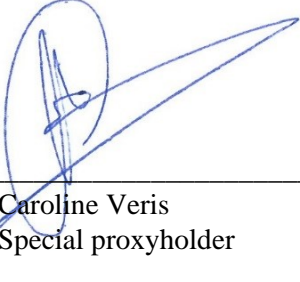


Name: ~~Innocenzo Soi~~ *Joel Franges*
Title: Special proxyholder



Name: Jerome Ferri
Title: Special proxyholder

DELOITTE BEDRIJFSREVISOREN/REVISEURS D'ENTREPRISES Burg. Venn. o.v.v. CVBA
as Security Agent

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a long, sweeping horizontal stroke that extends to the right.

Name: Caroline Veris
Title: Special proxyholder