

## BASE PROSPECTUS



**Koninklijke DSM N.V.**

*(incorporated in The Netherlands with its corporate seat in Heerlen)*

**EUR 5,000,000,000**

### **Debt Issuance Programme**

This base prospectus (the "**Base Prospectus**") has been approved by The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The AFM only approves this 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 the issuer that is the subject of this Base Prospectus and of the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Koninklijke DSM N.V. (the "**Issuer**" or "**DSM**" or the "**Company**") has requested the AFM to provide the competent authority in Luxembourg with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation (a "**Notification**"). The Issuer may request the AFM to provide the competent authorities in other Member States of the European Economic Area (the "**EEA**") with a Notification.

**The period of validity of this Base Prospectus is up to (and including) 12 months from the date of the approval of this Base Prospectus and its validity will expire on 2 June 2022. This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA or in the United Kingdom.**

Application has been made to Euronext Amsterdam N.V. to list notes ("**Notes**") to be issued under this EUR 5,000,000,000 Debt Issuance Programme (the "**Programme**") during the period of 12 months from the date of this Base Prospectus on Euronext in Amsterdam ("**Euronext Amsterdam**"). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Economic Area and registered under Regulation (EC) No. 1060/2009 (the "**EU CRA Regulation**") will be disclosed in the applicable Final Terms.

Amounts payable on Floating Rate Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**"), the London Interbank Offered Rate ("**LIBOR**") or any other benchmark, in each case as specified in the applicable Final Terms. As at the date of this Base Prospectus, EMMI is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") under Article 36 of the Regulation

(EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”) and the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Benchmarks Regulation**”). As at the date of this Base Prospectus, ICE Benchmark Administration Limited (“**ICE**”) does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). If a benchmark (other than EURIBOR or LIBOR) is specified in the applicable Final Terms, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Base Prospectus or any applicable Final Terms to reflect any change in the registration status of the administrator.

*Arranger*

**Deutsche Bank**

*Dealers*

**BNP PARIBAS**  
**Citigroup**  
**Credit Suisse**  
**Deutsche Bank**

**HSBC**  
**ING**  
**J.P. Morgan**  
**Rabobank**

The date of this Base Prospectus is 2 June 2021.

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## GENERAL DESCRIPTION

*The following general description does not purport to be complete and is taken from, and qualified by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" herein, respectively, shall have the same meanings in this general description.*

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

<b>Issuer:</b>	Koninklijke DSM N.V.  Koninklijke DSM N.V. is the holding company under Dutch law of a group that is active worldwide in health, nutrition and materials.
<b>Issuer Legal Entity Identifier:</b>	724500SNT1MK246AHP04
<b>Arranger:</b>	Deutsche Bank Aktiengesellschaft
<b>Dealers:</b>	BNP Paribas Citigroup Global Markets Europe AG Coöperatieve Rabobank U.A. Credit Suisse Securities Sociedad de Valores S.A. Deutsche Bank Aktiengesellschaft HSBC Continental Europe ING Bank N.V. J.P. Morgan AG  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 (as defined below).  The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealers are set out in the amended and restated Dealer Agreement relating to the Programme, dated 2 June 2021, as amended from time to time (the " <b>Dealer Agreement</b> "). The Dealer Agreement makes provisions 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 (as defined below).
<b>Fiscal and Paying Agent:</b>	Citibank, N.A., London Branch
<b>Risk Factors:</b>	There are factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include risks in relation to the Issuer, risks in relation to the Notes and risks in relation to investment markets. For more details of the risk factors affecting to Notes to be issued under the Programme see " <i>Risk Factors</i> ".
<b>Method of Issuance:</b>	Under its EUR 5,000,000,000 Debt Issuance Programme, Koninklijke DSM N.V. may from time to time issue Notes. These Notes may or may not be listed on a stock exchange. The applicable

terms of any Notes will be determined by the Issuer and the relevant Dealer(s) prior to the issue of the Notes. Such terms will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, or applicable to such Notes, as more fully described in the "*Terms and Conditions of the Notes*" section of this Base Prospectus.

**Programme Amount:**

This Base Prospectus and any supplement will only be valid for the issue of Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 5,000,000,000 or its equivalent in other currencies.

**Issuance in Series:**

Notes will be issued in series (each a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, interest commencement date and the issue price may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Form of Notes:**

Notes will be issued in bearer form only.

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 applicable Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**CGN**"), as specified in the applicable 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 agreed clearing system and each Global Note which is intended to be issued in new global note form (an "**NGN**"), as specified in the applicable 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 applicable Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the applicable 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. Interests in a Permanent Global Note will be exchangeable for definitive Notes in bearer form as described under "*Summary of Provisions relating to the Notes while in Global Form*".

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any legal currency agreed by the Issuer and the relevant Dealer(s).

**Status of the Notes:**

Notes will constitute direct, unconditional and unsecured and unsubordinated obligations of the Issuer and rank at least *pari passu*

and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

**Interest:**

Interest on the Notes may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series.

**Fixed Rate Notes:**

Fixed Rate Notes will bear interest at a fixed rate, payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (i) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (ii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes (as set out in the applicable Final Terms).

**Issue Price:**

Notes may be issued at any price or at a discount or premium to their nominal amount, as specified in the applicable Final Terms.

**Maturities:**

Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturity 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 Specified Currency. Save as provided above, the Notes are not subject to any maximum maturity.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 of England and Wales ("**FSMA**") by the Issuer.

<b>Optional Redemption:</b>	Notes may be redeemed before their stated maturity at the option of the Issuer and / or the Noteholders to the extent (if at all) specified in the applicable Final Terms.
<b>Tax Redemption:</b>	Except as described in " <i>Optional Redemption</i> " above, early redemption may be permitted for taxation reasons as mentioned in " <i>Terms and Conditions of the Notes – Condition 5(c) (Redemption for Taxation Reasons)</i> ".
<b>Denominations:</b>	Notes will be issued in such denominations as may be specified in the applicable Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, provided that in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). If this proviso applies, so long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least such minimum denomination and integral multiples of the Calculation Amount specified in the Terms and Conditions of the Notes in excess thereof.
<b>Taxation:</b>	Payments in respect of Notes issued by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will, if so specified in the applicable Final Terms (subject to certain exceptions as more fully set out in " <i>Terms and Conditions of the Notes - Condition 7(b)</i> "), pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.
<b>Governing Law:</b>	The Notes will be governed by, and construed in accordance with, Dutch law.
<b>Listing:</b>	Each Series may be admitted to listing on Euronext Amsterdam. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. The Issuer may also issue unlisted and/or privately placed Notes. References in this Programme to Notes being " <b>listed</b> " (and all related references) shall mean that such Notes have

been admitted to trading and have been listed on Euronext Amsterdam or another regulated market in the EEA.

**Terms and Conditions:**

Final Terms will be prepared in respect of each Tranche of Notes, a copy of which will, in the case of Notes to be listed on Euronext Amsterdam be delivered to such stock exchange on or before the date of issue of such Notes. The terms and conditions applicable to each Tranche of Notes will be those set out herein under as supplemented or modified by the applicable Final Terms.

**Clearing Systems:**

Euroclear, Clearstream, Luxembourg, Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**") and/or, in relation to any Series of Notes, any other internationally recognised clearing system as may be specified in the applicable Final Terms.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the EEA, the United Kingdom, Japan, the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan), Switzerland, Singapore and Hong Kong. See "*Subscription and Sale*".

**Use of Proceeds:**

The net proceeds from each issue of Notes will be used for the general financing purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for the financing or refinancing of Eligible Green Projects under any applicable Green Financing Framework of the Issuer from time to time. Such Notes may also be referred to as "Green Bonds".



## **RISK FACTORS**

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

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

*The Issuer believes that the factors described below represent the material risks currently deemed to be inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons currently unknown and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should carefully review the entire Base Prospectus and should reach their own views before making any decision on the merits and risks of investing in the Notes.*

*The purchase of certain Notes may be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prospective investors should make such inquiries as they deem necessary without relying on the Issuer or any Dealer and before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisors and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

### **Risk Factors Relating to the Issuer**

#### ***Risks related to the issuer's business activities and industry***

##### *Risks of insufficient or inadequate Human Resources in the markets DSM is active*

There is a risk that we might not be able to attract, retain and develop the workforce required to deliver on our strategy, to deliver above-market growth and retain strong operational efficiency. Many of the products we develop and/or produce require a high and often very specific level of expertise, which is difficult to attract and retain in the current labour market. For example in Europe (which represents 60% of Sales by Origin in 2020 – excluding discontinued operations) technical specialists who are deployed in the fields of marketing, sales and product development are very hard to find, a phenomenon which is visible in both the nutrition and materials clusters. Data scientists are another key example of a very scarce resource in the European labour market, where DSM competes with other large corporates, including leading global IT companies. This may lead to slower product development and loss of market share, which may have an impact on the results of operations and financial condition the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

##### *Risks of timely integration of acquisitions and unsuccessful partnerships*

In its strategy update entitled “Growth & Value - Purpose led, Performance driven” for the strategy period 2019-2021, DSM indicated that it may deploy capital in value-enhancing mergers and acquisitions (M&A). This will predominantly be in Nutrition given its growth potential, resilience, strong leadership position and value creation potential. DSM recently executed a number of important acquisitions: Royal CSK, Glycom, Erber Group and the flavor and fragrance (F&F) bio-based intermediates business of Amyris. M&A activity gives rise to specific risks, such as incorrect forecasts, failure to effectively integrate the new activities or not achieving the performance which was envisaged when the business was acquired. DSM foresees a potential growth in its business by joining

forces with joint venture partners to develop jointly innovative products and bring these products to the market. DSM has a number of important joint operations, such as Veramaris and Avansya. Risks in relation to joint ventures are oversight and control framework being insufficient or breaking down, joint venture partner(s) becoming competitor(s) and cultural clashes with joint venture partners. The innovation projects jointly managed could in such instance be at risk of not meeting the projected time-to-market of products and delivery of peak sales. Furthermore, acquisitions and partnerships have the inherent risk of not being successfully integrated. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

#### *(Information) Security risks*

In an increasingly digital world, DSM is subject to cybersecurity attacks which, if successful, could lead to a loss of Intellectual Property, discontinuity of operations, or otherwise have a negative impact on the Company. This is particularly relevant given the unusual circumstances created by the COVID-19 pandemic (working from home). The ICT complexity and shortcomings in technology, processes and employee behaviour could lead to ICT risks materializing which can have a material impact on DSM assets, operations and reputation. The digital transformation could increase the impact of incidents as the business becomes more dependent on secure and reliable ICT services. The risks that may occur could lead to (information) security incidents and/or misappropriation of goods or money through mistakes or fraud, possibly causing material damage to the Company. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

#### *Risks related to the COVID-19 outbreak*

The negative impact of COVID-19 has been visible in a number of DSM's end markets in 2020, particularly in the materials cluster. The potential emergence of new corona virus strains that existing vaccines do not provide effective protection against could result in revenue decline as economic growth is damaged and global trade negatively affected. The impact on logistics could put a strain on our supply chain in the movement of finished goods and raw materials. Therefore, there is a risk that COVID-19 may have a material adverse effect on DSM's financial results and financial condition, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

#### *Risk of DSM's inability to adapt quickly enough to changes in the Nutrition and Materials market compared to its competitors*

Our Nutrition and Materials markets may be affected by longer-term changes driven by:

- New food preferences / food systems: change in preferences of large groups of people, e.g. by moving to more sustainably and locally produced food and less processed food containing our vitamins as well as a shift to personalized nutrition.
- Climate transition risks impacting our end-markets, such as the animal protein market. Breeding animals (cows, pigs, chickens) for human consumption is a source of significant carbon dioxide and methane emission, which governments now are trying to reduce. This could drive a demand reduction for animal feed and therefore our vitamins. Equally, another trend is consumers reducing protein consumption and/or shifting to plant-based proteins.

The combination of the above changes could give rise to a risk in case the speed of change in the world is higher than our speed of adaptation to it, which could lead to replacement of our products by those of competitors. This may result in loss of market share to competitors, which may have a negative impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

### *Risks related to divestments*

DSM has executed a complete exit of the activities in Pharma and Base Chemicals. The Company sold its resins and functional materials business (and associated businesses) in Q2 2021. The risks associated to this kind of divestments relate particularly to warranties and indemnities given within the scope of the divestment process and to business performance at the desired time of exit, generating sufficient buyer interest, and striking the most value creating deal for DSM. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

### *Raw material / energy price and availability risks*

DSM faces the risk that supply chains are disrupted or are impacted by price volatility. The increasing complexity and interdependence of worldwide supply streams as well as increasing (perceived) pressure on availability of resources may lead to DSM's Global Trade Control non-conformities, price fluctuations and availability issues. This in turn may lead to raw material deficits, possibly resulting in production losses and related profitability decline. Volatile raw materials prices may lead to lower or even negative margins for the products sold. DSM's profitability and/or business continuity may be negatively impacted as a consequence.

### *Risk of not achieving Sustainability goals*

Sustainability, behaving socially, environmentally and economically without harming the position of future generations, is DSM's core value and plays a central role in its strategy implementation. It is seen as a display of responsible behaviour (implementing high standards in social, environmental and business-ethical matters as described in the DSM Code of Business Conduct) as well as an important business driver (developing products, processes and behaviours that make the value chains in which DSM takes part more socially and environmentally sustainable in an economically viable way). The risks related to sustainability as a measure of responsible behaviour are described in this overview in the category Safety, health and environment and those related to non-compliance with DSM rules and external laws and regulation under Legal and compliance. For sustainability as a business driver, DSM has set ambitious targets. There is considerable risk that difficulties will occur in doing so for every target, particularly as the activities are highly innovative and, for their success, dependent on cooperation in novel stakeholder relationships. DSM has set sustainability targets: greenhouse gas reduction of 30% by 2030, energy efficiency improvement year-on-year >1% average annually till 2030, and 75% of purchased electricity to be sourced from renewables by 2030. Not achieving the set targets may lead to reputational damage for DSM and hence to financial damage related to credibility issues in (financial) markets. Not achieving sustainability targets by not or insufficient development of new sustainable products may lead to loss of market share, which leads to a negative impact on DSM's profitability and impact on the Company's ability to fulfil its obligations under the Notes.

### *Risk of insufficient protection of intellectual property*

DSM has capabilities to establish, protect and exploit intellectual property rights. These intellectual property rights are of great importance to DSM's strategic development, for example by setting up joint ventures where intellectual property is shared to grow our sales. Key examples are the Veramaris joint venture with Evonik for algae-based fish feed and the Avansya joint venture with Cargill for the production of fermentative Stevia. Intellectual property enables the company to produce and sell profitable products which cannot be easily copied by competitors. Another way of financially exploiting intellectual property rights is through licensing. However, the risk exists that, in certain countries like for instance China, which is an important market for DSM (12% of sales by destination in 2020 - excluding discontinued operations) and where legal patent protection is considered to be weaker, DSM may not be able to protect its intellectual property effectively (for example in patent or license disputes or other litigation). This, in turn, may lead to negative financial impacts, as competitors, that did not invest in the development of the intellectual property, will be able to produce their products cheaper and may acquire a larger market share, which could have a negative impact on the Company's ability to fulfil its obligations under the Notes.

*Risk of adverse political climate in countries where DSM is active (global and regional trade conflicts, etc.)*

DSM has some 300 subsidiaries in more than 50 countries, of which China and the United States are main markets (China: 12% of net sales by destination in 2020; US: 22% of net sales by destination in 2020 - both excluding discontinued operations). These subsidiaries can be exposed to potentially unfavourable changes in (financial) regulations and political climate that might hamper the exploitation of projected opportunities or might impair the value of the local business. This includes, but is not limited to, the implications of global and regional trade conflicts/tensions between the US and China as well as increasing macro and political risks building up in emerging markets. The possible consequences of these political and country risks materializing are unexpected costs, import and/or export restrictions/duties, and/or additional corporate taxes being imposed on the Company. All these factors taken as a whole may have a material negative impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

*Risks related to high growth economies*

The strategy to grow the Company through increased presence and business in high-growth economies such as China, India, Latin America and Russia is being successfully implemented. This implies that the relative exposure to the business climate in these regions is also increasing. In 2020, approximately 44% of total sales were generated in high-growth economies, compared to approximately 32% over a decade ago. There is, however, a risk that such markets will not grow as expected or that opportunities in these more volatile markets will be missed. In addition, price pressure from these countries may jeopardise profitability in the established markets where the Issuer operates. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

*Risk of adverse macro-economic developments impacting DSM's more cyclical end markets*

There is a risk that we might not meet our strategic targets due to unfavorable macro-economic and financial conditions in the global markets affecting some or all of DSM's more cyclically geared end markets. If an economic downturn or financial instability were to occur, this could have a significant detrimental effect on DSM's more cyclical end-use markets of automotive/transport (making up 6% of 2020 net sales - excluding discontinued operations) and electrical/electronics (4% of 2020 net sales - excluding discontinued operations). This could have a negative impact on the results of the operation and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

***Operational risks***

*Risks relating to operational failure*

DSM has confirmed sustainability to be its core value and, on the basis of this, has formulated a Code of Business Conduct specifying desired behaviour in respect of the social, environmental and economic dimensions. Any failure by any of its business units to meet production safety, social, environmental or ethical standards could harm DSM's reputation and thereby impact on its business and results.

There is a risk that any of its units will fail to comply with internal requirements and/or external laws and regulations, which may have a negative impact on DSM's share price, License to Operate (LtO) and/or reputation (e.g. global, regional, local impact). Incidents, accidents or mistakes by individual employees may occur that negatively impact DSM's reputation. Negative social media coverage can exacerbate this. This risk might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

### *Product-liability risks*

As a result of DSM's strategy, the Company's product portfolio has been and will continue to shift to personalized nutrition, science-based, data-driven nutritional solutions tailored to consumers' specific health goals and needs. This has been accompanied by a corresponding shift in the product liability risk profile. There is a risk that not all its units comply with internal and external regulatory requirements (for example from the US Food and Drug Administration), which may lead to larger product liability exposures, which may in turn lead to claims that impact the Company's profitability.

Non-compliance with respect to product specifications and customer agreements could lead to customer complaints, liabilities, loss of business and/or customers, and overall reputational damages. Specifically, in the area of nutrition – roughly four-fifth of DSM's 2020 annual sales (from continuing operations) are generated in the nutrition space – this is a key risk that DSM is subject to given the great importance of safe food and feed, a prerequisite for human and animal health and wellbeing. There is a risk that customer loyalty is reduced as a result of non-compliance with respect to product specifications and customer agreements. It cannot be ruled out that the risk described above will materialize, which could have an impact on the Company's ability to fulfil its obligations under the Notes.

### *Risk of losing production process efficiencies*

DSM is subject to production process risks because concentration of production is necessary in order to achieve economies of scale. The design of any new facilities and/or production processes requires incorporation of state-of-the-art safety and security facilities. Plants are designed according to high technical and technological standards and are regularly and systematically inspected against predefined risk and maintenance standards. Nevertheless, technical and technological risks may not always be sufficiently well known or controlled so as to exclude any mishaps. Due to the material investments required to build large state-of-the-art production facilities. Once such an investment is made, such a plant needs to run for a certain period to earn back the money invested in a plant. If new technology comes to the market to produce similar products, but at a lower cost, DSM may have to write off early such an investment. DSM may not be able to adjust its operations and supply chains fast enough to deal with environmental and climate risks (both physical and transition risks). Both factors could affect the quality, costs or availability of products that may not meet the market demands anymore, which results in loss of market share. Loss of market share leads to less sales, resulting in a financial loss. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

### *Program and Project Management risks*

A large part of the implementation of DSM's strategy takes place through the implementation of major projects in a variety of fields, such as new business development, capacity expansions for existing businesses, organisational change, business process development, ICT, construction and human resources. DSM has recognized that it needs to further improve its capability to manage programs and projects, which may cause the risk of failure of major projects. This risk may cause projects to fail to deliver the (financial) results projected, for example because of cost over-runs, output falling short of expectations, and/or because the investments needed to achieve the results may be higher than anticipated. This would affect DSM's profitability and might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

### *Safety, health and environmental risks*

DSM is subject to safety, health and environmental risks ("**SHE-risks**"). DSM has to ensure that various operations are executed in compliance with various laws to ensure that workers are properly protected, that production processes are executed in compliance with environmental laws. Specifically, DSM has complex chemical production sites across the globe, which may have material safety, health and environmental risks as DSM operates some 100 production facilities world-wide, in some 50 countries that all have to be operated as a

safe environment for workers, but also in compliance with environmental regulations. Safety, health or environmental elements may not always be sufficiently well-known or controlled so as to prevent any possible mishaps. These risks might lead to a loss of the licence to operate and as a consequence plant closure. Such a closure leads to loss of production which may have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

#### *Risks of labour conflicts*

DSM faces the risk that its generally good relationship with its employees may deteriorate. DSM has a highly qualified workforce with elevated degree of specialisation. In particular, the materialisation of risk of labour conflicts may lead to strikes of highly educated, specialised and trained employees, possibly resulting in temporary closure of important production facilities. This would give rise to loss of production. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

#### ***Risks related to the Issuer's financial situation***

##### *Liquidity risks*

A key financial risk faced by DSM relates to its liquidity position. DSM needs to ensure that at all times it has sufficient short term and long term funding for general corporate purposes. There is a risk that the markets that provide funding will not always be available to the Company due to unexpected events in the market, as the COVID-19 crisis amply demonstrated, which may lead to a situation where the Company cannot honour in time its liabilities. This might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

##### *Currency risks*

DSM is exposed to currency risk. DSM has a policy to hedge (part of its) currency risks. It is DSM's policy to hedge 100% of the currency risks resulting from sales and purchases at the moment of recognition of the receivables and payables. In addition, operating companies may opt for hedging currency risks from firm commitments and forecast transactions. There is a risk that the markets that provide currency hedging instruments will not always be available to the Company due to unexpected events in the market, which may lead to a situation where the Company may incur losses due to unhedged currency positions. This might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

##### *Reporting integrity risks*

DSM has worldwide some 400 legal entities (as at May 2021) which reporting is the input for the consolidated Koninklijke DSM N.V. report. These reports are generated from many separate accounting system. DSM may run the risk that reporting is not complete, not transparent and may contain material inaccuracies and that internal controls to monitor these risk are not effective. Failure of these controls may result in shortcomings that may cause that the external reporting does not provide the desired true and fair view of the financial position and business performance of DSM. Such reporting risk may lead to a loss of trust by the financial community, which may impact the ability of DSM to attract sufficient capital for its operations and may cause in a worst case scenario a default.

##### *Pension risks*

The Company has defined benefit pension plans in a number of countries, with the most significant being Switzerland, the United Kingdom, the United States and Germany. The funded status and pension cost of defined benefit pension plans are impacted by financial markets (mostly through investment returns and interest rates) and

by changes in life expectancy. Low interest rates cause DSM's pension cost to increase and therefore have an adverse effect on profitability and cash flows. The risk is that pension risk may not be properly controlled by the pension committee that determines DSM's pension strategy and monitors and anticipates pension risks worldwide. Also pension plans may not be properly managed by local trustees in accordance to local regulations. The investment strategy of the pension plans may be misaligned with the risk profile of the underlying pension liabilities. Inadequate risk management processes, risk identification and strategic decision making may lead to an unbalanced approach towards risk. A deterioration of the value of assets or an increase in the value of liabilities in any defined benefit pension obligations exposes DSM to the risk of funding shortfalls. This could in turn have an impact on the Company's ability to fulfil its obligations under the Notes. The pension deficit is clarified in note 24 (*Post-employment benefits*) to the financial statements in the 2020 Integrated Annual Report, which are incorporated by reference in this Base Prospectus.

#### *Credit rating risk*

The Company currently has a long-term issuer rating from Moody's Deutschland GmbH of A3 with a stable outlook and from S&P Global Ratings Europe Limited of A- with a stable outlook. The major credit rating agencies may change their assessments of DSM's creditworthiness, thereby affecting the Company's borrowing capacity and/or the conditions under which it can borrow money and causing fluctuations in the cost of finance. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

#### ***Legal and compliance risks***

##### *Risks related to regulatory developments*

DSM is subject to regulatory developments, such as regulatory developments in the field of shareholder rights, the LIBOR reform, the European Market post Brexit and regulatory developments on environmental, social and governance issues. These changes may lead to a requirement of huge costs and/or investments for DSM to comply with the new regulations. Furthermore, increasing polarization in the world could lead to new legislation and new regulations having a negative impact on the Company's business, through for instance increasing taxation, trade barriers, and labour costs. The aforementioned developments may impact the Company's ability to implement its strategy and/or may have detrimental effects on profitability.

##### *Risk related to legal non-compliances*

DSM operates in fields to which a multitude of (international) laws and regulations apply, such as laws and regulations that deal with product liability, competition and antitrust, fraud, corruption and bribery, patents, tax, environmental matters, data protection, public health and safety, etc. These laws and regulations are constantly changing over time. Breaches may go unnoticed, possibly leading to fines, loss of permits, damages for breach of contract and/or reputational damage. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

##### *Risks of non-compliance with the DSM Code of Business Conduct and with Corporate Policies, Requirements and Directives*

DSM has put in place a DSM Code of Business Conduct, Policies, Requirements and Directives in order to induce ethical behaviour in the Company and clearly mark the limits of risk taking to be observed in (operational) processes. Non-compliances with these regulations may occur and/or the monitoring of compliance therewith may not be sufficient, leading to risks and possible financial and/or reputational damage. This could in turn have an impact on the Company's ability to fulfil its obligations under the Notes.

## **Risk Factors Relating to the Notes**

### ***Risks Related to the Structure of an Issuance of Notes***

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

An optional redemption feature in any Notes may negatively impact their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

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

Amounts payable on Floating Rate Notes may be calculated by reference to EURIBOR (which is provided by EMMI), LIBOR (which is provided by ICE), or any other benchmark, in each case as specified in the applicable Final Terms. As at the date of this Base Prospectus, each of EMMI and ICE is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") under Article 36 of the EU Benchmarks Regulation. Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR and LIBOR) are the subject of recent national and international 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, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority ("FCA") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

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

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited ("IBA"), the administrator of



LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the “**IBA announcement**”). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the “**FCA announcement**”). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fall-back provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fall-back provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

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

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were (permanently) discontinued or otherwise unavailable, the rate of interest on Notes which reference LIBOR, EURIBOR or any other benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR, EURIBOR or any other benchmark rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, in accordance with the provisions of the relevant ISDA Definitions be reliant upon the provision by reference banks of offered quotations for the LIBOR, EURIBOR or any other benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR or any other benchmark was available. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. The fall-back provisions for both ISDA Determination and Screen Rate Determination in this respect could have an adverse effect on the value or liquidity of, and return on, any Notes which reference LIBOR, EURIBOR or any other benchmark. Investors should be aware that pending finalisation of the benchmark reforms described herein, the Terms and Conditions do not contain further fall-back provisions that specifically apply, amongst others, in the event that a benchmark is permanently discontinued and as a result, any permanent discontinuation of benchmark or other event as a result of which a relevant benchmark can no longer be used could have an adverse effect on the value or liquidity of, and return on, any Notes which reference such benchmark that is more significant than on any issuance of securities which reference such benchmark that do include terms and conditions that specifically address this situation.

The Calculation Agent or any other party that will determine the rate in accordance with Condition 4(b) (the "**Rate Determination Agent**") may be considered an 'administrator' under the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. This is the case if it is considered to be in control over the provision of the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario. This would mean that the Rate Determination Agent has control over the (i) administration of the arrangements for determining such rate, (ii) collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an 'administrator' under the EU Benchmarks Regulation and/or the UK Benchmarks Regulation as applicable, the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario may be a benchmark (index) within the meaning of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. This may be the case if the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. There is a risk that administrators (which may include the Rate Determination Agent in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR, or any other interest rate benchmark was available, may apply to the Notes until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for the relevant Reference Rate is available.

Any of the abovementioned consequences could have a material adverse effect on the value of and return on any such Notes.

Pursuant to the applicable fall-back provisions contained in Condition 4(g), the Issuer will have the discretion to appoint the Calculation Agent, which may lead to a conflict of interests of the Issuer (being responsible for the compensation of the Calculation Agent), the Calculation Agent and Noteholders including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to Condition 4 that may influence the amount receivable under the Notes. The Calculation Agent and the Issuer might have conflicts of interests that could have an adverse effect on the interests of the Noteholders as the Calculation Agent has discretionary power in deciding the Rate of Interest in accordance with the fall-back provisions. Potential investors should be aware that the Issuer may be involved in general business relationship or/and in specific transactions with the Calculation Agent as the latter party will be an appropriate office of leading bank who may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Consequently, the Issuer and the Calculation Agent might have conflicts of interests that could have an adverse effect to the interests of the Noteholders in respect of the determination of the interest rate as a result of a benchmark and/or replacement of amendment of a benchmark.

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

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the

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

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

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

*Risks related to investing in Green Bonds*

The Issuer may issue Notes under the Programme where the use of proceeds is specified in the applicable Final Terms to be for the financing and/or refinancing of specified “green” or “sustainability” projects of the Issuer or any of its subsidiaries (the “**Eligible Green Projects**”), in accordance with certain prescribed eligibility criteria prepared by the Issuer in the context of any Green Financing Framework established by the Issuer from time to time as in such case shall be set out in item 4(i) of Part B (Reasons for the offer) of the applicable Final Terms (any Notes which have such a specified use of proceeds are referred to as “**Green Bonds**”).

In connection with the issue of Green Bonds under the Programme, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the Eligible Green Projects selected by the Issuer and described in the applicable Final Terms have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (ICMA) Green Bond Principles (GBP) and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability project (any such second-party opinion, a “**Second-party Opinion**”).

Potential investors should be aware that a Second-party Opinion will not be incorporated into, and will not form part of, this Base Prospectus or the applicable Final Terms which will complement this Base Prospectus. Any such Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of “Green Bonds”. A Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released.

While the ICMA Green Bond Principles do provide a high level framework, still there is currently no market consensus on what precise attributes are required for a particular project to be defined as “green” or “sustainable”, and therefore no assurance is or can be given that Eligible Green Projects will meet investor expectations or requirements regarding “green”, “sustainable”, “social” or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so called “**EU Taxonomy**”) 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 Eligible Green Projects. Although Eligible Green Projects are expected to be selected in accordance with the categories recognised by the ICMA Green Bond Principles, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such Eligible Green Projects. Where any negative impacts are insufficiently mitigated, green or sustainable projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

Further, although the Issuer may agree at the Issue Date of any Green Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of Eligible Green Projects (as specified in the applicable Final Terms), it would not be an event of default under the Green Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the applicable Final Terms and/or (ii) the Second-party Opinion were to be withdrawn. Any failure to use the net proceeds of any Series of Green Bonds in connection with Eligible Green Projects and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets which may cause one or more of such investors to dispose of the Green Bonds held by them which may affect the value, trading price and/or liquidity of the relevant Series of Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Neither the Issuer nor the Dealers make any representation as to the suitability for any purpose of any Second-party Opinion or whether any Green Bonds fulfil the relevant environmental and sustainability criteria of any potential investor in the Notes. Prospective investors should have regard to the Eligible Green Projects and eligibility criteria described in the applicable Final Terms. Each potential purchaser of any Series of Green Bonds should determine for itself the relevance of the information contained in this Base Prospectus and in the applicable Final Terms regarding the use of proceeds and its purchase of any Green Bonds should be based upon such investigation as it deems necessary.

*If the Issuer has the right to redeem any Notes at its option, it may make such redemption subject to conditions precedent, which makes an announced redemption uncertain*

In the case of Notes where Issuer Refinancing Call, Issuer Make-whole Redemption Call or Transaction Event Call is specified as being applicable in the Final Terms, redemption of such Notes may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case the notice of redemption shall state the applicable condition(s) precedent and that, in the Issuer's discretion, the Refinancing Repurchase Date, the Make-whole Redemption Date or the Transaction Event Call, as applicable, may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Refinancing Repurchase Date, the Make-whole Redemption Date or the Transaction Event Call, as applicable, or by such dates so delayed.

#### ***Risks Related to the Market in respect of the Notes***

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

Application has been made to list and trade the Notes to be issued under the Programme on Euronext Amsterdam appearing on the list of regulated markets issued by the European Commission. In addition, the Programme provides that Notes may be listed on other or further stock exchanges or may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to a greater liquidity as compared to unlisted Notes. If Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices and in addition the possibility to sell the Notes might additionally be restricted by country specific reasons. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

*Market prices may adversely affect the value at which an investor could sell his Notes*

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policy of central banks, overall economic developments (such as the economic impact of the novel coronavirus), inflation rates or the lack of or excess demand for the relevant type of Note. The holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the holder sells the Notes prior to the final maturity of such Notes. Therefore, investors may not be able to sell their Notes at prices that will provide them with a yield comparable to similar investments.

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

The Issuer will pay principal and interest on the Notes in a specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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

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

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

*The Notes are subject to market risks related to credit ratings assigned to the Issuer or any Notes and credit ratings are not conclusive for all the risks associated with an investment in those Notes*

One or more independent credit rating agencies may assign credit ratings to the Notes or to the Issuer. The Company currently has a long-term issuer rating from Moody's Deutschland GmbH of A3 with a stable outlook and from S&P Global Ratings Europe Limited of A- with a stable outlook. The value of the Notes may be affected by the creditworthiness and the credit rating of the Issuer and the credit rating of the Notes. However, the credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that are not reflected in the credit ratings may affect the value of the Notes.

Furthermore, there is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the Issuer is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes and the market value of the Notes is likely to be adversely affected.

Finally, the status of the rating agency rating the Notes may change under the EU CRA Regulation and European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The price at which a Noteholder will be able to sell the

Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

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

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination.

In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time (i) may not be able to transfer such Notes and (ii) may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and in each case would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

### ***Risks relating to Notes denominated in Renminbi ("Renminbi Notes")***

*Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes*

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being developed.

Although from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programmes and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

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

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China ("**PBoC**") has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the

"Renminbi Clearing Banks") in several financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*Investment in the Renminbi Notes is subject to exchange rate risks*

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

*Investment in the Renminbi Notes is subject to currency risk*

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

*Investment in the Renminbi Notes is subject to interest rate risks*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

*Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes*

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depository or common safekeeper, as the case may be, for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Final Terms or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Final Terms in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

*Remittance of proceeds in Renminbi into or out of the PRC*

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the PRC Government will not impose any interim or long-term restrictions on capital inflow or outflow which may restrict cross-border Renminbi remittances, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

*Investment in Renminbi Notes may be subject to PRC tax*

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



## IMPORTANT INFORMATION

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

This Base Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM 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 the issuer that is the subject of this Base Prospectus and of the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus is to be read in conjunction with any supplements hereto and with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such supplements or documents are incorporated into, and form part of, this Base Prospectus and, in relation to any Tranche (as defined in "*General Description*" below) of Notes, must be read and construed together with the applicable Final Terms. Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AFM.

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

None of the Arranger or the Dealers appointed by the Issuer or their respective affiliates have separately 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 is accepted by such Arranger and Dealers or their respective affiliates as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer. None of the Arranger, the Dealers or their respective affiliates accept any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. In particular, none of the Dealers accepts any responsibility for any third party social, environmental and sustainability assessment of any Notes issued as Green Bonds or makes any representation or warranty or assurance whether the Bonds will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the monitoring of the use of proceeds for any Notes issued as Green Bonds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds and any such opinion or certification is not a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. This Base Prospectus identifies in a general way the information that a prospective investor should consider prior to making

an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) and consult with its own professional advisors (including its financial, accounting, legal and tax advisors) if it considers it necessary prior to deciding whether to invest in the Notes, as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

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

The Issuer, including any group company, is acting solely in the capacity of an arms' length contractual counterparty and not as a purchaser's financial adviser or fiduciary in any transaction unless the Issuer has agreed to do so in writing. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the investor should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes. Investors risk losing their entire investment or part of it.

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

Prospective investors should consider all information provided in the Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since such date, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should carefully review and evaluate, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

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, any supplements hereto 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, any supplements hereto or any Final Terms comes are required by the Issuer 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 the Base Prospectus, any supplements hereto or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any securities regulatory authorities of any state or other jurisdiction of the United States and the Notes 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, or for the account of, U.S. persons. Neither this Base Prospectus or any supplements hereto nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "**Sterling**", "**£**" refer to the currency of the United Kingdom and references to "**Renminbi**" or "**RMB**" means the lawful currency of the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) (the "**PRC**").

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

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes shall include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European

Economic Area ("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) MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA 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 European Union (Withdrawal) Act 2018 ("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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (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.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. The stabilisation shall start on the date of adequate public disclosure of the terms of the relevant Tranche of Notes and end either no later than 30 calendar days after the date on which the Issuer received the proceeds of the issue, or no later than 60 calendar days after the date of allotment of the Tranche of Notes, whichever is earlier. Such stabilising shall be conducted in accordance with all applicable laws and rules. Any loss or profit sustained as a consequence of any such over-allotment or stabilising shall, as against the Issuer, be for the account of the Stabilising Manager(s) and the Dealer(s).

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

#### **LEGAL INVESTMENT CONSIDERATIONS MAY RESTRICT CERTAIN INVESTMENTS**

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

## 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 below) and each Note in definitive form, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Note in definitive form will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Note in definitive form.*

The Notes are issued pursuant to an amended and restated fiscal agency agreement dated 2 June 2021, as amended or supplemented from time to time (the "**Fiscal Agency Agreement**") between Koninklijke DSM N.V. (the "**Issuer**") and Citibank, N.A., London Branch as fiscal agent and paying agent (the "**Fiscal Agent**" and the "**Paying Agent**" and together with any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**"). The Calculation Agent (if any) is specified on this Note. The Noteholders (as defined below), the holders of the coupons (the "**Coupons**") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are bound by and deemed to have notice of all of the provisions of the Fiscal Agency Agreement applicable to them and these Terms and Conditions. A copy of the Fiscal Agency Agreement is available for inspection at the specified office of each of the Paying Agents.

The Final Terms for this Note (or the relevant provisions thereof) are attached to or endorsed on this Note and supplement these Terms and Conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the Final Terms are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note (as defined hereunder), "**holder**" means (in relation to a Note, Coupon or Talon) the bearer of any Bearer Note, Coupon or Talon (as the case may be) and capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to the Notes. In these Conditions, capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to the Notes.

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

The Notes are issued in bearer form ("**Bearer Notes**") in the denomination of the Specified Denomination(s). In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Regulation (as defined below), the minimum denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) or, where it is a Note to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors within the European Economic Area (as defined in the Prospectus Regulation) have access, the minimum denomination shall be EUR 1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

The Notes may have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturity 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 Specified Currency. Save as provided above, the Notes are not subject to any maximum maturity.

This Note may be a Fixed Rate Note, a Floating Rate Note or a combination thereof, depending upon the Interest and Redemption/Payment Basis shown in the applicable Final Terms.

The Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery unless applicable law provides otherwise or provides for additional requirements for transfer of title. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereon or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

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 Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note which, for so long as the relevant Global Note is held by a depositary or common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN, for Euroclear or Clearstream, Luxembourg and/or (except in the case of an NGN) any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper (and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly). Notes which are represented by a Global Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or 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 applicable Final Terms.

Words and expressions defined in the Fiscal Agency Agreement and the applicable Final Terms shall have the same meanings when used in these Conditions, unless the context otherwise requires or unless otherwise stated in these Conditions.

## 2. **Status**

The Notes and Coupons constitute direct, unconditional and (without prejudice to the provisions of Condition 3 (*Negative Pledge*)) unsecured and unsubordinated obligations of the Issuer and rank at least *pari passu* and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

## 3. **Negative Pledge**

So long as any of the Notes remains outstanding, the Issuer undertakes that if it shall, after the Issue Date of the Notes, secure any Public Debt or Private Debt, then or thereafter existing, by any lien, pledge or other charge upon any of its present or future assets or revenues, the Notes shall share in and be equally and rateably secured by such

lien, pledge or other charge, and the instrument creating such lien, pledge or other charge shall expressly so provide.

For the purposes of the foregoing paragraph, (i) "**Public Debt**" means any loan, debt, guarantee or other obligation of the Issuer represented by bonds, notes, debentures or any other publicly-issued debt securities which are, or are intended to be, from time to time quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over the counter or other securities market and (ii) "**Private Debt**" means loans, debts, guarantees or other obligations of the Issuer (other than Public Debt) in excess (whether alone or in aggregate with other loans, debts, guarantees or other obligations of the Issuer (other than Public Debt)) of 2 per cent. or more of the value of the total assets of the Issuer and its group companies as per the most recently delivered audited consolidated financial statements for that financial year or half-yearly condensed consolidated financial statements for that year.

#### 4. **Interest**

##### (a) *Rate of Interest on Fixed Rate Notes and Accrual*

Each Note specified as being a Fixed Rate Note in the applicable Final Terms (each a "**Fixed Rate Note**") bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

If a Fixed Coupon Amount or a Broken Amount is not specified hereon, the amount of interest payable on each Interest Payment Date shall be calculated in accordance with Condition 4(e) (*Calculations*).

##### (b) *Interest on Floating Rate Notes*

(i) Interest Payment Dates: each Floating Rate Note bears Interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such Interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Rate of Interest on Floating Rate Notes: the Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

##### (A) ISDA Determination for Floating Rate Notes

(a) Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph

(A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

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

- (b) If on any relevant Interest Determination Date the Rate of Interest cannot be determined according to sub-paragraph (A)(a), then the Rate of Interest for the respective Interest Period shall be the reserve interest rate (the "**Reserve Interest Rate**"). The Reserve Interest Rate shall be the rate expressed as a rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point (0.0005 being rounded upwards), if the Reference Rate is EURIBOR, or to the nearest one hundred thousandth of a percentage point (0.000005 being rounded upwards), if the Reference Rate is not EURIBOR) of the lending rates in the Specified Currency which the Reference Banks are quoting on the relevant Interest Determination Date or (if this date is not a Business Day in the Relevant Financial Centre) on the next succeeding Business Day in the Relevant Financial Centre for the next Interest Period (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such Reference Banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Relevant Financial Centre.

If the Calculation Agent determines that it is (permanently) not possible to ascertain the Reserve Interest Rate in respect of any Interest Period for which such ascertainment is required, the Reserve Interest Rate for such Interest Period shall be the interest rate in effect on the Interest Determination Date.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be the interest rate as determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period in accordance with the following, plus or minus (as indicated hereon) the Margin (if any):

- (x) Subject as provided below, the Rate of Interest shall be:



- (I) the Reference Rate (where such Reference Rate on such Relevant Screen Page is a composite quotation or is customarily supplied by one entity); or
- (II) the arithmetic mean of the Reference Rates of the persons whose Reference Rates appear on that Relevant Screen Page,

in each case appearing on such Relevant Screen Page at the Relevant Time on the Interest Determination Date;

- (y) if sub-paragraph (x)(I) or (x)(II) applies and neither the Relevant Screen Page is published nor another agency deemed acceptable by the Calculation Agent publishes the Reference Rate, or the Calculation Agent cannot make such determination for any other reason, or if sub-paragraph (x)(I) applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, or if sub-paragraph (x)(II) applies and fewer than two Reference Rates appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point (0.0005 being rounded upwards), if the Reference Rate is EURIBOR, or to the nearest one hundred thousandth of a percentage point (0.000005 being rounded upwards), if the Reference Rate is not EURIBOR) of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at or about the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent (it being understood that, should one or two of the Reference Banks fail to provide the relevant quotation the arithmetic mean shall be calculated as described above on the basis of the quotations supplied); and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Reference Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the Relevant Financial Centre are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Relevant Financial Centre or if such banks are permanently unable to provide such quotation, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or

Maximum or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period).

(c) *Accrual of Interest*

Interest shall cease to accrue on each Note at the end of the day preceding the date on which they become due for redemption (even if payment is made on the next following Business Day in accordance with Condition 6(f) (*Non-Business Days*)) unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 until the payment of such principal has been effected, however, not beyond the fourteenth day after the date on which the necessary funds have been provided to the Fiscal Agent and notice thereof has been given by publication in accordance with Condition 13 (*Notices*).

(d) *Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding*

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or, as appropriate, countries of such currency.

(e) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the calculation amount as specified in the applicable Final Terms (the "**Calculation Amount**") by the Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Periods, the amount of interest payable in respect of such Specified Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Periods. For this purpose, a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(f) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, the Clearing System, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information without delay but in no event later than the first day of the relevant Interest Period, if determined prior to such time. The Fiscal Agent shall without delay publish the interest rate, the interest amounts payable in respect of each Note and, the case being, each Coupon and the respective Interest Payment Date in accordance with Condition 13 (*Notices*). In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Calculation Agent without a publication being necessary with regard thereto. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall be made in consultation with the Issuer and shall (in the absence of manifest error) be final and binding upon all parties.

(g) *Calculation Agent and Reference Banks*

The Issuer will procure that there shall at all times be at least four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or of any Reference Bank. In the event of such termination or if any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. In the event of such termination or if the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint an appropriate office of another leading bank to act as Calculation Agent. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

The appointment of another Reference Bank or Calculation Agent shall be published without delay by the Issuer in accordance with Condition 13 (*Notices*).

(h) *Business Day Convention*

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (X) such date shall be brought forward to the immediately preceding Business Day and (Y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(i) *Definitions*

As used in these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which TARGET2 is operating (a TARGET Business Day); and/or
- (iii) in the case of Renminbi, a day on which commercial banks in Hong Kong settle Renminbi payments.

"**CGN**" means Classic Global Note.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms and:

- (i) if "Actual/365 or Actual/Actual-ISDA" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) 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/360" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if "30/360 (2000 ISDA Definitions)" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if "30/360 (2006 ISDA Definitions)" is so specified, means 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:

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

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

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

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

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

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

- (vi) if "30E/360 (2000 ISDA Definitions)" or "Eurobond Basis (2000 ISDA Definitions)" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);
- (vii) if "30E/360 (2006 ISDA Definitions)" or "Eurobond Basis (2006 ISDA Definitions)" is so specified, means 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:

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

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

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

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

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

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

- (viii) if "30E/360 (ISDA)" is so specified, means 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:

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

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

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

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

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

"D2" is the calendar day, expressed as a number, immediately following the last day included in the 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 D2 will be 30,

- (ix) if "Actual/Actual-ICMA" is so specified, means
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (a) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (b) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Period to which such Interest Determination Date relates.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on the European Union.

"**Global Note**" means a CGN or a NGN.

"**Interest Amount**" means the amount of interest payable and, in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount if specified thereon, as the case may be.

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

**"Interest Determination Date"** means, with respect to a Rate of Interest and an Interest Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is euro.

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

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention;  
or
- (b) if the Business Day Convention is the Floating Rate Business Day Convention and an interval of a number of calendar months is specified in the applicable Final Terms as being the Specified Period, each of such dates as may occur in accordance with the Floating Rate Business Day 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 the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**"ISDA Definitions"** means the 2000 ISDA Definitions (the "**2000 ISDA Definitions**") or, if so specified in the Final Terms, the 2006 ISDA Definitions (the "**2006 ISDA Definitions**") (each as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

**"NGN"** means New Global Note.

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (Reuters), Bloomberg and Bridge) as may be specified for the purpose of providing a Reference Rate, or, if this page, section, caption, column or other part of a particular information service, or its provider, is replaced or discontinued, such other page, section, caption, column or other part as selected by the Calculation Agent.

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

**"Reference Banks"** means at least four major banks selected by the Calculation Agent (which banks, if the Reference Rate is EURIBOR, will be, at the time of such selection, member banks of the EURIBOR panel) in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that are most closely connected with the benchmark (which, if EURIBOR is the relevant benchmark, shall be the Euro-zone).

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

"**Reference Rate**" means the benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the benchmark) equal to the Specified Duration commencing on the Effective Date.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified on this Note or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and, for this purpose, local time means, with respect to the Euro-zone as a Relevant Financial Centre, Central European Time.

"**Representative Amount**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

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

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Period, ignoring any adjustment pursuant to Condition 4(h).

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system.

## 5. **Redemption, Purchase and Options**

- (a) *Redemption, Final Redemption and Redenomination*



- (i) Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 of England and Wales will have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) or 5(e) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (specified in the applicable Final Terms).
- (iii) If the country of the Specified Currency has become a participating Member State in the Economic and Monetary Union, the Issuer may, if so specified in the applicable Final Terms, without the consent of the Noteholders, by giving notice (the "**Redenomination Notice**") in accordance with this Condition 5(a)(iii), with effect from a date to be determined by it (the "**Redenomination Date**"), re-denominate the Notes in euro. Simultaneously the Issuer may adjust the provisions regarding the accrual basis in respect of interest payments for less than a year and regarding the business day definition to existing or anticipated market practice. Notwithstanding Condition 4, the Rate of Interest that shall apply to the Notes after the redenomination shall be the interest rate which applied to the Notes prior to the redenomination (provided that all references to the Specified Currency shall be replaced by references to the euro), unless the Issuer elects, at the time of the redenomination, with the consent of the Fiscal Agent, to apply to the Notes the interest rate which is consistent with the then existing or anticipated market practice for euro-denominated floating rate notes issued in the international capital market and held in international clearing systems.

The redenomination and any additional measures which may be taken pursuant to this Condition 5(a)(iii) shall, to the extent not governed by mandatory laws or regulations, occur by way of amendment of the Conditions (the "**Amendment**"), as the Issuer may determine in its reasonable discretion, taking into account the interests of the Noteholders as a class as well as any existing or anticipated market practice. Redenomination shall be made by applying the conversion rate which has been irrevocably fixed pursuant to the Treaty establishing the European Community, as amended by the Treaty on the European Union and as may be further amended or superseded.

The Redenomination Notice shall be given by publication in accordance with Condition 13 (*Notices*) at least one month prior to the Redenomination Date. It shall:

- (A) identify the Notes the subject of the Redenomination Notice;
- (B) specify the Redenomination Date; and
- (C) describe the Amendment and specify the wording of the amended or additional provisions.

The Issuer shall not be obliged to exchange the Global Note representing the Notes for a new Global Note denominated in euro.

- (iv) To the extent that applicable provisions of law allow the Issuer to re-denominate the Notes in euro and to take additional measures, the Issuer may exercise the rights

provided by law instead of or in addition to the rights set out in Conditions 5(a)(i) to (iii).

(b) *Early Redemption*

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be its principal amount.

(c) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (in the case of Floating Rate Notes) or at any time (in the case of Notes other than Floating Rate Notes), on giving not less than 10 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) (*Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than (where the Notes may be redeemed at any time) 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (where the Notes may be redeemed only on an Interest Payment Date) 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Any such notice shall be given by publication in accordance with Condition 13 (*Notices*). It must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(d) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

(i) Issuer Call Option

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

- (A) not less than 10 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*); and
- (B) not less than 7 days before the giving of the notice referred to in (A), notice to the Fiscal Agent,

(both of which notices shall be irrevocable), redeem, or exercise any Issuer's option (as may be described hereon) in relation to all, but not less than all, Notes of the same issue of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

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

(ii) Issuer Refinancing Call

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

- (A) not less than 10 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*); and
- (B) not less than 7 days before the giving of the notice referred to in (A), notice to the Fiscal Agent,

(both of which notices shall be irrevocable), at any time, or from time to time, on or after the Issuer Refinancing Call Commencement Date specified in the applicable Final Terms (being the date three months prior to the Maturity Date of the Notes) redeem all, but not less than all, the Notes then outstanding on such redemption date (the "**Refinancing Redemption Date**") at their nominal amount together, if appropriate, with interest accrued to (but excluding) the Refinancing Redemption Date. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Refinancing Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Refinancing Redemption Date, or by the Refinancing Redemption Date so delayed.

(iii) Issuer Make-whole Redemption Call

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

- (A) not less than 10 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*); and
- (B) not less than 7 days before the giving of the notice referred to in (A) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the applicable Final Terms,

(both of which notices shall be irrevocable), on the dates specified in the applicable Final Terms redeem all, but not less than all, the Notes then outstanding on such redemption date (each such date, a "**Make-whole Redemption Date**") at their relevant Make-whole Redemption Amount. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Make-whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Make-whole Redemption Date, or by the Make-whole Redemption Date so delayed.

"**Make-whole Redemption Amount**" means the sum of:

- (A) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes to maturity or, if Issuer Refinancing Call is specified in the applicable Final Terms to be applicable, to the Issuer Refinancing Call Commencement Date (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual, a semi-annual or a quarterly basis (as specified in the applicable Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and

- (B) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

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

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

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

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

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

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

**"Reference Screen Rate"** means the screen rate specified as such in the applicable Final Terms.

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

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

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

- (iv) Transaction Event Call

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

- (A) not less than 10 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*); and
- (B) not less than 7 days before the giving of the notice referred to in (A), notice to the Fiscal Agent,

(both of which notices shall be irrevocable), redeem all or some only of the Notes of the same issue of the Notes on any date specified on the relevant notice (the “**Transaction Event Redemption Date**”) if the Transaction specified in the applicable Final Terms has been terminated prior to its completion or the Transaction will not be settled for any reason whatsoever or the Issuer has publicly stated that it no longer intends to pursue the Transaction. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to (but excluding) the Transaction Event Redemption Date.

Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Transaction Event Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Transaction Event Redemption Date, or by the Transaction Event Redemption Date so delayed.

(e) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

- (i) In addition to the right to call for redemption in accordance with Condition 9 (*Events of Default*), the Issuer shall, if Put Option is specified hereon, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 90 days' notice to the Fiscal Agent (or such other notice period as may be specified in the Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (the "**Optional Redemption Amount**").

To exercise such option or any other Noteholders' option that may be set out hereon the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent, together with a duly completed option exercise notice (Exercise Notice) in the form obtainable from any Paying Agent within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement) without the prior consent of the Issuer. Until payment of all amounts which become payable in respect of such Notes and Coupons, the relevant Paying Agent shall keep such Notes, Coupons and Talons in custody for the Noteholders.

- (ii) In addition to the right to call for redemption in accordance with Condition 9 (*Events of Default*), if it is specified herein that the Put Option is only exercisable, if the Notes are rated with the agreement of the Issuer, on the occurrence of a Change of Control and if there occurs a Change of Control and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs or, if the Notes are not rated, a Negative Rating Event in respect of that Change of Control occurs within the Change of Control Period (in either case called a "**Put Event**"), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 5(c) (*Redemption for Taxation Reasons*), to require the Issuer to redeem or, at the Issuer's option, purchase (or procures the purchase of) that Note on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

"**Rating Agency**" means Moody's Deutschland GmbH or S&P Global Ratings Europe Limited and their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period any rating previously assigned to the Issuer or any Notes by any Rating Agency is (x) withdrawn

or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+ to BB or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

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

"**Change of Control Period**" means the period commencing on the earlier of (a) the date of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 days after the public announcement of the Change of Control having occurred.

A "**Negative Rating Event**" shall be deemed to have occurred if (i) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating or (ii) if it does not seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly confirms in writing that its declining to assign an Investment Grade Rating was the result of the applicable Change of Control.

"**Relevant Potential Change of Control Announcement**" means any formal public announcement or statement by or on behalf of the Issuer or any actual or potential bidder or any advisor thereto relating to any potential Change of Control where, within 180 days of the date of such announcement or statement, a Change of Control occurs.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 13 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 5(e)(ii).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 5(e)(ii), the holder of that Note must deliver such Note, on any Business Day (as defined in Condition 4(i) (*Definitions*)) in the city of the specified office of the relevant Paying Agent falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, to any Paying Agent, as well as a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Option Notice**") and in which the holder may specify a bank account complying with the requirements of this Condition 5(e)(ii) to which payment is to be made under this Condition 5(e)(ii).

In case the Notes issued are Definitive Notes, the Put Option Notice shall be accompanied by the relevant Notes, and also by all Coupons appertaining thereto maturing after the Optional Redemption Date, failing which an amount will be deducted from the payment to be made by the Issuer on redemption of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons. Until payment of all amounts which become payable in respect of such Notes and Coupons, the relevant Paying Agent shall keep such Notes and Coupons in custody for the Noteholders.

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

The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a "**Put Option Receipt**") in respect of the Note so delivered. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date, unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a euro bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and in every other case on or after the Optional Redemption Date, in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 5(e)(ii).

(f) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Notes purchased by or on behalf of the Issuer may, at its option, be held, re-issued, resold or surrendered to any Paying Agent for cancellation.

(g) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may (and if not in bearer form, shall) be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 6. **Payments and Agents**

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e) (*Unmatured Coupons and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 6(e) (*Unmatured Coupons and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States and its possessions (the United States) by a payment in cash in the relevant currency, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to TARGET2. No payments will be made by a transfer of funds into an account within the United States or by cheque mailed to an address in the United States.

(b) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments of interest in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as specified in Condition 6(a) (*Bearer Notes*) if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amount on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

The Fiscal Agent and the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent and the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to terminate the appointment of the Fiscal Agent as well as of individual Paying Agents and to appoint banks of international standing as Fiscal Agent or Paying Agents, provided that it will at all times maintain a Fiscal Agent, subject to clause 9.1.1 of the Fiscal Agency Agreement. Such appointment or termination shall be published without undue delay in accordance with Condition 13 (*Notices*), or, should this not be possible, be published in another way.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(b) (*Payments in the United States*).

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13 (*Notices*).

(e) *Unmatured Coupons and Unexchanged Talons*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).
- (ii) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Note which only bears interest after its Maturity Date from its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(f) *Non-Business Days*

If any date for payment in respect of any Note or Coupon is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day nor to any interest or other sum in respect of such postponed payment. For these purposes, "**Payment Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business, in such jurisdictions as shall be specified as "**Additional Financial Centre**" in the applicable Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or



(ii) (in the case of a payment in euro) which is a TARGET Settlement Day.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8 (*Prescription*)).

(h) *Payment of US Dollar Equivalent*

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in CNY in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the US Dollar Equivalent of any such CNY denominated amount. In case the Issuer needs to satisfy payments of principal or interest in part in CNY and in part in U.S. dollars, it shall to the extent possible make payment to each Noteholder in the same pro rata amount of CNY and U.S. dollar in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be, from time to time.

For the purposes of these Conditions, "**US Dollar Equivalent**" means the CNY amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date.

For this purpose:

"**CNY**" means Renminbi yuan, the lawful currency of the PRC;

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the CNY exchange market in Hong Kong;

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

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

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Illiquidity**" means where the general CNY exchange market in Hong Kong becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient CNY in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two CNY Dealers;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule

or regulation is enacted after 28 November 2018 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Non-transferability"** means the occurrence of any event that makes it impossible for the Issuer to transfer CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted after 28 November 2018 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"PRC"** means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; and

**"Spot Rate"** means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter CNY exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(h) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents(s) and all Noteholders.

## 7. **Taxation**

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

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Coupons or Talons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Coupons or Talons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Coupons or Talons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Coupons or Talons, as the case may be, in the absence of such withholding

or deduction; except that no such additional amounts shall be payable with respect to any Note, Coupon or Talon:

- (i) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who is liable for such taxes or duties in respect of such Note, Coupon or Talon by reason of his having some personal or business connection with The Netherlands other than the mere holding of such Note, Coupon or Talon or the receipt of principal or interest in respect thereof; or
- (ii) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Talon to another Paying Agent in a Member State of the European Union; or
- (iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6 (*Payments and Agents*)); or
- (v) where such deduction or withholding is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), as amended, on payments due to a Noteholder, Couponholder or Talonholder affiliated to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021 as published in the Official Gazette (*Staatsblad*) Stb. 2019, 513 of 27 December 2019).

No such additional amounts shall, however, be payable on account of any taxes, duties, assessments or governmental charges with respect to any Note, Coupon, Talon, which are payable otherwise than by deduction or withholding from payments of principal or interest.

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

If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands references herein to The Netherlands shall be read and construed as references to The Netherlands and/or to such other jurisdiction.

## 8. **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

## 9. **Events of Default**

Each Noteholder is entitled to declare his Notes due and to call for redemption of his Notes at its Early Redemption Amount, if:

- (i) the Issuer is in default for more than 15 days in the payment of principal or interest; or
- (ii) the Issuer violates any other obligation under these Terms and Conditions of the Notes, and, if such violation is capable of being remedied, such violation continues for 30 days after receipt of written notice thereof from the respective Noteholder to the Issuer through the Fiscal Agent as intermediary; or
- (iii) the Issuer and/or one or more of its Major Group Companies (as defined below) defaults in the payment of the principal of, or interest on, any other obligation in respect of Borrowed Moneys (as defined below), of, or assumed or guaranteed by, the Issuer and/or one or more of its Major Group Companies, as the case may be, when and as the same shall become due and payable, and if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, or principal, has not been effectively extended, or if any obligation in respect of Borrowed Moneys, of, or assumed or guaranteed by, the Issuer and/or one or more of its Major Group Companies shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder, and

**"Major Group Company"** means any group company of the Issuer which is consolidated with the Issuer under the International Financial Reporting Standards and whose net profits after tax but before extraordinary items or whose net assets (in each case attributable to the Issuer) represents 15 per cent. or more of the consolidated net profits after tax but before extraordinary items or consolidated net assets (in each case attributable to the Issuer) of the Issuer and its group companies as per the most recently delivered audited consolidated financial statements for that financial year or half-yearly condensed consolidated financial statements for that year. A report of the auditors of the Issuer that in their opinion a group company of the Issuer is or is not a Major Group Company shall, in the absence of manifest error, be conclusive and binding on the Issuer and all Noteholders; and

the expression **"Borrowed Money"** as used herein means moneys borrowed and premium and interest in respect thereof and liabilities under or in connection with any letters of credit or under any bond, note, debenture or other financial security issued as consideration for assets or services and having an aggregate principal amount equal to or greater than 2 per cent. of the value of the total assets of the Issuer and its group companies as per the most recently delivered audited consolidated financial statements for that financial year or half-yearly condensed consolidated financial statements for that year but excluding such liabilities incurred solely in relation to the acquisition of goods and services in the ordinary course of trading; or

- (iv) the Issuer is wound up or dissolved whether by a resolution of the shareholders, legislative action or otherwise (except in connection with a solvent merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law); or
- (v) the Issuer ceases to carry on the whole or substantially the whole of its business or disposes of substantially the whole of its assets; or
- (vi) any bankruptcy or insolvency proceedings are instituted against the Issuer or the Issuer applies for the institution of such proceedings or for a suspension of payment, for a similar measure under foreign law, or the Issuer offers a compromise to its creditors or negotiates with all of its creditors another agreement relating to its payment difficulties, or such measures are officially decreed; or

- (vii) an "*executoriaal beslag*" (executory attachment) or a similar measure under foreign law is made on or against any substantial part of the assets of the Issuer or a "*conservatoir beslag*" (interlocutory attachment) or a similar measure under foreign law is made on or against any substantial part of the assets of the Issuer and is not discharged or stayed within 30 days after the making thereof.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied, cured or otherwise made good in full before such right is exercised.

The right to declare Notes due pursuant to Condition 9 (*Events of Default*) shall be exercised by the holder of Notes by delivering or sending by registered mail to the Fiscal Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Fiscal Agent.

#### 10. **Meetings of Noteholders and Modifications**

##### (a) *Meeting of Noteholders*

The Fiscal Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interests, including modification by Extraordinary Resolution of these Terms and Conditions of the Notes. Such provisions are deemed to be included in the Terms and Conditions by reference and the holders of Notes shall have the benefit thereof and be bound thereby. The quorum at any duly convened meeting shall be two or more holders of the Notes or proxies representing holders of Notes and being or representing the holders of not less than 25% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons present being or representing holders of Notes whatever the principal amount of the Notes so held or represented, except that at any meeting, the business of which includes the modification of certain of the Conditions, the necessary quorum for passing an Extraordinary Resolution will be two or more persons 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. Any resolution passed at any meeting of holders of Notes will be binding on all holders of Notes, whether or not they are present at the meeting.

##### (b) *Modification*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error.

#### 11. **Replacement of Notes, Coupons and Talons**

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of any Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders in accordance with Condition 13 (*Notices*) (in the case of Bearer Notes, Coupons or Talons), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

#### 12. **Further Issues, Consolidation**

- (a) The Issuer reserves the right to create and issue from time to time, without the consent of the Noteholders, additional Notes with substantially identical terms and conditions, so that the same shall be consolidated to form a single Series with, and increase the Aggregate Nominal Amount of, the Notes. The term "**Notes**" shall, in such circumstances, also comprise (unless the context otherwise requires) the additionally issued Notes.
- (b) Upon redenomination of the Notes into euro as provided in Condition 5(a)(iii), the Issuer may also from time to time, without the consent of the Noteholders consolidate the Notes with one or more issues of other Notes issued by it, which were originally denominated in euro or currencies participating in the Economic and Monetary Union ("**Other Notes**") provided that:
- such Other Notes have substantially the same conditions as the Notes (other than in relation to currency, denomination, stock exchanges, clearing systems and matters of a technical or administrative nature normally associated with any of the foregoing); and
  - such Other Notes and the Notes, when consolidated, can be cleared and settled on an interchangeable basis under a common International Security Identification Number (ISIN) through Euroclear, Clearstream, Luxembourg, Clearstream Banking AG, Frankfurt am Main or any other internationally recognised clearing system; and
  - such Other Notes and the Notes, when consolidated, will be listed on at least one European stock exchange on which debt obligations issued in the international capital markets are then customarily listed and on which either the Notes or at least one of the issues of Other Notes consolidated with them was listed immediately prior to consolidation.

The Issuer shall be entitled to amend the Terms and Conditions of the Notes to the effect that the Notes and such Other Notes consolidated with them will have identical terms after consolidation to allow them to form a single issue, provided that such amendments do not materially adversely affect the interests of the Noteholders. The term "Notes" shall, in the event of such consolidation, also comprise such Other Notes. The Issuer may do so by giving not less than one month prior notice to the Noteholders in accordance with Condition 13 (*Notices*) and to the extent necessary by exchanging the Global Note into a global note containing such amended conditions or by depositing a supplement to the Global Note containing the amendments with the clearing systems in which the Notes are to be held upon consolidation. The notice shall detail the manner in which consolidation shall be effected.

### 13. **Notices**

Notices to the holders of Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times or another English language daily newspaper with circulation in Europe). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or another relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication, or if published more than once, on the date of the first such publication. Where notices are required to be published in more than one newspaper, they will be deemed to have been given on the date of the first publication in all required newspapers.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 13.

### 14. **Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 14, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

#### 15. **Governing Law and Jurisdiction**

##### (a) *Governing Law*

The Notes, the Coupons and the Talons and the rights and duties of the Noteholders, the Issuer, the Fiscal Agent, the Paying Agents and, the case being, the Calculation Agent, and any non-contractual obligation arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, the laws of The Netherlands.

##### (b) *Jurisdiction*

The competent courts of Limburg, The Netherlands, are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Coupons or Talons (including any non-contractual obligation arising out of or in connection with the Notes) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (including any non-contractual obligation arising out of or in connection with the Notes) ("**Proceedings**") may be brought in such courts. These submissions are made for the benefit of each of the Holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction. The substantive validity of this clause 15(b) (*Jurisdiction*) is governed by the law of The Netherlands.

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

Notes in respect of which the TEFRA D Rules apply, will initially be represented by a Temporary Global Note without Coupons ("**TEFRA D Global Note**") which will either be exchanged for a Permanent Global Note without Coupons or for Definitive Notes with Coupons and Talons attached (if any). Notes in respect of which TEFRA C applies, will be represented by a Permanent Global Note or initially by a Temporary Global Note ("**TEFRA C Global Note**") which shall be exchanged for Definitive Notes with Coupons and Talons attached (if any). Each Temporary Global Note which is not intended to be issued in new global note ("**NGN**") form, as specified in the applicable Final Terms, will be deposited on behalf of the subscribers of the relevant Notes with a common depository (the "**Common Depository**") for Euroclear and for Clearstream, Luxembourg and/or any other agreed clearing system on or about the issue date of the relevant Notes. Each Temporary Global Note which is intended to be issued in NGN form, as specified in the applicable Final terms, will be deposited on behalf of the subscribers of the relevant Notes with a common safekeeper (the "**Common Safekeeper**") for Euroclear and for Clearstream, Luxembourg.

In the case of each Tranche of Bearer Notes, the applicable 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.

No interest will be payable in respect of a TEFRA D Global Note except as provided below.

Upon deposit of the Temporary Global Note with the Common Depository or the Common Safekeeper, Euroclear, Clearstream, Luxembourg or relevant clearing system will credit each subscriber with a nominal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

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

The Temporary Global Notes and the Permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

### 1. **Exchange**

On or after any Exchange Date (as defined below), each TEFRA D Global Note will be exchangeable, free of charge to the holder, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement for interests in a Permanent Global Note or for Definitive Notes with Coupons and Talons attached (if any) (provided that the latter may only be the case in the event that the multiple tradeable amount of the Notes is an integral of the Specified Denominations of the relevant Notes).

Each TEFRA C Global Note (or Global Note in respect of which the applicable Final Terms states that neither the TEFRA C Rules or the TEFRA D Rules are applicable) will be exchangeable for Definitive Notes with Coupons and Talons attached (if any) (provided that this may only be the case in the event that the multiple tradeable amount of the Notes is an integral of the Specified Denominations of the relevant Notes).

On or after any Exchange Date, each Permanent Global Note will be exchangeable, free of charge to the holder, in whole but not, except as provided in the paragraphs below, in part, to the extent permitted by the rules of Euroclear and Clearstream, Luxembourg, for Definitive Notes:



- (i) by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange, unless principal in respect of any Notes is not paid when due;
- (ii) if the applicable Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange, provided that this may only be the case in the event that the multiple tradeable amount of the Notes is an integral of the Specified Denomination of the relevant Notes;
- (iii) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) any of the circumstances described in Condition 9 (*Events of Default*) occurs, by the holder giving notice to the Fiscal Agent or relevant Paying Agent of its election for such exchange (each an "**Exchange Event**").

If a Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples thereof.

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes on or following any failure to pay principal in respect of any Notes when it is due and payable.

The holder of a Permanent Global Note may surrender the Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent or relevant Paying Agent. In exchange for any Permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (if appropriate, having attached to them all Coupons in respect of interest which have not already been paid on the Permanent Global Note and a Talon), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 2 to the Fiscal Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

"**Exchange Date**" means, in relation to a Tranche issued on a non-syndicated basis, a date which shall be not earlier than the date which is 40 days after the later of the date on which the Notes are first offered to persons other than distributors and the Issue Date, or, in relation to a Tranche issued on a non-syndicated basis, the fortieth day following the date certified by the lead manager of the syndicated issue to the Fiscal Agent as being the date as of which distribution of the Notes of that Tranche was completed.

## 2. **Payments**

All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payments of both principal and interest in respect of a TEFRA D Global Note will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. securities law and U.S. Treasury Regulations (in the form set out in the Temporary Global Note) has been received from the relevant clearing system in accordance with the terms thereof.

### 3. **Notices**

Notwithstanding Condition 13 (*Notices*), so long as any Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and such Permanent Global Note is (or a Permanent Global Note and/or a Temporary Global Note are) held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders of that Series may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, **except that** for so long as such Notes are admitted to trading on the a stock exchange and it is a requirement of applicable law or regulations, such notices shall also be published in the manner prescribed by such stock exchange and notice shall not be deemed to have been given until published in the manner prescribed by such stock exchange.

### 4. **Prescription**

Claims against the Issuer in respect of the Notes which are represented by a Permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which payment first becomes due.

### 5. **Meetings**

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum Denomination of Notes for which such Global Note may be (or would be, during any period when such exchange is not permitted) exchanged.

### 6. **Purchase and Cancellation**

Cancellation of any Note surrendered for cancellation by the Issuer following its purchase will be effected by reduction in the principal amount of the relevant Permanent Global Note.

### 7. **Issuer's Option**

No drawing of Notes will be required under Condition 5(c) (*Redemption for Taxation Reasons*) and 5(d) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) in the event that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Permanent Global Note. In the event that any option of such Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard 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).

### 8. **Noteholders' Option**

Any Noteholders' option may be exercised by the holder of a Permanent Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting such Permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.

### 9. **Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 (*Events of Default*) by stating in the notice to the Fiscal Agent the principal amount of such Global Note that is becoming due and repayable.

**10. Holders of Notes held through Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders**

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg, or with a common safekeeper. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg or to the common safekeeper 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. Any failure by Euroclear or Clearstream, Luxembourg to transfer payments under the Notes to investors could have a material adverse effect on the value of the Notes.

Holders of beneficial interests in the 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. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters on a timely basis.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

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

**[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 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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (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/s’] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance / Professional investors and 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 ("**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect

of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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

[Date]

**Koninklijke DSM N.V.**

**Legal entity identifier (LEI): 724500SNT1MK246AHP04**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the EUR 5,000,000,000**

**Debt Issuance Programme**

[The Notes will only be admitted to trading on *[insert name of relevant QI market/segment]*, which is [an EEA regulated market/a specific segment of an EEA regulated market] (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.]

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] June 2021 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"). This document constitutes the Final Terms applicable to the issue of Notes described herein which have been prepared for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. The Base Prospectus and the Final Terms have been published on the Issuer's website at [www.dsm.com/corporate/investors/bonds-credit-rating/debt-issuance-program.html].

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

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

- |    |                                                  |                                                                                                                   |
|----|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1. | Issuer:                                          | Koninklijke DSM N.V.                                                                                              |
| 2. | [(i)] Series Number:                             | [ ]                                                                                                               |
|    | [(ii)] Tranche Number:                           | [ ]                                                                                                               |
|    | [(iii)] Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposed |

with the *[insert description of the Series]* on *[insert date/the Issuer Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below [which is expected to occur on or about [insert date]]]*.

3. Specified Currency: [ ]
4. Aggregate Nominal Amount: [ ]
- [(i)] Series: [ ]
- [(ii)] Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [ ]

*(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent) unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access)*

*[Note: where multiple denominations of EUR 100,000 and integral multiples of [EUR 1,000] or equivalent are being used the following sample wording should be followed:*

*"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: [ ]
7. [(i)] Issue Date: [ ]
- [(ii)] Interest Commencement Date: [Specify/Issue Date]
8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

*(If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to*

*"professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available)*

9. Interest Basis: [[•] per cent. Fixed Rate]  
[•][EURIBOR [/ LIBOR]][Specify reference rate] +/- [•] per cent. Floating Rate]  
(see paragraph 14/15 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•][100] per cent. of their nominal amount.
11. Change of Interest Basis or Redemption/Payment Basis: [Not Applicable][Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and specify there]
12. Put/Call Options: [Investor Put] / [Change of Control Put]  
[Issuer Call]  
[Issuer Refinancing Call]  
[Issuer make-whole Redemption Call]  
[Transaction Event Call]  
[(see paragraph 16/17/18/19 below)]
13. [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]  
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

#### **PROVISIONS RELATING TO INTEREST PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [ ] in each year  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] / [Not Applicable]

- (v) Day Count Fraction: [Actual/365 or Actual/Actual-ISDA]  
 [Actual/365 (Fixed)]  
 [Actual/360]  
 [30/360 (2000 ISDA Definitions)]  
 [30/360 (2006 ISDA Definitions)]  
 [30E/360 (2000 ISDA Definitions) or Eurobond Basis (2000 ISDA Definitions)]  
 [30E/360 (2006 ISDA Definitions) or Eurobond Basis (2006 ISDA Definitions)]  
 [Actual/Actual-ICMA]
- (vi) [Determination Date(s): [ ] in each year  
*(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]*
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s) [[ ]], if subject to adjustment in accordance with the Business day Convention set out in (iv) below / not subject to any adjustment, as the Business Day Convention specified in (iv) below is specified to be Not Applicable]
- (ii) Specified Interest Payment Dates: [ ] in each year, subject to adjustment in accordance with the Business day Convention set out in (iv) below / not subject to any adjustment, as the Business Day Convention specified in (iv) below is specified to be Not Applicable
- (iii) First Interest Payment Date: [ ]
- (iv) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
- (v) Business Centre: [ ]
- (vi) Manner in which the Rate of Interest and Interest Amount is/are to be determined: [Screen Rate Determination / ISDA Determination]



- (vii) Calculation Agent: [The Fiscal Agent] / [Citibank, N.A., London branch]/[ ]
- (viii) Screen Rate Determination:
- Reference Rate: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
- (ix) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - ISDA Definitions: [2000 ISDA Definitions / 2006 ISDA Definitions]
- (x) Margin(s): [+/-] [ ] per cent. per annum
- (xi) Minimum Rate of Interest: [ ] per cent. per annum
- (xii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiii) Day Count Fraction: [Actual/365 or Actual/Actual-ISDA]  
 [Actual/365 (Fixed)]  
 [Actual/360]  
 [30/360 (2000 ISDA Definitions)]  
 [30/360 (2006 ISDA Definitions)]  
 [30E/360 (2000 ISDA Definitions) or Eurobond Basis (2000 ISDA Definitions)]  
 [30E/360 (2006 ISDA Definitions) or Eurobond Basis (2006 ISDA Definitions)]  
 [Actual/Actual-ICMA]

16. Statement on benchmark[s]: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. [[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 of the EU Benchmarks Regulation.

[As far as the Issuer is aware, [[insert benchmark(s)] [does/do] not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that regulation] OR [the transitional provisions in Article 51 of the EU Benchmarks Regulation apply], such that [insert names(s) of administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

## PROVISIONS RELATING TO REDEMPTION

17. (Issuer) Call Option: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note: [ ] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): [ ]
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal or relevant Paying Agent)*
18. Issuer Refinancing Call [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Issuer Refinancing Call Commencement Date: *(insert date three months prior to Maturity Date of the Notes)*
- (ii) Notice period (if other than as set out in the Conditions): [ ]
- (N.B. when setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply for example as between the Issuer and the Agent)*
19. Make-whole Redemption Call [Applicable/Not Applicable]

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

- (i) Notice period (if other than set out in the Conditions): [ ]  
*(N.B. When setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*
  - (ii) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount in addition to those set out in Condition 5(d)(iii): [ ]/Not Applicable]
  - (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual/Quarterly]
  - (iv) Make-Whole Redemption Margin: [ ]
  - (v) Quotation Agent: [ ]/[Not Applicable]
  - (vi) Reference Dealers: [give details]
  - (vii) Reference Screen Rate: [give details]
  - (viii) Reference Security: [give details]
20. Transaction Event Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Transaction: [insert description of transaction]
  - (ii) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. when setting notice periods which are different to those provided in the Conditions, the Issuer is advised to*

*consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply for example as between the Issuer and the Agent)*

- (iii) Optional Redemption Amount: [ ]
21. (Investor) Put Option: [Applicable/exercisable on Change of Control only/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note: [ ] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): [ ]
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal or relevant Paying Agent)
22. Final Redemption Amount of each Note: [ ] per Calculation Amount
23. Early Redemption Amount [[ ] per Calculation Amount]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes: Bearer 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]
- (If a Temporary Global Note or Permanent Global Note is exchangeable for Definitive Notes at the option of the*

*Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples thereof.)*

25. NGN form: [Yes] [No]

26. Additional Financial Centre(s): [Not Applicable/give details.

*Note that this paragraph relates to the date and place of payment, and not interest period end dates]*

27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left/No]

28. Redenomination: Redenomination (as described in Condition 5 (*Redemption, Purchase and Options*)) [not] applicable

*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*

29. Taxation: [Condition 7(a) applicable / Condition 7(b) applicable.]

### **THIRD PARTY INFORMATION**

[*relevant third party information*] relating to paragraph [ ] above, which 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext in Amsterdam/Other/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] with effect from [ ].]
- [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings: The Notes to be issued [have [not] been/are expected to be] rated:

[S&P\*: [ ]]

[Moody's\*: [ ]]

[[Other\*]: [ ]]

*(\* The exact legal name of the rating agency entity providing the rating should be specified - for example "S&P Global Ratings Europe Limited", rather than just S&P.)*

*(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

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

#### **Option 1 - CRA established in the EEA and registered under the EU CRA Regulation**

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

***Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

***Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration***

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

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

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

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

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

***Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation***

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

agency established in the EEA and registered under the EU CRA Regulation.

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

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

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation)*

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer: [See "Use of Proceeds" wording in Base Prospectus – *if reasons for offer different from what is disclosed in the Base Prospectus, give details. In case of Green Bonds, specify the relevant Eligible Green Projects*]

(ii) Estimated net proceeds: [ ]

### 5. [YIELD (Fixed Rate Notes only)]

Indication of yield: [ ]

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

### 6. OPERATIONAL INFORMATION

(i) ISIN Code: [ ]

(ii) Common Code: [ ]

(iii) German Security Code: [ ]

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

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



- (vi) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (ix) 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 (i) with Clearstream Banking, Frankfurt am Main or (ii) 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 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.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/ give names]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]

- (iv) If non-syndicated, name of relevant Dealer(s): [Not Applicable/give name(s)]
- (v) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D / TEFRA C / TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable][Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products, or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (vii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

## DESCRIPTION OF THE ISSUER

### GENERAL INFORMATION ON THE ISSUER

#### Incorporation and history

DSM was established in 1902 by the Dutch government to mine coal reserves in the Southern Province of Limburg. To this day DSM continues to use the English translation of the company's original name, the Nederlandse Staatsmijnen (Dutch State Mines), signifying both our heritage and how far DSM has come in just over a century. DSM's diversification began as early as 1919 with the opening of a coal gasification plant. Post-1945 this diversification into bulk chemicals and petrochemicals accelerated so that by the time the last mine closed in 1973 DSM was a chemical company. Since the 1990s, during which the company was fully privatised, DSM transformed itself again, selling almost all of its commodity chemicals activities and becoming a global science-based company delivering innovative solutions that nourish, protect and improve performance.

DSM was wholly owned by the State of The Netherlands (the "State") until 1989, when the Dutch government sold a combined 69% stake in DSM through two public offerings. In February 1996, the State reduced its stake in DSM by a further 20%, through the conversion of 22.02 million ordinary shares into cumulative preference shares "A" on a one for one basis. These preference shares were sold to four Dutch investors in the form of 5% packages. The privatisation was completed in March 1996 with the State's disposal of its remaining 11% stake.

Koninklijke DSM N.V. was incorporated on 28 December 1966 under Dutch law as a public limited liability company (*naamloze vennootschap*) for an unlimited period of time, operates under Dutch law and is registered at the Commercial Register of the Chamber of Commerce under number 14022069. The Issuer's legal entity identifier (LEI) is 724500SNT1MK246AHP04. The articles of association were last amended by notarial deed on 9 May 2018. For a copy of the articles of association, see the website [www.dsm.com](http://www.dsm.com).

The address of the Issuer's registered and principal executive office is Het Overloon 1, 6411 TE Heerlen, The Netherlands, telephone number +31 45 578 8111.

#### Shares and listings

Ordinary shares in Koninklijke DSM N.V. are listed on the Euronext stock exchange in Amsterdam (Netherlands) (Stock code 00982, ISIN code NL0000009827). Options on ordinary DSM shares are traded on the European Option Exchange in Amsterdam (Euronext.liffe). In the US, a sponsored unlisted American Depositary Receipts (ADR) program is offered by Deutsche Bank Trust Co. Americas (DR ISIN US7802491081), with four ADR's representing the value of one ordinary DSM share.

Besides the ordinary shares, 44,040,000 cumulative preference shares A (cumprefs A) are in issue, which are not listed on the stock exchange; these have been placed with institutional investors. The cumprefs A have the same voting rights as ordinary shares, as their nominal value of EUR 1.50 per share is equal to the nominal value of the ordinary shares.

The dividend percentage of the cumprefs A is based upon the dividend yield of the ordinary shares (dividend as a percentage of the average share price). This percentage may be increased or decreased by a markup or discount of no more than one hundred (100) basis points, to be determined by the Managing Board in consultation with the Supervisory Board. The basis of computation of the dividend on the Preference Shares is EUR 5.2942.

Transfer of the cumprefs A requires the approval of the Managing Board, unless the shareholder is obliged by law to transfer his shares to a previous shareholder.

The average number of ordinary shares outstanding in 2020 was 171,535,921. All shares in issue are fully paid. On 31 December 2020, the Issuer had 172,219,339 ordinary shares outstanding.

## **Distribution of shares**

Under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), shareholdings of 3% or more in any Dutch company must be disclosed to the AFM. According to the register kept by the AFM the following shareholders had disclosed that they have a direct or indirect (potential) interest between 3% and 10% in DSM's total share capital on 31 December 2020:

- Artisan Investments GP LLC
- ASR Nederland N.V.
- NN Group N.V.
- Rabo Participaties B.V.
- Capital Research and Management Company and EuroPacific Growth Fund
- BlackRock, Inc.

## **Objective**

According to article 3 of the articles of association, the Issuer's objective is to develop, manufacture, trade and/or provide services in the fields of life sciences and materials sciences, energy, and related fields such as mining, as well as any other activities structural or incidental to or supportive to the aforementioned fields of activities, everything in the widest sense. The Company's objective shall include the formation, acquisition and financing of, participation in and management of other companies as well as providing security or guarantees directly or indirectly related to the aforementioned fields of activities.

Within the scope of its fields of activities the Company shall seek to create value along the triple bottom line of economic performance, environmental quality and social responsibility.

## **Structure and grouping of activities (clusters)**

### ***General***

DSM is a global, purpose-led, science-based company active in Nutrition, Health and Sustainable Living.

DSM embraces sustainability and providing value for all stakeholders across the three dimensions of People, Planet and Profit. DSM took a decisive next step as a purpose-led company, contributing to a brighter world for all with its science-based solutions. DSM's purpose is therefore fully anchored in its long-term purpose-led, performance-driven Strategy. DSM's purpose is to create brighter lives for all. Businesses need to generate profitable growth while at the same time playing a positive role in the world. DSM uses its bright science to deliver positive transformations at scale for as many people as possible today and for generations to come, operating within the constraints of the world's finite resources. DSM aims to redefine how we live and work in order to create a fairer, more prosperous and more sustainable society. DSM aspires to be a company for all, creating value for all its stakeholders — customers, employees, shareholders and society at large — and building a stronger legacy and a brighter future for generations to come.

DSM aims to address specific megatrends and targeted Sustainable Development Goals (SDGs) with a particular focus on developing innovative solutions addressing DSM's Focus Domains of Nutrition & Health, Climate & Energy, and Resources & Circularity.

DSM is a group holding company that conducts business internationally through its subsidiaries and joint ventures. DSM does not conduct any material business operations of its own and therefore it is dependent on its subsidiaries, joint ventures and associates. For a detailed list of subsidiaries, joint ventures and associates of the Company as at 31 December 2020, see the website [www.dsm.com](http://www.dsm.com).

DSM delivers annual consolidated net sales from continuing operations of EUR 8 billion with 23,000 employees.

In 2020, DSM and its business groups were awarded a variety of awards and other forms of recognition by customers, suppliers, the academic world, non-governmental organisations and trade organisations.

Amongst others DSM had leading positions in important ESG (Environmental, Social & Governance) indices for investors: DSM holds a platinum sustainability medal from EcoVadis putting DSM in the top 1% of its industry, DSM ranked first out of 120 companies in its industry by Sustainalytics, has an AAA rating in MSCI, has Prime status with ISS-ESG, and has a leading position in the rankings of Vigeo Firis.

These and other examples can be found on [www.dsm.com](http://www.dsm.com) or in the Integrated Annual Report 2020.

DSM's activities are grouped into three clusters: Nutrition, Materials and Innovation Center. DSM reports separately on Corporate Activities.

### *Description per cluster*

This section includes several statements regarding the competitive position of DSM. These statements are based on own market research and sources - often reports from third parties - and can therefore be qualified as management estimates based on information provided by specialised agencies or advisors. This information has been accurately reproduced and as far as DSM is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### *Nutrition*

The Nutrition cluster comprises DSM Nutritional Products and DSM Food Specialties. This cluster provides solutions for animal precision nutrition and feed, food & beverages, pharmaceuticals, medical nutrition, early life nutrition, nutrition improvement, dietary supplements, personalized nutrition and personal care. DSM is active at all stages of the associated value chains, producing pure active ingredients, incorporating them into sophisticated forms and providing tailored premixes, forward solutions and branded consumer products. The unique portfolio of products and services is global and highly diversified, serving customers and other stakeholders locally across an extensive range of end-markets worldwide.

#### *The Nutrition cluster*

In 2020, Nutrition reported sales of EUR 6,365 million up 6% compared to 2019. DSM Nutrition delivered a good performance in 2020, with 6% organic sales growth mainly volume driven. Together with the +3% contribution of the recent acquisitions (CSK, Glycom and Erber Group) and the -3% foreign exchange effect, total sales were up 6%. Nutrition reported 7% growth in Adjusted EBITDA, supported by higher volumes, with the contribution from the acquisitions (+4%) being offset by a negative foreign exchange effect (-4%). The Adjusted EBITDA margin was up at 21.0% versus 20.7% last year owing to strong sales in Human Nutrition.

Nutrition business addresses two significant trends: in animal nutrition and health, the urgent need to enable the sustainable production of animal protein, and in human nutrition and health, the growing demand for (personalized) health solutions.

- **Enabling the sustainable production of animal protein:** The world's population is projected to reach 9.7 billion by 2050. At the same time, demand for healthier, balanced, and more nutrient-dense diets is increasing — driven not only by the growth of the world's population but also by changing health awareness and consumer expectations. Even with calls for a more balanced consumption of animal protein and replacement by vegetable alternatives, demand is still likely to grow as many populations need to raise their animal protein intake to attain a level of balanced, healthy nutrition. Enabling sustainable animal production is therefore of paramount importance. In Animal Nutrition & Health, DSM focuses on the following six sustainability platforms to support customers, the livestock value chain and other stakeholders to address the environmental challenges facing our planet:

- Improving the lifetime performance of farm animals
  - Making efficient use of natural resources
  - Reducing emissions from livestock
  - Helping tackle antimicrobial resistance
  - Reducing our reliance on marine resources
  - Improving the nutritional quality of meat, milk, fish and eggs while reducing food loss and waste
- **Growing demand for (personalized) health solutions:** Despite the increasing attention being given to the central role of nutrition in supporting immune function and healthy growth and development, the world continues to face a wide range of food-related health issues and challenges, like food poverty, the crucial role of nutrition in supporting immune function, the growing demand for plant-based alternatives and growing interest worldwide in personalized nutrition. DSM therefore:
- expands the existing portfolio of nutritional ingredients (such as food enzymes, nutritional lipids, carotenoids and cultures (such as acquisition Glycom and acquisition of capabilities in hydrocolloids)
  - covers the entire range of critical micronutrients
  - in the field of meat alternatives, offers a range of solutions for meat analogs that deliver proteins, authentic meaty taste and create succulent chewy texture

Nutrition has many partnerships that support and accelerate innovation in Nutrition:

- In Animal Nutrition & Health, for example:
  - The world-leading Feed Enzymes Alliance of DSM and Novozymes, which brings together the complementary competencies and technologies of the two companies to deliver feed enzyme innovation to our customers
  - Veramaris, a 50:50 joint venture with Evonik, developed an algal oil rich in omega-3 fatty acids EPA and DHA for aquaculture and pet food without using wild-caught fish
  - A 75:25 partnership Yimante (Hubei Province, China), with Nenter, which strengthens DSM's position in vitamin E, an essential ingredient in DSM's animal nutrition premix solutions
- In Human Nutrition & Health, for example:
  - Avansya, a partnership with Cargill to bring sustainably produced, great-tasting, zero-calorie, cost-effective sweeteners to market faster
  - Working with Panaceutics and Wellmetrix in the personalized nutrition area to combine their competences with DSM's world-class nutrition science, products and solutions with the aim to be the partner of choice for dietary supplements as well as food & beverage brand owners that wish to offer personalized and healthy nutrition
  - The collaboration with METEX NØØVISTA, with whom a bio-sourced form of cosmetic grade 1,3-propanediol (PDO) was launched, a multifunctional ingredient sourced entirely from non-GMO feedstocks

Nutrition & Health builds on its unique 'global products, local solutions' business model. The Nutrition & Health strategy focuses on strengthening and expanding this business model by further building the global products portfolio and advancing its solution-selling capabilities in its end-market-focused segments. In addition, developments in biosciences and the broad adoption of digital ways of life are opening new opportunities to add a third area of innovation-based growth to the business model in Precision & Personalization, a rapidly emerging market, in both Human and Animal Nutrition & Health. Overall, Nutrition & Health aims to mid-single-digit organic sales growth, an Adjusted EBITDA margin greater than 20%, and a high-single digit Adjusted EBITDA growth percentage.

The Nutrition cluster's share in DSM's overall net sales from continuing operations was 78.5% in 2020.

## *Materials*

DSM's Materials cluster comprises DSM Engineering Materials and DSM Protective Materials. The cluster comprises a high-quality portfolio of specialty materials for global end-markets including electrical components and electronics, automotive, food packaging, medical, personal protection, commercial marine, and apparel. Through DSM's advanced and sustainable solutions, DSM is meeting demand for safer materials, greater efficiency and improved environmental performance.

### *Sale of DSM Resins & Functional Materials:*

On 30 September 2020, DSM announced an agreement to sell DSM Resins & Functional Materials (**RFM**), including DSM Niaga®, DSM Additive Manufacturing and the coatings activities of DSM Advanced Solar to Covestro AG, a specialty materials player, for an equity value of €1.6 billion. As of the third quarter of 2020, the divested businesses were classified as 'held for sale' and the net result from these discontinued operations was separately reported in the income statement. The combination of RFM and Covestro AG will create a business of enhanced scale and technological capability that will benefit existing and potential customers as well as its employees by providing a stronger platform for sustainable growth. The transaction closed on 1 April 2021. DSM received approximately €1.4 billion net in cash following closing (see Note 3 Change in the scope of the consolidation, page 209 of the Integrated Annual Report 2020).

### *The Material cluster*

In 2020, Materials reported sales from continuing operations of EUR 1,518 million versus EUR 1,744 in 2019. In response to the sudden drop in demand at the end of the first quarter owing to the pandemic, DSM acted promptly to minimize capex and operating costs. After the summer a new costs savings program started, which is part of an ongoing wider structuring initiative to leverage synergies and increase operating agility. At the same time, Materials continued to develop innovative solutions aimed at addressing Sustainable Living challenges, to create higher-growth, high margin opportunities for its specialty activities.

Materials' performance was significantly impacted by COVID-19, resulting in -6% volume development in 2020. Demand deteriorated abruptly at the end of the first quarter. Following a slow recovery over the summer, Materials saw a strong improvement from September onwards, especially in Engineering Materials, directly related to demand for automotive. Prices were down 6%, mainly reflecting lower input costs in DSM Engineering Materials. Full year Adjusted EBITDA from continuing operations was -27% compared to previous year. This was driven by a negative operational leverage and particularly lower volumes in high margin specialties which recorded a strong performance in same period last year. Foreign exchange had a small negative impact. The Adjusted EBITDA margin (from continuing operations) was 17.9% compared to 21.3% in 2019.

The key global trends:

- Adapting to continuously changing conditions: DSM's expertise in materials science, combined with DSM's close connection to customers, helps to produce many of the engineering thermoplastics and high-performance fibers that appear in products central to our everyday lives — from cars and electronics through packaging and construction to sports, medical equipment and the marine sector. DSM operates in an increasingly volatile world, in which it needs to adapt to continuously changing macro-economic conditions, such as the COVID-19 pandemic. The customers' needs are changing rapidly, innovation cycles are getting shorter, and speed to market has never been more important.
- Trends in automotive, electronics, medical and healthcare: Advanced materials with ever-higher performance levels are required across a wide range of applications and industries today:
  - In automotive, society's urgent requirement for sustainable transportation systems calls for higher-performing materials that enable autonomous, lightweight and more energy-efficient automotive design
  - In electronics, consumers are increasingly seeking 'smart' connected, customized products that require high-performance materials in order to enable device connectivity, convenience, and efficiency

- In medical and healthcare applications, there is increased demand for products to protect the body, such as medical gowns and medical face masks; this trend has been increased by the effects of the COVID-19 pandemic.
- Other key trends:
  - Facilitating the creation of a circular economy: across the globe, circular economy concepts such as bio-based materials, end-of-life material recovery and closed-loop solutions are the hot topics in sustainability dialogues; consumer sentiment and regulatory pressure are combining to stimulate the development of materials that can drive the transition toward a circular economy — materials that are bio-based, recycled-based, reusable and recyclable
  - The continued importance of safety: people are increasingly aware of the importance of safety, including safe manufacturing, product safety and product stewardship; DSM offers solutions that eliminate or reduce the use of hazardous substances.

#### *Partnerships driving sustainable innovation*

It takes partnerships to drive a circular and bio-based economy. DSM has many partnerships and coalitions that support and accelerate customer-driven sustainable innovation — for example, value-chain partnerships to enhance the transition toward a more circular and bio-based economy. DSM established, for example:

- An industry coalition comprising customers, waste processors and recycling companies to address the recycling of products made with Dyneema® fiber; moreover, an end-of-life program was set up with the goal of recycling the materials in a closed loop through continuous use and recovery
- A partnership with DSM's strategic supplier SABIC to enable the transition toward bio-based Dyneema®
- Partnerships with various companies in DSM's value chain to accelerate the transition toward alternatives for DSM's engineering materials portfolio based on bio-based waste and/or plastic-waste-based feedstock; SABIC, Neste and Fibrant/Highsun were among these partners.

Following the announcement of the sale of the Resins & Functional materials businesses to Covestro AG, DSM's Materials activities now consist of DSM Engineering Materials and DSM Protective Materials. These businesses generated sales of €1.5 billion in 2020, have a strong growth and earnings potential, and are positioned to deliver growth in the strategic area of Sustainable Living. DSM will continue to develop the Materials business into a more resilient, higher-growth, and high-margin specialty business. Focusing on three Sustainable Living growth platforms – Improved Health & Living, Green Products & Applications, and New Mobility & Connectivity – DSM aims for mid-single-digit organic sales growth, an Adjusted EBITDA margin greater than 20% and a high single-digit Adjusted EBITDA growth percentage.

The Materials cluster's share in DSM's overall net sales from continuing operations is 18.7% in 2020.

#### *DSM Innovation Center*

DSM's Innovation Center supports the creation of opportunities for future earnings growth through cultivating purpose-led innovation across DSM. At the Innovation Center, DSM accelerates the innovation power and speed of its core businesses through, for example, its Science & Technology, Innovation Business Building and IP & Licensing departments. Together DSM:

- Ensures the quality of its total scientific competence base, including monitoring and ensuring access to early-stage technologies with disruptive potential through the Corporate Research Program
- Partners to ensure access to the best technology and routes to market via R&D partnerships with leading universities, public-private partnerships, and joint ventures with others in the value chain
- Experiments in a holistic and structured way, learning with all possible innovation 'vehicles', such as internal R&D, corporate venturing into start-ups, internal venture building, licensing and much more



- Drives the development of a business-anchored innovation pipeline that supports its long-term growth ambitions; this pipeline is built around seven overarching growth themes that capture major global societal, technological and environmental trends

The Innovation Center helps explore adjacent business opportunities that are outside the current scope of the Company's business groups, through the Emerging Business Areas (**EBAs**).

The Company has three EBAs:

- DSM Biomedical;
- DSM Bio-based Products & Services; and
- DSM Advanced Solar.

Underpinning all of this is DSM's unique set of scientific competences that ensure it is able to deliver on its ambitions. With chemistry- and biotechnology-based approaches, and serving the health, nutrition and sustainability needs of both people and animals, DSM generates compelling business synergies from much of its research. DSM's science and technology capabilities will remain its foundation for delivering business growth, and DSM will continue to develop its competences to meet specific unmet market needs.

#### *The Innovation cluster*

In 2020, Innovation reported sales from continuing operations of EUR 184 million versus EUR 184 in 2019. Full year sales were in line with the previous year. DSM Biomedical delivered a solid performance even with the postponement of elective surgeries due to COVID-19. Full year Adjusted EBITDA was below the prior year with a solid performance of DSM Biomedical, which was offset by lower results in the backsheet business of DSM Advanced Solar.

DSM Biomedical is committed to solving some of our world's key healthcare needs through sustainable science and is a trusted partner to the global medical device and pharmaceutical industry, enhancing the quality and delivery of healthcare through innovative and sustainable biomaterials.

In September 2020, DSM announced a partnership with Ireland-based PBC Biomed. This partnership will focus initially on the development of regenerative bone adhesives for safer, more cost-effective surgical procedures. DSM Bio-based Products & Services continues to license out its yeast and enzyme technologies for bio-ethanol globally. Together with joint venture partner POET, DSM decided to mothball the second-generation bio-ethanol plant in Emmetsburg (Iowa, USA) ('Project Liberty') in view of the prevailing market conditions for biofuels in 2020. As a result, DSM recorded 50% of the impairment loss of this joint venture (€5 million) in the second quarter. Additionally, in the fourth quarter, DSM recorded a €6 million impairment owing to an expected subdued market for biofuels.

In September 2020, an agreement was reached to sell the coatings activities of DSM Advanced Solar to Covestro AG as part of the sale of DSM Resins & Functional Materials and related businesses. In the fourth quarter, DSM recorded a write down of €6 million on its solar assets following the sale to Covestro.

#### *Internal and external venturing*

The Innovation Business Building team creates and develops new business and innovation opportunities for DSM through (external) investments in startups across the globe, (internal) venture-building in DSM, and innovation partnerships with other corporate entities.

#### *External venturing*

In 2020, external venturing activities managed through the DSM Venturing organization focused on investing, but also on supporting start-up companies already in its investment portfolio through the turbulent macroeconomic conditions. DSM made one new external venturing investment in 2020, 18 follow-on investments in 15 portfolio companies, and generated several collaboration leads between start-ups and businesses at DSM. By the end of the

year, DSM's portfolio included 35 start-ups (2019: 35). For more information on DSM Venturing, see the Company website.

#### *Internal venture-building*

In 2020, the Innovation Business Building team developed a way to build and scale innovative ventures at speed by means of a venture-capital approach, dedicated entrepreneurial teams, simple startup-style board governance, and milestone-based funding rounds. As an example of this new approach, DSM incorporated DSM PPE Plus BV in the second quarter of the year to coordinate our European materials initiatives in the fight against COVID-19. In September, DSM PPE Plus BV and VDL Group formed a joint venture to manufacture and commercialize medical face masks and personal protective equipment filter materials. Initial production of the face masks began in October 2020.

A second example is the creation of Hologram Sciences, Inc. in Boston, which encompasses our activities in personal nutrition within the framework of our Human Nutrition & Health business.

#### *Partnerships*

DSM's partnership with Syngenta for the joint development of microbials for crop protection agents continued successfully in 2020, with the discovery of several biofungicide leads for major plant diseases.

DSM's 'proteins of the future' internal start-up, which established a joint venture with the French agro-industrial group Avril in June 2020 to produce the plant-based protein CanolaPRO™ at commercial scale, was transferred to DSM Food Specialties. It will be brought to market as part of DSM Food Specialties' dairy and meat alternatives portfolio.

IP & Licensing is a global group of qualified IP professionals who protect DSM's innovations by securing patents and trademarks. This group also includes certified licensing professionals who offer expertise for intellectual property-intensive deals across all DSM businesses, including joint development agreements, technology acquisitions and sales, and in-, out- and cross-licensing deals. DSM filed 260 patents in 2020. This reflects its continued focus on innovation projects with higher potential for business impact.

Innovation is what transforms DSM's 'Bright Science' into 'Brighter Living'. DSM aims to develop innovative, sustainable solutions by leveraging its unique scientific competences and its profound understanding of:

- The science behind nutrition, and the capability to develop new nutritional ingredients with proven health benefits, supported by DSM's state-of-the-art Biotechnology Centers, providing sustainable alternatives for chemical synthesis, as well as plant- and animal-derived ingredients
- Materials science and the capability to convert this into Sustainable Living applications, supported by access to global state-of-the-art laboratories

DSM's innovations reflect its commitment to healthier and more sustainable outcomes and so help drive the performance of DSM's Brighter Living Solutions portfolio.

Innovation sales have also improved DSM's profitability, delivering higher margins than the average of its running business. DSM's innovation sales are defined as products and applications that have been introduced over the past five years. DSM aspires to maintain the contribution made by these sales at around 20% of total sales, which it considers to be a healthy proportion in view of the overall balance of its product portfolio and product life cycles. DSM will continue to invest in differentiating science and technology.

#### *Driving the innovation pipeline through seven growth themes*

DSM is adapting its innovation approach from being project-based to platform-based to deliver a business-anchored pipeline of innovations that is aligned with its future strategic needs and supports its growth ambitions. DSM has identified seven overarching growth themes that capture the major global societal, technological and

environmental trends that inform its innovation platforms. In Nutrition & Health, DSM focuses on four growth themes: Pathways, Proteins, Prevention and Precision. In Sustainable Living, DSM focuses on three growth themes: Improved Health & Living, Green Products & Applications and New Mobility & Connectivity.

The Innovation Center’s share in DSM’s overall net sales from continuing operations is 2.3% in 2020.

#### *Corporate Activities*

Any consolidated activities that are outside the three reporting clusters are reported as Corporate Activities. These comprise operating and service activities, as well as a number of costs that cannot be allocated to the clusters. While this segment reports net sales to third parties from its service units, it normally has a negative operating result. Corporate Activities includes various holding companies, regional holdings and corporate overheads. The most significant cost elements are corporate departments and the share-based compensation for the Company.

The Corporate Activities' share in DSM's overall net sales from continuing operations is 0.5% in 2020.

#### **Markets**

DSM supplies its products to high-end industrial markets (business to business). DSM is a market-oriented company active in health, nutrition and materials, organized squarely around the needs of customers and end-users across global markets.

<b>DSM end markets 2020 (continuing operations)</b>	
Animal Nutrition	37%
Food & Beverages	12%
Dietary Supplements	12%
Medical Pharma	6%
Automotive/Transport	6%
Early Life Nutrition	6%
Personal Care	5%
Electrical/Electronics	4%
Other	12%
<b>Total</b>	<b>100%</b>

#### **Strategy and recent developments**

With DSM’s long-term strategy, DSM is continuing its evolution as a purpose-led, science-based company operating in the fields of Nutrition, Health and Sustainable Living. Its strong growth capacity is anchored in developing customer-centric, innovative solutions addressing Nutrition & Health, Climate & Energy, and Resources & Circularity. At the same time, DSM is increasing operational excellence, managing costs, and accelerating profit growth and cash generation. DSM will continue to make suitable acquisitions to strengthen and develop critical capabilities and to support organic growth, predominantly in Nutrition.

In Nutrition, focus is on human nutrition & health (specialty nutrition, nutritional ingredients, consumer-branded products, personalized nutrition), food & beverages (specialty food enzymes, cultures, probiotics, bio-preservation, hydrocolloids, sugar reduction, and savory taste solutions), personal care and aroma ingredients and animal nutrition & health (core vitamins, premix solutions, and specialty feed additive solutions, including mycotoxin risk management solutions and diagnostics).

In Materials, DSM will further develop into a resilient higher-growth, high-margin specialty business, and focus on three Sustainable Living growth-platforms Improved Health & Living, Green Products & Applications, and New Mobility & Connectivity. By improving the impact of its own operations, enabling sustainable solutions for its customers, and advocating sustainable business models, DSM makes a positive contribution toward achieving the Sustainable Development Goals while at the same time supporting its growth and profitability and improving its risk profile.

### **Mid-term targets and ambitions**

DSM has set two ambitious targets for profit growth and cash generation to drive value creation for the period 2019–2021:

- A high single-digit percentage annual increase in Adjusted EBITDA
- An average annual increase of about 10% in Adjusted net operating free cash flow

DSM is committed to mid-single-digit organic sales growth. Key drivers to deliver this sustained growth are innovation, commercial synergies from DSM's recent acquisitions on top of its underlying market growth, and the expansion of DSM's customer-centric solution offerings.

DSM will continue to leverage its unique technology platforms to develop innovative and sustainable solutions in Nutrition & Health, Climate & Energy, and Resources & Circularity. DSM aims for 20% of its annual sales to come from innovation.

Ambitions underpinning DSM's 2019-2021 financial targets<sup>1</sup>, are:

1. Sales: Mid-single digit % organic sales growth Total DSM, Nutrition and Materials
2. Adjusted EBITDA margin: Nutrition: >20%, Materials: >20%
3. Working capital: Reduce by 50 bps annually to ~16%
4. Capex: ~6.5% of sales
5. ROCE: ~1%-point increase per annum
6. Adjusted EPS: Increase ahead of Adjusted EBITDA growth

DSM's cash allocation policy remains unchanged and has a clear order of priority for cash deployment:

- Disciplined capital expenditure for organic growth: approximately 6.5% of annual sales
- A stable, preferably rising dividend
- Disciplined M&A, predominantly in Nutrition
- In the absence of value-creating M&A, capital to be returned to shareholders

DSM remains committed to maintaining a strong, investment-grade credit rating. With DSM's dividend policy of a stable, preferably rising dividend, DSM targets an average payout of 40–50% of adjusted earnings. The DSM Annual General Meeting of Shareholders, held on 6 May 2021, passed a resolution to declare a total dividend over the financial year 2020 of EUR 2.40 per ordinary share, unchanged compared to the total dividend over 2019. An interim dividend of EUR 0.80 per ordinary share having been paid in August 2020, the final dividend thus amounts to EUR 1.60 per ordinary share.

DSM will target M&A predominantly in Nutrition, given this business's unique growth potential, resilience, strong leadership position and capacity for value creation.

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<sup>1</sup> Based on 2018 underlying business defined as Sales and Adjusted EBITDA corrected for DSM's best estimate of the temporary vitamin effect.

### *Focus Domains*

With its unique science-based competences, DSM has created a strong platform for growth and is ideally positioned to capture the growth opportunities offered by the global megatrends and Sustainable Development Goals (SDGs). In particular, DSM focuses on developing innovative solutions centered on Nutrition & Health, Climate & Energy, and Resources & Circularity.

### *Strategic priorities and key path forward*

DSM is committed to deliver against current performance expectations. This means that DSM is focused on delivering growth, through being the partner of choice for its customers, bringing its innovations to market, and successfully integrating its recent acquisitions. At the same time, DSM will be building the company for the future. This also entails building new business models by scaling DSM's capabilities in digital & bioscience and M&A. DSM will create a stronger brand focus on Health through Nutrition. Additionally, it will ensure DSM has the right organizational culture to embrace this next phase. All of this will require, as always, further adjustments to its organization – starting with the carve-out of DSM's Resins & Performance Materials businesses.

### *Recent developments:*

For the last full year results (2020) see DSM's 2020 Integrated Annual Report. For the latest update see the Press release "DSM provides Q1 2021 trading update".

With the publication of this Q1 2021 trading update, DSM communicated its outlook. For the full year, DSM continues to expect an Adjusted EBITDA increase in Nutrition at the upper end of its mid-term strategic ambition of high single digit growth. Together with a stronger recovery in Materials than foreseen at the FY 2020 results release, DSM now expects an Adjusted EBITDA growth rate for the Group moving towards the mid-teens, with a continued good Adjusted Net Operating Free Cash Flow.

COVID-19 led to unprecedented global challenges. DSM took very early actions to ensure the health and safety of its employees and partners while keeping operations running to serve customers with its essential products. Overall COVID-19 had a slightly negative effect on Group sales as Materials saw a negative impact of around 10% on volumes in the year due to reduced global demand in Q2 and Q3. Nutrition saw an overall slightly positive sales impact from COVID-19 mainly due to very strong demand in Human Nutrition for immunity-boosting products. DSM will continue to respond swiftly to COVID-19 health and safety developments and support the societies in which it operates.

### *Alternative performance measures (APMs)*

In presenting the financial position, operating results and net results, DSM uses alternative performance measures not defined by IFRS to provide clear reporting on the underlying developments of the business in view of providing a true and fair view. These alternative performance measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

### **Definition APMs:**

The APMs are reported in DSM's 2020 Integrated Annual Report in Note 2 to the consolidated financial statements of Royal DSM on pages 206 – 209 with the reconciliation to the most directly reconcilable line item of the most directly comparable IFRS measures.

**Adjusted EBITDA:** Earnings before interest, tax, depreciation and amortization (EBITDA) is the sum total of operating profit plus depreciation and amortization. Adjusted EBITDA is the EBITDA adjusted for material items of profit or loss coming from acquisitions/divestments, restructuring and other circumstances. Set out below is the reconciliation from operating profit to Adjusted EBITDA as shown on page 208 of DSM's 2020 Integrated Annual report.

#### Alternative performance measures (continuing operations)

	2020	2019
Operating profit	662	872
Depreciation, amortization and impairments	706	585
<b>EBITDA</b>	<b>1,368</b>	<b>1,457</b>
APM adjustments to EBITDA:		
- Acquisitions/divestments	52	13
- Restructuring	103	64
- Other	11	17
Total APM adjustments	166	94
<b>Adjusted EBITDA</b>	<b>1,534</b>	<b>1,551</b>

**Adjusted Operating Profit:** is an alternative term for the IFRS performance measure ‘operating profit’. Earnings before interest and taxes (EBIT) is adjusted for material items of profit or loss coming from acquisitions/divestments, restructuring, impairments and other circumstances. Set out below is the reconciliation from operating profit to Adjusted Operating Profit as shown on page 208 of DSM’s 2020 Integrated Annual report.

#### Alternative performance measures (continuing operations)

	2020	2019
Operating profit	662	872
Depreciation, amortization and impairments	706	585
<b>EBITDA</b>	<b>1,368</b>	<b>1,457</b>
APM adjustments to EBITDA:		
- Acquisitions/divestments	52	13
- Restructuring	103	64
- Other	11	17
Total APM adjustments	166	94
<b>Adjusted EBITDA</b>	<b>1,534</b>	<b>1,551</b>
<b>Operating profit</b>	<b>662</b>	<b>872</b>
APM adjustments to Operating profit:		
- APM adjustments to EBITDA	166	94
- Impairments of PPE and Intangible assets	101	23
Total APM adjustments	267	117
<b>Adjusted operating profit</b>	<b>929</b>	<b>989</b>

**Adjusted net operating free cash flow:** The cash flow from operating activities, corrected for the cash flow of the APM adjustments as reported in the DSM’s 2020 Integrated Annual Report on page 206, minus the cash flow of Capital expenditures and drawing rights. Set out below is the reconciliation from Cash provided by operating activities to Adjusted net operating free cash flow as shown on page 209 of DSM’s 2020 Integrated Annual report.

#### Alternative performance measures

	2020	2019
<b>Cash provided by operating activities</b>	<b>1,494</b>	<b>1,385</b>
Cash impact APM adjustments	87	57
Capital expenditure	(609)	(627)
Payments regarding drawing rights	(17)	(14)
<b>Adjusted net operating free cash flow</b>	<b>955</b>	<b>801</b>

**Average Capital Employed:** average of the Capital Employed as reported at end of a quarterly period in a reporting year, e.g. 2020 Average Capital Employed is (Ultimo 2019 + Q1 2020 + Q2 2020 + Q3 2020 + Q4 2020) divided by 5. Set out below is the reconciliation of Average Capital Employed as shown on page 209 of DSM’s 2020 Integrated Annual report.

### Alternative performance measures

	2020	2,019
<b>Capital employed</b>		
Intangible assets	4,455	3,515
Property, plant and equipment	3,774	4,040
Investment grants / drawing rights	(112)	(96)
Inventories	1,879	2,019
Current receivables	1,488	1,698
Current liabilities	(1,787)	(1,865)
Included discontinued operations	-	(883)
<b>Capital employed at 31 December</b>	<b>9,697</b>	<b>8,428</b>
<b>Average capital employed</b>		
Capital employed at 1 January	8,428	7,527
Capital employed at 31 March	8,422	8,021
Capital employed at 30 June	9,024	7,850
Capital employed at 30 September	9,018	8,415
Capital employed at 31 December	9,697	8,428
<b>Average capital employed</b>	<b>8,918</b>	<b>8,048</b>

**Capital Employed:** is the total of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables and other current liabilities. Set out below is the reconciliation of Capital Employed as shown on page 209 of DSM's 2020 Integrated Annual report.

### Alternative performance measures

	2020	2,019
<b>Capital employed</b>		
Intangible assets	4,455	3,515
Property, plant and equipment	3,774	4,040
Investment grants / drawing rights	(112)	(96)
Inventories	1,879	2,019
Current receivables	1,488	1,698
Current liabilities	(1,787)	(1,865)
Included discontinued operations	-	(883)
<b>Capital employed at 31 December</b>	<b>9,697</b>	<b>8,428</b>

**ROCE (Return on capital employed):** Adjusted operating profit as a percentage of weighted average capital employed. Set out below is the calculation of Adjusted Operating Profit as percentage of Average Capital Employed as shown on page 209 of DSM's 2020 Integrated Annual report.

### Alternative performance measures

	2020	2,019
<b>Average capital employed</b>	<b>8,918</b>	<b>8,048</b>
Adjusted operating profit, continuing operations	929	989
ROCE in %, continuing operations	10.4	12.3

### Final remark

This chapter contains forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the Company. Examples of forward-looking statements include statements made or implied

about the Company's strategy, estimates of sales growth, financial results, cost savings and future developments in its existing business as well as the impact of future acquisitions, and the Company's financial position. These statements can be management estimates based on information provided by specialised agencies or advisors. This information has been accurately reproduced and as far as DSM is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Supervisory Board and Managing Board**

DSM is managed by a Managing Board together with an Executive Committee and an independent Supervisory Board. Members of the Managing Board and the Supervisory Board are appointed (and, if necessary, dismissed) by the General Meeting of Shareholders. The Managing Board is responsible for the Company's strategy, its portfolio management, the deployment of human capital and financial capital resources, the Company's risk management system, the Company's financial performance and its performance in the area of sustainability. The Supervisory Board supervises the policy pursued by the Managing Board, the Managing Board's performance of its managerial duties and the Company's general course of affairs, taking into account the interests of all the Company's stakeholders. The Supervisory Board consists of at least five members that are independent in accordance with the Dutch Corporate Governance Code.

The composition of the Supervisory Board and the Managing Board as per 31 March 2021 is as follows:

- Supervisory Board: Rob Routs (chairman), Erica Mann, John Ramsay, Eileen Kennedy, Pauline van der Meer Mohr, Pradeep Pant, Thomas Leysen and Frits Dirk van Paasschen.
- Managing Board: Geraldine Matchett (co-CEO and CFO) and Dimitri de Vreeze (co-CEO).

On March 4<sup>th</sup>, it was announced that Rob Routs will retire as Chairman and member of the DSM Supervisory Board after the Annual General Meeting of Shareholders held on May 6<sup>th</sup>, 2021. At the same time Thomas Leysen will succeed him as Chairman. The 2021 Annual General Meeting of Shareholders approved to appoint Mrs. Corien M. Wortmann-Kool and Mrs. Carla Mahieu to join as new Supervisory Board members.

The business address of all members of the Supervisory Board and the Managing Board is: Koninklijke DSM N.V., Het Overloon 1, 6411 TE Heerlen, The Netherlands.

Listed below are the principal activities performed by members of the Supervisory Board and the Managing Board outside DSM. None of the members of the Supervisory Board and the Managing Board have any (potential) conflict between their duties to DSM and their private interests and other duties.

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

*Leysen, T.*

- Chairman of the Board of Umicore
- Chairman of the Board of Mediahuis
- Chairman of the Belgian Corporate Governance Commission
- Chairman of the King Baudouin Foundation



*Ramsay, J.*

- Non-executive Director of RHI Magnesita NV, non-executive Director of G4S plc. and non-executive Director of Croda International.

*Kennedy, E.T.*

- Professor of Nutrition at the Friedman School of Nutrition Science and Policy at Tufts University in Boston (USA)
- Chair of the Sight and Life Foundation.

*Pant, P.*

- Member of the Honorary Council of Food Industry Asia
- Non-executive Director of Max India Ltd, Max BUPA Health Insurance Co Ltd. and of MAX Life Insurance Co. Ltd.
- Non-executive Director of Antara Senior Living Ltd.
- President of Pant Consulting Pte Ltd.

*Van Paasschen, F.*

- Non-executive Member of the Board of Williams Sonoma (US)
- Chairman of the Board of Convene
- Member of the Board of CitizenM Hotels (NL)
- Member of the Board of J.Crew Group
- CEO and Founder of The Disruptor's Feast Advisory
- Advisor to private equity firm TPG, the Red Sea Project, the Indian School of Hospitality and CEO practice at Russell Reynolds

*Mann, E.*

- Non-executive Member of the Board of Perrigo
- Non-executive Member of the Board of the Kellogg Company

*Mahieu, C.*

*Wortmann-Kool, C.M.*

***Managing Board:***

*Matchett, G.*

- Board member of Catalyst Europe
- Member of the HRH the Prince of Wales' A4S (Accounting for Sustainability) CFO Leadership Network
- Non-executive Director of ABB
- Board member of FCLTGlobal.

- Executive Committee Member of the World Business Council for Sustainable Development (WBCSD)
- Member of the Foundation Board of IMD Business School.

*D. de Vreeze*

- Chairman of the Supervisory Board of DSM Netherlands
- Member Executive Committee and Board member of CEFIC (European Chemical Industry Council) and Chair Sustainability Advisory Forum
- Board member of “Fonds voor de topsport” (NOC\*NSF; Dutch Olympic Committee Fund for top sport)
- Member of the Supervisory Board of Sanquin
- Chairman of the Young Captain Foundation.

***Committees of the Supervisory Board:***

Pursuant to article 29 of the articles of association, the Supervisory Board has established an audit committee, a nomination committee, a remuneration committee and a sustainability committee.

*Audit committee*

The Audit Committee is comprised of Mr. J. Ramsay (Chair), Mr. P. Pant, Mrs. E. Mann, Mr. F. van Paasschen and Mr. T. Leysen.

The Audit Committee is charged in particular with the supervision of the Managing Board with respect to:

- the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
- giving advice to the Supervisory Board on the nomination by the Supervisory Board to the General Meeting of Shareholders for the appointment of the external auditor;
- where necessary, making proposals to the Supervisory Board on the policy applied in respect of the independence of the external auditor and possible (potential) conflicts of interest between the external auditor and the Company;
- preparing meetings of the Supervisory Board with the Managing Board where the annual report, the annual accounts, the half-yearly and the quarterly figures of the Company are discussed.

*Nomination Committee*

The Nomination Committee is comprised of Mrs. E. Kennedy and Mr. T. Leysen.

The Nomination Committee has the following duties:

- drafting selection criteria and appointment procedures for Supervisory Board members and Managing Board members;
- assessing at least once a year the size and composition of the Supervisory Board and the Managing Board, and to make proposals for the Supervisory Board Profile;
- assessing at least once a year the functioning of individual Supervisory Board members and Managing Board members, and report their findings to the Supervisory Board;
- making proposals for (re)appointments;

- supervising the policy of the Managing Board on the selection criteria and appointment procedures for senior management;
- preparing the decision-making process of the Supervisory Board on the acceptance by a member of the Managing Board of the membership of the Supervisory Board of a listed company; and
- preparing the decision-making process of the Supervisory Board concerning any conflicts of interest that may arise in the acceptance by members of the Supervisory Board of additional positions.

#### *Remuneration Committee*

The Remuneration Committee is comprised of Mr. F. van Paasschen and Mr. J. Ramsay.

The Remuneration Committee has the following duties:

- drafting proposals to the Supervisory Board for the remuneration policy to be pursued for members of the Managing Board, which policy, as well as any material changes thereto, shall be submitted to the General Meeting of Shareholders for adoption;
- drafting proposals for the remuneration of the individual members of the Managing Board; such proposals shall, in any event, deal with the remuneration structure, and the amount of the fixed remuneration, shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation awarded, as well as the performance criteria and their application;
- and, if there are reasons therefore, to make proposals for changes or additions to the remuneration of individual members of the Managing Board, which remuneration and possible changes and/or additions shall be submitted for adoption to the Supervisory Board (without prejudice to the power of the Supervisory Board to delegate the final adoption to the Remuneration Committee, within the framework set by the Supervisory Board);
- to prepare the Remuneration Report referred to in clause 12.1 of the Regulations of the Supervisory Board; and
- to make proposals to the Supervisory Board for the remuneration of the individual members of the Supervisory Board, which remuneration will be submitted to the General Meeting of Shareholders for adoption.

#### *Sustainability Committee*

The Sustainability Committee is comprised of Mrs. E. Kennedy (Chair), Mr. P. Pant and Mrs. E. Mann.

The Corporate Sustainability Committee has the following duties:

- preparation of discussions by the Supervisory Board on the supervision of the Managing Board with respect to formulating, developing, implementing, monitoring and reporting on the Company's social and environmental policies in line with the DSM values / Code of Business Conduct; and
- to prepare the meeting of the Supervisory Board with the Managing Board where the Integrated Annual Report is discussed.

#### **Dutch Corporate Governance Code**

DSM supports the Dutch Corporate Governance Code, which was most recently amended in 2016 and adopted by the company with effect from the financial year 2017. DSM ensures its continued compliance with the Dutch Corporate Governance Code. The Dutch Corporate Governance Code can be found on [www.mccg.nl](http://www.mccg.nl).

The proposal to amend the Articles of Association – to reflect changes in law and regulations, including the implementation of the new Dutch Corporate Governance Code – was approved by the Annual General Meeting of Shareholders on 9 May 2018. Since the introduction of the Dutch Corporate Governance Code in 2004, members of the Managing Board have been appointed for a period of four years.

With respect to the Dutch Corporate Governance Code it should be noted that any substantial change in the corporate governance structure of the Company and in the Company's compliance with the code shall be submitted to the General Meeting of Shareholders for discussion under a separate agenda item.

All documents related to the implementation at DSM of the Dutch Corporate Governance Code can be found in the 'Corporate Governance' section of the company website ([www.dsm.com](http://www.dsm.com)).

## PRC CURRENCY CONTROLS RELATING TO RENMINBI

### *Current Account Items*

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

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012.

Since July 2013, the procedures for cross-border Renminbi trade settlement under current account items have been simplified and trades through e-commerce can also be settled in Renminbi under the current regulatory regime. A cash pooling arrangement for qualified multinational enterprise group companies was introduced in late 2014, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. In addition, the eligibility requirements for multinational enterprise groups have been lowered and the cap for net cash inflow has been increased in September 2015.

The PBoC also permit enterprises in the China (Shanghai) Free Trade Pilot Zone ("**Shanghai FTZ**") to establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pooling programme. In November 2016, PBoC Shanghai Headquarters further allowed banks in Shanghai to provide multinational enterprise groups with services of full-function onshore cash pooling, which will enable broader scope for utilising pooled cash. Since then similar cash pool arrangements have been established in other free trade zones in the PRC.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

### *Capital Account Items*

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms, foreign investors are now permitted to make capital contribution, share transfer, profit allocation and liquidation and certain other transactions in Renminbi for their foreign direct investment within the PRC. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements specifically for capital account payments in Renminbi are being removed gradually by PBoC, the Ministry of Commerce of the PRC ("**MOFCOM**") and the State Administration of Foreign Exchange of the PRC ("**SAFE**").

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as "foreign debt") and lend Renminbi-denominated loans to foreign borrowers (which are referred to as "outbound loans"), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make Renminbi payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as "cross-border security"). Under current rules promulgated by the State Administration of Foreign Exchange of the PRC ("**SAFE**") and PBoC, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade

zones, PBoC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2016, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor ("**RQFII**") regime and the China Interbank Bond Market ("**CIBM**"), have been further liberalised for foreign investors. PBoC has relaxed the quota control for RQFII, and has also expanded the list of eligible foreign investors in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

Interbank foreign exchange market is also opening-up. In January 2016, China Foreign Exchange Trade System set forth qualifications, application materials and procedure for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used for the general financing purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for the financing or refinancing of Eligible Green Projects under any applicable Green Financing Framework of the Issuer from time to time.

## TAXATION

### NETHERLANDS

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

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

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

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

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

### Dutch Withholding Tax

All payments made by the Issuer under the Notes may - except in certain very specific cases as described below - be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.



Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) of a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as a resident anywhere (also a hybrid mismatch), all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## **Corporate and Individual Income Tax**

### *Residents of the Netherlands*

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

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.50%) under the Dutch Income Tax Act 2001, if:

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

If neither condition (a) nor condition (b) above applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31%.

### *Non-residents of the Netherlands*

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

- (a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Notes are attributable, or (2) is, other than by

way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

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

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

Income derived from the Notes as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands").

### **Gift and Inheritance tax**

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

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

### **Value Added Tax**

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

### **Other Taxes and Duties**

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

### **THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

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

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

However, the FTT proposal remains subject to negotiation between 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.

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

## **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

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

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

## SUBSCRIPTION AND SALE

The Dealers have in the Dealer Agreement agreed with the Issuer a basis upon which they or any of them may from time to time purchase Notes.

### United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to 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 in bearer form may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by United States tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it 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 commencement of the offering and the Issue Date, (as determined by the relevant Dealer(s) or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager), of all Notes of the Tranche of which such Notes are a part, except in accordance with Rule 903 of the Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

### Prohibition of Sales to EEA Retail Investors

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

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, 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 Offering Circular as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

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

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

For the purposes of this provision:

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

## **United Kingdom**

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

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as 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; or

- (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular 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 in (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.

### ***Financial Promotion***

Each Dealer has represented, warranted and agreed that:

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

- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

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

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

The Dealers and investors who are citizens of China or residents in China ("**PRC Investors**") have acknowledged that this Base Prospectus, or the Notes or any material or information contained or incorporated by reference in this Base Prospectus relating to the Notes, have not been, and will not be submitted to become, approved/verified by or registered with any relevant government authorities under PRC law. Accordingly the Notes may not be offered or sold directly or indirectly in the PRC and this Base Prospectus may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Notes in the PRC directly or indirectly. The material or information contained or incorporated by reference in this Base Prospectus relating to the Notes does not constitute an offer to sell or the solicitation of an offer to buy any securities by any person in the PRC. The Notes may only be offered or sold to PRC investors that are authorised to engage in the purchase of Notes of the type being offered or sold.

Each Dealer has represented, warranted and agreed to and with the Issuer that it has not made, and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Notes in the PRC, except where permitted by the China Securities Regulatory Commission and other competent authorities or where the activity otherwise is permitted under the PRC law. PRC Investors should note that they themselves are responsible for informing themselves about observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verifications and/or registrations from all relevant governmental authorities (including but not limited to the China Securities Regulatory Commission and/or the State Administration of Foreign Exchange), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or foreign investment regulations.

## **Switzerland**

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**") and will not be admitted to trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

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

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

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

- i. to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- ii. where no consideration is or will be given for the transfer;
- iii. where the transfer is by operation of law;
- iv. as specified in Section 276(7) of the SFA; or
- v. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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

## **Hong Kong**

In relation to each Tranche of Notes, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong



Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### **General**

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

Save as specifically described in this Base Prospectus, neither the Issuer, the Arranger nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other or additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was duly authorised by a resolution of the Managing Board of the Issuer on 28 June 1999. The annual update of the Programme has been duly authorised by a resolution of the Managing Board of the Issuer on 18 March 2021. All consents, approvals and authorisations required by the Issuer under the laws of The Netherlands have been given for the Issuer to undertake and perform its obligations under the Dealer Agreement, the Fiscal Agency Agreement and the Notes.

### Ratings

The Issuer's solicited credit ratings are published by Moody's Deutschland GmbH ("Moody's") and S&P Global Ratings Europe Limited ("S&P"). The Issuer's current long-term credit ratings are A3 with a stable outlook from Moody's and A- with a stable outlook from S&P.

Moody's is established in Germany and S&P is established in Ireland and are both registered under the EU CRA Regulation.

Tranches of Notes issued under the Programme may be rated or unrated, as specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme 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 applicable 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 (or which has applied for registration and not been refused) under the EU CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the EU CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the EU CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation.

### Clearing Systems

The Notes have been accepted for clearance through Clearstream, Frankfurt, Euroclear and Clearstream, Luxembourg. The appropriate German Securities Code, 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 applicable 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 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The address of Clearstream, Frankfurt is Neue Börsenstrasse 1, D-60487 Frankfurt am Main, Germany.

### Legend concerning United States Persons

Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially 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."

## Settlement Arrangements

Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent in relation to each Tranche of Notes.

## Documents Incorporated by Reference

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

- (i) the following sections of the 2019 Integrated Annual Report of the Issuer (in English): the Financial Statements (from and including page 163 to and including page 235) and the Independent Auditor's Report on the Financial Statements (from and including page 236 to and including page 241) (<https://annualreport.dsm.com/ar2019>);
- (ii) the following sections of the 2020 Integrated Annual Report of the Issuer (in English): the Financial Statements (from and including page 191 to and including page 266) and the Independent Auditor's Report on the Financial Statements (from and including page 267 to and including page 278) (<https://annualreport.dsm.com/ar2020/>);
- (iii) the Articles of Association (*statuten*) of the Issuer ([https://www.dsm.com/content/dam/dsm/corporate/en\\_US/documents/articles-association-en.pdf](https://www.dsm.com/content/dam/dsm/corporate/en_US/documents/articles-association-en.pdf));
- (iv) DSM announces new Supervisory Board Chairman and proposes new Supervisory Board member (<https://www.dsm.com/corporate/news/news-archive/2021/04-21-dsm-announces-new-supervisory-board-chairman-and-proposes-new-supervisory-board-member.html>);
- (v) DSM announces DSM Advanced Solar backsheets business to be acquired by Worthen Industries, Inc. (<https://www.dsm.com/corporate/news/news-archive/2021/2021-03-11-dsm-announces-dsm-advanced-solar-backsheets-business-to-be-acquired-by-worthen-industries-inc.html>);
- (vi) DSM announces repurchase of shares to cover stock dividend (<https://www.dsm.com/corporate/news/news-archive/2021/05-21-dsm-announces-repurchase-of-shares-to-cover-stock-dividend.html>);
- (vii) DSM acquires Flavor & Fragrance bio-based intermediates business from Amyris (<https://www.dsm.com/corporate/news/news-archive/2021/06-21-dsm-acquires-flavor-and-fragrance-bio-based-intermediates-business-from-amyris.html>);
- (viii) DSM completes sale of Resins & Functional Materials businesses (<https://www.dsm.com/corporate/news/news-archive/2021/07-21-dsm-completes-sale-of-resins-and-functional-materials-businesses.html>);
- (ix) DSM announces cancellation of 6.6m treasury shares to conclude reduction in share capital (<https://www.dsm.com/corporate/news/news-archive/2021/08-21-dsm-announces-cancellation-of-6-point-6-million-treasury-shares-to-conclude-reduction-in-share-capital.html>);
- (x) DSM provides Q1 2021 trading update (<https://www.dsm.com/corporate/news/news-archive/2021/09-21-q1-2021-trading-update.html>);
- (xi) Annual General Meeting of Shareholders 2021 (<https://www.dsm.com/corporate/news/news-archive/2021/annual-general-meeting-2021.html>);

- (xii) DSM announces results of 2021 Annual General Meeting of Shareholders (<https://www.dsm.com/corporate/news/news-archive/2021/10-21-dsm-announces-results-of-2021-annual-general-meeting-of-shareholders.html>);
- (xiii) Final dividend 2020 Royal DSM (<https://www.dsm.com/corporate/news/news-archive/2021/11-21-final-dividend-2020-royal-dsm.html>);
- (xiv) Dutch PPE Solutions starts large-scale production of filter material for medical facemasks (<https://www.dsm.com/corporate/news/news-archive/2021/2021-05-07-dsm-ppe-solutions-starts-large-scale-production-of-filter-material-for-medical-facemasks.html>);
- (xv) DSM announces early redemption of €500 million bond (<https://www.dsm.com/corporate/news/news-archive/2021/14-21-dsm-announces-early-redemption-of-euro-500-million-bond.html>),

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The non-incorporated parts of the documents mentioned above are either not relevant for the investor or covered elsewhere in this Base Prospectus.

The Issuer will provide, without charge, to each person, upon the written request or request by email of such person, a copy of any or all of the documents which are incorporated herein by reference. Requests for such documents can be sent to [investor.relations@dsm.com](mailto:investor.relations@dsm.com) or to the registered office of the Issuer at Het Overloon 1, 6411 TE Heerlen, The Netherlands for the attention of Investor Relations (+31 (45) 5782864).

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

### **Documents Available**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://www.dsm.com/corporate/investors/results-center/debt-credit.html>

- (i) the 2019 and 2020 Integrated Annual Reports of the Issuer (in English), including the audited consolidated annual accounts of the Issuer and its consolidated subsidiaries in respect of the financial year ended 31 December 2019 and 31 December 2020 (according to International Financial Reporting Standards) and the auditors reports thereon;
- (ii) copies of the press releases listed under "*Documents Incorporated by Reference*";
- (iii) the Articles of Association (*statuten*) of the Issuer, and the English translation of the Articles of Association of the Issuer;
- (iv) a copy of this Base Prospectus;
- (v) each set of Final Terms in relation to any Notes publicly offered or listed on any stock exchange;
- (vi) the Fiscal Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Coupons and the Talons); and

- (vii) any future supplements to this Base Prospectus and any other documents incorporated therein by reference.

### **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or its consolidated subsidiaries.

### **No Significant Change or Material Adverse Change**

There has been no significant change in the financial position and financial performance of the Issuer and the Group since 31 December 2020.

There has been no material adverse change in the prospects of the Issuer since 31 December 2020.

### **Auditors**

The financial statements of the Issuer for the financial year ended 31 December 2019 and 31 December 2020 have been audited by KPMG Accountants N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands, who have issued an unqualified audit opinion on the financial statements in each case.

The auditor who signs on behalf of KPMG Accountants N.V. is a member of the Dutch Organisation of Accountants (*Nederlandse Beroepsorganisatie van Accountants*), which is a member of the International Federation of Accountants (IFAC).

### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Applicants will be informed of the amount allotted by the intermediary banks through which they place their orders.

### **Programme Limit**

For the purpose of calculating the aggregate amount of Notes issued under the Programme from time to time:

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

### **Third party information**

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware, and is able to ascertain from information sourced

from that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Responsibility Statement**

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

### **Dealers transacting with the Issuer**

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

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

**REGISTERED OFFICES**

**THE ISSUER**

**Koninklijke DSM N.V.**

Het Overloon 1  
6411 TE Heerlen  
The Netherlands

**ARRANGER**

**Deutsche Bank Aktiengesellschaft**

Mainzer Landstrasse 11-17  
60329 Frankfurt am Main  
Germany

**DEALERS**

**BNP Paribas**

16, boulevard des Italiens  
75009 Paris  
France

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Germany

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