

AeAM Dutch Mortgage Fund 3

Terms and Conditions of Management and Custody

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1 DEFINITIONS

1.1 In these Terms and Conditions, the following capitalised terms shall have the following meanings:

AFM	the Netherlands Authority for the Financial Markets;
Agreement of Management and Custody	the agreement of management and custody dated 2017, February 28 between the Fund Manager and the Title Holder regarding the Fund, a template of which is included in Annex 3, as amended from time to time;
AIFMD	Alternative Investment Fund Managers Directive (Directive 2011/61/EU);
AIFM Regulation	Commission Delegated Regulation (EU) no. 231/2013;
Annual Report	the annual report with respect to the Fund as referred to in Section 4:37o DFSA and Section 115m of the Market Conduct Supervision (Financial Institutions) Decree (<i>Besluit gedragstoezicht financiële ondernemingen</i>);
Annual Result	the difference between (i) interest that a Sub-Fund receives in a calendar year in connection with the Mortgage Receivables and (ii) the realised costs that that Sub-Fund incurs in such calendar year in connection with the Mortgage Receivables;
ASR Participant	a Participant who forms part of the same group, as referred to in Section 2:24b of the Netherlands Civil Code, as the Originator;
Auditor	a Dutch registered accountant (<i>registeraccountant</i>);
Available Monthly Interest Result	the part of the Monthly Interest Result that is distributed in Participations in accordance with a Participant's request under Clause 18;
Bridge Mortgage Loan	a bridge mortgage loan (<i>overbruggingskrediet</i>) which is granted to a borrower to fund during a limited transition period the purchase of a new mortgaged asset with a mortgage on the former mortgaged asset of such borrower which bridge mortgage loan will be repaid by the sale of the former mortgaged asset of such borrower;
Bridge Mover Mortgage Loan	a Bridge Mortgage Loan which is granted to a borrower of a Mover Mortgage Loan to fund during a limited transition period the purchase of a new mortgaged asset with a mortgage on the former mortgaged asset of such borrower which bridge mortgage loan will be repaid by the sale of the former mortgaged asset of such borrower;
Bridge Mover Mortgage Receivables	the Mortgage Receivables resulting from a Bridge Mover Mortgage Loan;
Business Day	a day (other than a Saturday, Sunday or a public holiday) on which banks in the Netherlands and/or the foreign banks relevant to the Fund are generally open during normal office hours for banking and securities services, to be determined at the Fund Manager's sole discretion;
CRS	the Common Reporting Standard released by the Organisation of Economic Co-operation and Development;

Custodian	the custodian to which the Depositary has outsourced its custodian duties in respect of the Fund;
Depositary	the depositary as referred to in Section 4:62m DFSA that is appointed in respect of the Fund;
Depositary Agreement	the agreement the Fund Manager enters into with the Depositary in accordance with Section 4:62m DFSA;
DFSA	Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>);
DNB	The Dutch Central Bank (<i>De Nederlandsche Bank</i>).
EEA	the European Economic Area;
ESG	Environmental, Social and Governance
FATCA	the Foreign Account Tax Compliance Act;
Fund	AeAM Dutch Mortgage Fund 3, consisting of Sub-Fund NHG and Sub-Fund non-NHG;
Fund Assets	the pool of the assets held by or for the Title Holder in accordance with the Terms and Conditions for the account of the Fund;
Fund Estate	the Fund Assets and the Fund Obligations;
Fund Manager	Aegon Investment Management B.V.;
Fund Objectives	the objectives of the Fund as set forth in Clause 4.1;
Fund Obligations	all obligations that the Title Holder assumes or incurs in its own name but for the account and risk of the Fund in connection with the Fund including the costs or other liabilities resulting from such obligations;
Fund Specifications	the specifications determined by the Fund Manager for the Fund and part of the Information Memorandum;
Further Advance	a loan or a further advance by the Originator to a borrower under a Mortgage Loan, which is secured by a mortgage right on the same mortgaged asset;
Further Advance Receivables	the Mortgage Receivables resulting from a Further Advance;
Future Vintage	a Vintage which has not yet commenced;
Group	a group as referred to in Section 2:24b of the Dutch Civil Code (<i>Burgerlijk Wetboek</i>);
Information Memorandum	the information memorandum with regard to the Fund, as amended from time to time by the Fund Manager;

Investment Policy	the investment policy set out in Schedule A hereto;
Issue Date	the tenth (10 th) Business Day of a calendar month, unless the Fund Manager determines otherwise;
Issue Price	the amount payable by the relevant Participant in connection with the issue of one or more Participations in accordance with Clause 9;
Management Fee	the fee described in Clause 19;
Minimum Subscription Amount	an initial Subscription Amount of EUR 5,000,000 (five million) or such other amount as the Fund Manager determines at its sole discretion;
Monthly Interest Result	the interest that a Sub-Fund receives in connection with the Mortgage Receivables in a calendar month, <i>minus</i> the costs and charges referred to in Clause 19;
Monthly Repayment Result	the payments other than interest that a Sub-Fund receives in a calendar month in connection with Mortgage Receivables, including but not limited to repayments, prepayments and liquidation proceeds;
Monthly Result	the total sum of the Monthly Interest Result and the Monthly Repayment Result;
Mortgage Loan	a mortgage loan provided by the Originator falling within the criteria as set out in the Investment Policy;
Mortgage Receivable	the claims arising from the Mortgage Loans;
Mortgage Receivables Purchase Agreement	the agreement entered into by the Originator, the Title Holder and the Fund Manager;
Mover Mortgage Loan	a Mortgage Loan in respect of which the option of a borrower is exercised to replace an existing Mortgage Loan with a new Mortgage Loan which may be higher than the existing Mortgage Loan, in accordance with the relevant mortgage conditions and to which mover mortgage loan for an amount up to the principal sum outstanding at the time such option is exercised the same interest base rate shall apply for the residual fixed interest rate period, but with an interest margin (<i>opslag</i>) which is possibly adjusted in accordance with the applicable mortgage conditions;
Mover Mortgage Receivables	the Mortgage Receivables resulting from a Mover Mortgage Loan;
Net Asset Value (NAV)	the value of the Fund Assets attributable to a Sub-Fund minus the Fund Obligations attributable to that Sub-Fund;
Net Asset Value NHG	the Net Asset Value of Sub-Fund NHG;
Net Asset Value non-NHG	the Net Asset Value of Sub-Fund non-NHG;

NHG Guarantee	a guarantee or suretyship provided by Stichting Waarborgfonds Eigen Woningen for the performance of payment obligations arising from mortgage loans entered into by natural persons in connection to real estate in the Netherlands, as described in the articles of association of Stichting Waarborgfonds Eigen Woningen;
NHG Mortgage Loans	Mortgage Loans in respect of which an NHG Guarantee is provided;
Non-United States Person	a natural person or legal entity within the meaning of Commodity Futures Trading Commission Rule 4.7(A)(1)(iv), or any superseding provision;
Offer Risk	the risk that the market value of a Mortgage Receivable is lower or higher than the nominal value at the moment on which the Fund acquires that Mortgage Receivable;
Originator	ASR Levensverzekering N.V., also referred to as ASR ;
Outstanding Subscription Amount	the Subscription Amount <i>minus</i> the Subscription Payments already made;
Participant	each holder of one or more Participations;
Participants Meeting	a meeting of Participants convened in accordance with Clause 16;
Participation	Participation NHG and/or Participation non-NHG;
Participation Agreement	the agreement between a Participant, the Title Holder and the Fund Manager in which they agree that their mutual relations will be governed by the Terms and Conditions;
Participation NHG	a unit representing a contractual interest in Sub-Fund NHG;
Participation non-NHG	a unit representing a contractual interest in Sub-Fund non-NHG;
Payment Request	a request made by the Fund Manager by e-mail to one or more Participants in accordance with Clause 8 to pay part or all of the Outstanding Subscription Amount;
Participation Value	the Participation Value NHG and/or the Participation Value non-NHG;
Participation Value NHG	the Net Asset Value non-NHG divided by the number of outstanding Participations NHG;
Participation Value non-NHG	the Net Asset Value NHG divided by the number of outstanding Participations non-NHG;
Professional Investor	a professional investor (<i>professionele belegger</i>) as referred to in Section 1:1 DFSA;
Redemption Date	the tenth (10 th) Business Day of a calendar month, unless the Fund Manager determines otherwise;
Redemption Form	the form by which a Participant makes a Redemption Request;

Redemption Price	the amount payable to the relevant Participant in connection with the redemption of one or more Participations in accordance with Clause 9.11;
Redemption Request	a formal and binding request of a Participant to the Fund Manager to redeem one or more of the Participations which the Fund Manager registered in the name of such Participant;
Register	the register as referred to in Clause 6;
Servicer	ASR Levensverzekering N.V.;
Servicing Agreement	the agreement entered into by the Servicer, the Title Holder, the Fund Manager and the Originator;
Specified U.S. Person	a natural person or legal entity within the meaning of the FATCA Intergovernmental Agreement between the United States and the Netherlands, or any superseding provision;
Sub-Fund	the part of the assets of the Fund to which the holders of a certain series of Participations are entitled beneficially each pro rata parte;
Sub-Fund NHG	the Sub-Fund which contains NHG Mortgage Loans;
Sub-Fund non-NHG	the Sub-Fund which contains Mortgage Loans that are not backed by an NHG Guarantee;
Subscriber	means a Participant or a third party who has provided a Subscription Form to the Fund Manager pursuant to Clause 7.1, which Subscription Form been accepted by the Fund Manager;
Subscription Amount	the amount for which a Participant has subscribed itself in the Subscription Form to participate in the Fund, plus any additional amounts for which such Participant has subscribed itself in any additional Subscription Forms;
Subscription Form	the form through which a prospective Participant makes a formal and binding request to the Fund Manager to subscribe for Participations, which may be embodied in a Participation Agreement;
Subscription Payment	the payment by a Participant of all or part of an Outstanding Subscription Amount;
Terms and Conditions	these Terms and Conditions of Management and Custody, as amended from time to time;
Title Holder	Stichting Juridisch Eigenaar AeAM Dutch Mortgage Fund 3;
Valuation Method	the valuation method that is used to calculate the value of a Mortgage Receivable as described in the Information Memorandum;
Vintage	a period to which a Subscription Amount in relation to a Sub-Fund has been allocated by the Fund Manager, which period begins on the first day of a calendar month and ends on the last day of a calendar month.

- 1.2 Unless the context shows otherwise, references to Clauses and Sub-clauses are references to Clauses and Sub-clauses of these Terms and Conditions.
- 1.3 In these Terms and Conditions, the headings are for ease of reference only and shall not be deemed to form part of these Terms and Conditions.
- 1.4 In these Terms and Conditions, the masculine shall include the feminine and the neuter and the singular shall include the plural and *vice versa* as the context shall require.
- 1.5 In case of conflicts between these Terms and Conditions and (i) the Subscription Form, (ii) the Redemption Form and (iii) a Payment Request, these Terms and Conditions shall prevail.

2 NAME, LEGAL FORM AND DURATION OF THE FUND

- 2.1 The name of the Fund is: AeAM Dutch Mortgage Fund 3. In other documents with regard to the Fund, the Fund may also be referred to as 'DMF 3'.
- 2.2 The Fund has its registered office at the Fund Manager's offices.
- 2.3 The Fund is formed for an indefinite period of time.

3 NATURE, PARTICIPANTS AND FISCAL STATUS OF THE FUND

- 3.1 Participation in the Fund is open exclusively to Professional Investors (i) who are not transparent for Dutch tax purposes, or (ii) who form a Dutch fund for joint account that is transparent for Dutch tax purposes as a result of applying the repurchase mechanism (*inkoopvariant*) only whereby the investors in this fund are not transparent for Dutch tax purposes. In any event, participation in the Fund is open exclusively to non-consumers.
- 3.2 The Fund is marketed in the Netherlands. In addition, the Fund Manager may decide at its sole discretion that the Participations will be marketed outside the Netherlands. Participants who are based outside the Netherlands may participate in the Fund, unless the Fund would as a consequence thereof become subject to additional legal requirements inside or outside the Netherlands.
- 3.3 Only the Fund can redeem Participations in accordance with Clause 10. Participations may not be disposed of (*vervreemd*) or encumbered with a limited right (*bezwaard met een beperkt recht*), such as a right of pledge (*pandrecht*). This Clause 3.3 has proprietary effect (*goederenrechtelijk effect*).
- 3.4 The Fund is not a partnership (*maatschap*), commercial partnership (*vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*), but a *sui generis* arrangement based on contractual agreements between the Fund Manager, the Title Holder and the Participants. Pursuant to these Terms and Conditions, no partnership, commercial partnership or limited partnership is created under Dutch law and the Fund Manager, the Title Holder and the Participants shall not be deemed partners (*maten/vennoten*) in the Fund.
- 3.5 Each Participant shall enter into a separate agreement with the Fund Manager and the Title Holder and not with any other Participant. No provision of these Terms and Conditions shall constitute or be interpreted as constituting any right or obligation existing between any or all Participants *vis-à-vis* each other or as a cooperation agreement (*samenwerkingsovereenkomst*) between the Fund Manager, the Title Holder and any of the Participants. Each Participant undertakes to act in the best interest of the Fund in its entirety, especially if a conflict of interest would arise.
- 3.6 The Fund is an investment institution (*beleggingsinstelling*) as referred to in Section 1:1 DFSA. The Fund Manager is obliged to have a permit under Section 2:65 DFSA.
- 3.7 The Fund is set up as a tax transparent fund for joint account (*transparant fonds voor gemene rekening*) as referred to in Section 2(4) of the Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and is not subject to Dutch corporate income tax or Dutch dividend withholding tax.

4 FUND OBJECTIVES AND INVESTMENT STRATEGY

- 4.1 The Fund Objectives are to invest in accordance with the Investment Policy in Mortgage Receivables for the account and risk of the Participants. Unless applied to meet Redemption Requests, the Monthly Repayment Result shall be available to reinvest in additional Mortgage Receivables.

- 4.2 To achieve its purposes the Fund may:
- a. acquire (*verwerven*) and dispose of (*vervreemden*) legal title (*juridische eigendom*) of Mortgage Receivables;
 - b. acquire and dispose of beneficial title (*economische eigendom*) of Mortgage Receivables;
 - c. within the scope of enforcing rights of mortgage (*uitwinning van hypotheekrechten*), acquire and dispose of registered properties (*registergoederen*); and
 - d. perform any and all other acts that are, in the broadest sense of the word, instrumental to the Fund Objectives with due observation of the Investment Policy.
- 4.3 The Fund may not engage in securities lending transactions, use leverage, enter into derivatives and/or enter into FX transactions. In case of a liquidity shortfall, the Fund may apply leverage. This leverage may - in total - not exceed five percent (5%) of the value of the Fund Assets.
- 4.4 The Terms and Conditions or the Investment Policy may only be amended by a resolution of the Participants Meeting which has been adopted with a majority of eighty percent (80%) of the votes cast, unless amendment of the Investment Policy is required as a result of changes in applicable laws or a request by a supervisory authority in which case the Fund Manager may unilaterally amend the Terms and Conditions or Investment Policy.

5 TERMS AND CONDITIONS; LIMITED RECOURSE

- 5.1 These Terms and Conditions govern the contractual relationship between the Fund Manager, the Title Holder and each individual Participant. By signing a Participation Agreement, a Participant shall be bound by and subject to these Terms and Conditions.
- 5.2 Without prejudice to Clause 11.4, a Participant can only take recourse against the Fund Estate.
- 5.3 The Fund is divided into Sub-Fund NHG and Sub-Fund non-NHG.
- 5.4 The Fund Manager keeps records for both Sub-Funds, in order to record the revenues and costs of both Sub-Funds separately. Costs, under which the management fee, service fee, costs of investment and reinvestment and other costs (if any), are, in so far they are directly attributable to a Sub-Fund, being charged to that Sub-Fund. Costs that are not directly attributable to one of the Sub-Funds are charged to both Sub-Funds in proportion to their respective Net Asset Values.

6 PARTICIPATIONS AND REGISTER

- 6.1 Participations are units in the form of contractual rights administered in the name of the Participant. Participations include fractions of Participations that may be issued to four (4) decimal places. The Fund will not issue participation certificates. Participations will be issued by means of registration of the issue in the name of the relevant Participant in the Register. The Register serves as conclusive evidence against a Participant, subject to proof to the contrary to be provided by the relevant Participant.
- 6.2 The Participations and the Participant's rights and obligations arising therefrom are, other than by means of redemption by the Fund, non-assignable and non-transferable and may not be encumbered with a right of pledge. Also, the beneficial title (*economische eigendom*) of the Participations is non-transferable and the Participations may not become part of a transfer under universal title (*verkrijging onder algemene titel*). This Clause 6 has proprietary effect (*goederenrechtelijk effect*).
- 6.3 At the request of a Participant, the Fund Manager will provide such Participant without charge a non-tradable excerpt of the Register evidencing the number of Participations of the relevant Participant.
- 6.4 The Register will be kept at the office of the Fund Manager for inspection by the Participants.
- 6.5 Participants are not liable for the obligations of the Fund Manager and the Title Holder. The liability of the Participants for the losses of the Fund (including Sub-Funds) is capped to the amount of their investment in the Fund plus their Outstanding Subscription Amount.
- 6.6 If the Fund is no longer considered tax transparent or in the event withholding taxes or penalties are imposed on the Fund pursuant to FATCA and / or CRS, because a Participant acts in breach of the Terms and Conditions, or through other actions of the Participant, this Participant is liable to the Fund for all financial and tax disadvantages which occurred as a consequence thereof.

7 SUBSCRIPTION

- 7.1 Only Professional Investors which qualify, and its ultimate beneficiaries qualify, as Non-United States Persons and are not designated as Specified U.S. Persons may, by means of a Participation Agreement, submit a request to the Fund Manager to accede to the Fund. This accession shall take place for at least the Minimum Subscription Amount. A Participant may subscribe for additional Participations in an additional Subscription Form. On the Subscription Form, the Professional Investor shall indicate for which amount it subscribes per Sub-Fund. The Fund Manager will only accept fully completed and validly signed Subscription Forms.
- 7.2 A Subscription Form submitted to the Fund Manager constitutes an offer (*aanbod*) of the relevant prospective Participant to the Fund to accede to the Fund for an amount equal to the Subscription Amount as specified in the Subscription Form. The Participant may revoke (*herroepen*) such offer subject to a six (6) months' notice.
- 7.3 If this is in the interest of the Fund, the Fund Manager may in relation to an offer within the meaning of Clause 7.2 at its own discretion choose to (i) decline such offer, (ii) suspend such offer or (iii) stipulate additional conditions with respect to such offer.
- 7.4 The Fund Manager may in its sole discretion decide to accept or not to accept a subscription. Following the acceptance of a subscription, the Fund Manager will allocate the Subscription Amount concerned to a monthly Vintage. The Fund Manager will in principle allocate a Subscription Amount to the Vintage period during which the subscription was accepted.
- 7.5 At the request of the Subscriber, the Fund Manager may allocate the Subscription Amount, in whole or in part to a Future Vintage.
- 7.6 If the subscription has been accepted, the Fund Manager will notify the Subscriber to which Vintage the Subscription Amount has been allocated.
- 7.7 This Clause 7 applies *mutatis mutandis* to a request of a Participant to increase the Subscription Amount as requested by such Participant.

8 SUBSCRIPTION AMOUNT AND PAYMENT REQUEST

- 8.1 The Fund Manager may, at its own discretion, partially or fully call the Outstanding Subscription Amount of a Participant by means of a Payment Request:
 - i. to enable the Fund to acquire new Mortgage Receivables;
 - ii. to enable the Fund Manager to meet Redemption Requests; and
 - iii. for payment of costs of the Fund, the Fund Manager and / or the Title Holder in accordance with these Terms and Conditions or, if reasonably needed, reservation for costs that the Fund, the Fund Manager and / or the Title Holder will incur in accordance with these Terms and Conditions in the next three (3) months.
- 8.2 The Fund Manager shall indicate to which Sub-Fund a Payment Request pertains.
- 8.3 Prior to Outstanding Subscription Amounts being called, the Fund Manager shall apply the available Monthly Repayment Result and, subsequently, the relevant Available Monthly Interest Result to purchase additional Mortgage Receivables. Thereafter, Outstanding Subscription Amounts shall be called to fund the acquisition of Mortgage Receivables on the basis of the following principles:
 - i. Outstanding Subscription Amounts shall be called in the order of priority based on the Vintage during which the Subscription Form concerned was submitted by the Subscriber;
 - ii. Subscription Forms submitted during the same Vintage shall have equal priority; and
 - iii. Outstanding Subscription Amounts shall in principle not be called during a Vintage prior to the Vintage to which they were allocated.
- 8.4 This entails that Outstanding Subscription Amounts shall be called in accordance with the following procedure:
 - i. The Fund Manager will determine which Outstanding Subscription Amounts are allocated to the current or previous Vintages;
 - ii. Of these Outstanding Subscription Amounts, those in respect of which the Subscription Form was submitted during the oldest Vintage shall be called first;
 - iii. Subsequently, Outstanding Subscription Amounts in respect of which the Subscription Form was

- submitted during the next oldest Vintage shall be called;
- iv. This will be repeated until all Outstanding Subscription Amounts that were allocated to the current Vintage have been called;
 - v. If subsequently, additional Outstanding Subscription Amounts are called (e.g. in the event that the Fund is required to purchase more Mortgage Receivables than anticipated), Outstanding Subscription Amounts that were allocated to future Vintage periods shall be called, whereby those allocated to the nearest Vintage shall be called first.
- If, on the basis of the above, Outstanding Subscription Amounts have the same priority, these shall be called on a pro rata basis.
- 8.5 Outstanding Subscription Amounts allocated to a particular Vintage may be called while that Vintage is still open to (prospective) Participants to accede to the Fund or to subscribe for additional Participations.
 - 8.6 The Fund Manager shall inform the relevant Participants on a monthly basis about the expected Outstanding Subscription Amount it will call in respect of the next Issue Date.
 - 8.7 A Participant that receives a Payment Request is obliged to pay the corresponding amount within the payment term specified in the Payment Request, which term shall be a minimum of three (3) Business Days from the date of the Payment Request, with the understanding that in case of emergency, the Fund Manager and the Participants shall discuss whether a shorter payment term can be observed.
 - 8.8 A Participant that complied with a Payment Request will on the next Issue Date receive the number of Participations that is calculated in accordance with Clause 9.
 - 8.9 A Participant is immediately in default (*in verzuim*) if such Participant does not, not timely or not fully comply with a Payment Request. The payment term specified in the Payment Request constitutes a final payment term within the meaning of Section 6:83(a) Dutch Civil Code (*Burgerlijk Wetboek*). If the requested payment is not received on the date specified in the Payment Request:
 - i. the relevant Participant shall be obliged to compensate any damages that the Fund or the Originator suffers as a consequence of the late payment by the Participant, excluding consequential damages (*gevolgschade*);
 - ii. the relevant Participant shall, as long as such Participant is in default in complying with a Payment Request, not be entitled to receive any distributions from the Fund and not be entitled to participate or cast votes in the Participants Meeting or to otherwise exercise any control rights with respect to the Participations;
 - iii. to the extent that there are one or more Outstanding Subscription Amounts, the Fund Manager shall be entitled to submit additional Payment Requests to other Participants who have subscribed for the Sub-Fund concerned and shall be entitled to refuse and/or return (part of) the payments made by the Participant who is or was in default (*in verzuim*); and
 - iv. the Fund Manager shall be entitled but not obliged to redeem the Participations of the Participant that is in default with the payment of a Payment Request in accordance with Clause 8.9.

9 ISSUE OF THE PARTICIPATIONS

- 9.1 The issue of Participations will only take place on an Issue Date.
- 9.2 Subject to Clause 9.3, the Issue of Participations will only take place after satisfaction of the Payment Request made by the Fund Manager in accordance with Clause 8, unless it concerns Participations that are issued in respect of distribution of the Monthly Interest Result or Annual Result in accordance with Clause 18.3.
- 9.3 If the Fund Manager determines that suspension of the issue of Participations by the Fund is in the interest of the Fund and the Participants, the Fund Manager may temporarily suspend the issue of Participations by the Fund.
- 9.4 A Participation in a Sub-Fund will be deemed to be issued by the Fund on the relevant Issue Date based on the Issue Price, which will be calculated by the Fund Manager.
- 9.5 On the first Issue Date, the Participation Value will be equal to EUR 10,000 (ten thousand euro).
- 9.6 On all subsequent Issue Dates, the Fund Manager will calculate the Issue Price per Participation to be issued in a Sub-Fund on the basis of the Net Asset Value at the final day of the preceding calendar month.
- 9.7 The Fund Manager shall, in determining the number of Participations to be issued to a Participant, take into account the value of the accrued assets (such as the accrued Monthly Repayment Result and the Monthly

- Interest Result) and accrued liabilities (such as the accrued Management Fee) per the Issue Date.
- 9.8 To the extent that the Fund acquires Mortgage Receivables with the Subscription Payment(s) of one or more Participants who accede to the Fund on an Issue Date, the Fund Manager will take the Offer Risk into account in determining the number of Participations to be issued to all Participants to whom Participations are issued on that Issue Date. The Offer Risk will be for the account and risk of the Participants that acquire such Participations on that Issue Date, such that the issue of those Participations is price-neutral for the existing Participants to the extent possible. The number of Participations that a Participant receives for the Issue Price will be calculated in accordance with the following formula:

X / Y

whereby:

- X is the sum of the present value of the Mortgage Receivables that were purchased as a result of the entry of the relevant Participant(s) in the Sub-Fund concerned at the time of that entry; and
 - Y is the Participation Value of the Sub-Fund concerned on the basis of the valuation of the Net Asset Value of the Sub-Fund concerned at the final day of the preceding calendar month.
- 9.9 To the extent that the Fund does not acquire Mortgage Receivables with the Subscription Payment(s), the Fund Manager will not take the Offer Risk into account in determining the number of Participations to be issued.
- 9.10 To the extent that Participations are issued in accordance with both Clause 9.8 and 9.9 on an Issue Date, the Offer Risk will be for the account of all Participants that acquire new Participations on that Issue Date on a pro rata basis.
- 9.11 Upon issuance, the Fund Manager shall send a confirmation to the Participant, which shall contain (i) the Issue Price, (ii) the Participation Value and (iii) the number of Participations issued to the Participant.

10 REDEMPTION OF THE PARTICIPATIONS

- 10.1 In principle, no redemption of the Participations at the request of the Participants will take place. Redemption will only take place at the discretion of the Fund Manager and will only take place on a Redemption Date. The Monthly Repayment Result shall in principle be earmarked to purchase additional Mortgage Receivables. The Fund Manager shall not apply the Monthly Repayment Result, in whole or in part, for redemption if the Monthly Repayment Result is required to acquire Mortgage Receivables, under a commitment of the Fund Manager to the Originator.
- 10.2 If there are outstanding Redemption Requests, the Fund Manager shall in principle not earmark expected Monthly Repayment Result and Outstanding Subscription Amounts to purchase new Mortgage Receivables, unless the sum of the expected Monthly Repayment Result and the Outstanding Subscription Amount exceeds the outstanding Redemption Requests.

Monthly pro rata redemption

- 10.3 A Participant may request the Fund Manager in the Participation Agreement or on a Redemption Form to use the Monthly Repayment Result that corresponds to the amount of Participations obtained as a result of a Subscription Payment(s) in accordance with (a) Subscription Form, to redeem Participations from that Participant. The Fund Manager shall apply the percentage of the Monthly Repayment Result that corresponds to the percentage of Participations that are offered for redemption in accordance with this Clause 10.3 to redeem Participations from that Participant.

Redemption Request

- 10.4 In addition to Clause 10.3, a Participant may request the Fund Manager by means of a Redemption Form to redeem one or more other Participations. A Participant must submit a Redemption Form with the Fund Manager at least thirty-five (35) Business Days prior to the contemplated Redemption Date. The Fund Manager will only accept fully completed and validly signed Redemption Forms. A Redemption Form submitted with the Fund Manager constitutes an irrevocable offer (*onherroepelijk aanbod*) to redeem of the

relevant Participant to the Fund. The Participant shall indicate to which Sub-Fund the request pertains. In the event that the Fund Manager receives a Redemption Request from an ASR Participant, it shall inform the other Participants forthwith about this request.

- 10.5 The part of the Monthly Repayment Result that is not earmarked to purchase Mortgage Receivables or for redemption in accordance with Clause 10.3 shall be applied by the Fund Manager to meet Redemption Requests.
- 10.6 To the extent that after applying the Monthly Repayment Result in accordance with Clause 10.5, there are outstanding Redemption Requests, the Fund Manager shall call Outstanding Subscription Amounts, which are not earmarked to purchase Mortgage Receivables, allocated to a prior or the current Vintage and shall use the relevant Subscription Payments to redeem Participations and thereby meet Redemption Requests. The Fund Manager shall call such Outstanding Subscription Amounts in accordance with Clause 8. The Fund Manager shall not be required to match Outstanding Subscription Amounts with Redemption Requests at the request of a Participant.

Other

- 10.7 The Fund Manager may deviate from Clauses 10.3 - 10.6 if this is, in its reasonable opinion, in the best interest of the Fund. The Fund Manager shall not apply the Monthly Repayment Result, in whole or in part, for redemption if the Monthly Repayment Result is required to acquire Mortgage Receivables. In addition, Available Monthly Interest Result can be applied to meet Redemption Requests instead of acquiring Mortgage Receivables.
- 10.8 The Redemption Price shall be based on the Participation Value on the final day of the preceding calendar month. This Redemption Price shall be adjusted by adding the value of the accrued assets (which shall include the accrued Monthly Repayment Result and the accrued Monthly Interest Result) and by deducting the accrued liabilities (which shall include the accrued Management Fee) attributable to the Participations which will be redeemed, whereby the accrual period will be the period between final day of the preceding calendar month and the Redemption Date. The Fund Manager shall calculate the value of the accrued assets and the accrued liabilities concerned.
- 10.9 The Fund Manager is entitled to redeem all or part of the Participations of a Participant at the Fund Manager's own initiative and discretion by means of notification to the relevant Participant:
- i. in accordance with Clause 8.9(iv);
 - ii. if the relevant Participant no longer qualifies as a Professional Investor;
 - iii. if the relevant Participant (and any ultimate beneficiaries) no longer qualifies as Non-United States Person and / or is designated as a Specified U.S. Person for FATCA and CRS purposes;
 - iv. if the relevant Participant acted or continues to act in breach of the Terms and Conditions to such a degree that the Fund Manager deems the redemption justified with a view to the interests of the majority of the Participants in the Fund;
 - v. the Fund is no longer considered tax transparent because of a change in the tax status of the Participant concerned; or
 - vi. the number of outstanding Participations of the relevant Participant is so small that this would be detrimental to the adequate and efficient management of the Fund.

After the notification referred to above, the redemption shall be deemed to have taken place on the tenth (10th) Business Day of the calendar month in which notification was made. In the situation described in this Clause 10.9, the Fund Manager shall at least not be obliged to pay the Redemption Price or any part thereof in so far insufficient cash is available. The Fund Manager may sell a part of the Fund Assets in order to pay the Redemption Price.

Special redemption

- 10.10 If one or more Participants wish to redeem Participations and if one or more Subscribers wish to simultaneously acquire new Participations in situations as set out under (i) – (ii) below, the Participant(s) and Subscriber(s) concerned may request the Fund Manager to facilitate this. The Fund Manager may – at its sole discretion – facilitate a simultaneous redemption and issue of new Participations in the following situations:
- i. the redeeming Participant(s) and the Subscriber(s) concerned form part of the same Group; or

- ii. in the view of the Fund Manager there is an objective and close link between the redeeming Participant and the related (*gelieerde*) Subscriber that justifies that Clause 8.3 and 8.4 shall not apply to the Subscriber.
- 10.11 If the Fund Manager decides to facilitate such simultaneous redemptions and issue of new Participations, Clause 8.3 and 8.4 shall not apply.
- 10.12 The Fund Manager shall not treat the subscription of a Subscriber as referred to in Clause 10.10 as an ordinary subscription, unless the Subscriber indicates otherwise.

11 MANAGEMENT AND ADMINISTRATION OF THE FUND

- 11.1 The Fund Manager is charged with the management and administration of the Fund. In carrying out its task pursuant to this Clause 11, the Fund Manager shall act exclusively in the interest of the Participants. The management and administration of the Fund shall encompass, among other things, investing the Fund Assets in accordance with these Terms and Conditions and all activities in connection therewith. The Fund Manager is entitled and authorised to perform all acts of management and administration in respect of the Fund Estate.
- 11.2 In carrying out the management and administration of the fund, the Fund Manager shall act honestly and professionally and shall exercise the standard of care, skill and diligence that may be expected from a prudent (*prudent*) manager of an investment fund with characteristics similar to those of the Fund.
- 11.3 The Fund Manager shall perform its activities for the account and risk of the Participants. Any benefits and losses resulting therefrom shall be for the benefit of or be borne by the Participants in accordance with Clause 5.4.
- 11.4 The Fund Manager shall only be liable for a loss suffered by a Participant in connection with the performance of its duties under these Terms and Conditions, if such loss is a direct result of attributable breach (*toerekenbare tekortkoming*) of the Fund Manager under these Terms and Conditions.
- 11.5 The Fund Manager and the Title Holder shall not be liable for indirect loss (*indirecte schade*), consequential loss (*gevolgschade*) and/or loss of profits (*gederfde winst*).
- 11.6 For all losses for which the Fund Manager is liable, the Fund Manager's liability shall be capped to any loss or losses up to the amount of the Management Fee in the twelve (12) months preceding the event that caused the Fund Manager's liability, unless such loss has arisen as a direct result of wilful misconduct or gross negligence (*opzet of grove schuld*) of the Fund Manager. Any losses or any part of a loss exceeding the amount referred to in the previous sentence shall be for the expense and account of the Participant or the aggregate Participants, where applicable.
- 11.7 The Fund Manager may outsource (*uitbesteden*) the management and administration of the Fund or any part of it to a third-party in accordance with all applicable legislation. The Fund Manager shall only be liable for a loss suffered by a Participant in connection with the performance of its duties by a third party if and to the extent that such loss has arisen as a result of such third party's wilful misconduct or gross negligence (*opzet of grove schuld*).
- 11.8 The Fund Manager can, apart from the management of the Fund, also render advice to other parties on direct investments in mortgages and manage investments on behalf of such parties. The Fund Manager has a policy in place that aims to prevent or manage conflicts of interest between aforementioned parties and the Fund (and its Participants).
- 11.9 The Fund Manager is granted the authority by all Participants, either based on a power of attorney or in its own name based on a mandate, to claim damages and/or conduct legal proceedings pertaining to the Fund and to perform all (preparatory) actions relating thereto according to the Fund Manager and the Fund Manager deems necessary or desirable, under which entering into a settlement and collecting claims on behalf of the Fund. On request of the Fund Manager, the Participant shall perform all (legal) acts that are necessary in relation to the foregoing. As long as the Participant holds Participations in the Fund, the aforementioned power of attorney and mandate cannot be terminated.
- 11.10 The Fund Manager is authorised to, at all times, ask each Participant to provide the Fund Manager with such information as may reasonably be required by the Fund Manager to determine (or re-determine) the status of such Participant (as well as that of any ultimate beneficial owners) under FATCA, CRS and Dodd-Frank. The Participant is obligated to provide the Fund Manager with accurate and complete information.

12 TITLE HOLDER

- 12.1 The Title Holder shall be the legal owner of the Fund Assets and the debtor of the Fund Obligations. All agreements of the Fund shall be entered into in the name of the Title Holder as title holder on behalf and for the account of the Fund. The bank account of each Sub-Fund shall be opened in the name of the Title Holder.
- 12.2 The Title Holder shall acquire and hold the Fund Assets in its own name but for the account and risk of the Fund. The Title Holder will hold the Fund Assets in conformity with all applicable legislation.
- 12.3 The Title Holder shall assume the Fund Obligations in its own name but for the account and risk of the Fund.
- 12.4 In the Fund Management and Custody Agreement, the Title Holder shall grant a power of attorney to the Fund Manager (i) to acquire, dispose of or encumber assets in the Title Holder's name and for the account of the Fund and (ii) to assume obligations in the Title Holder's name and for the account of the Fund, both in accordance with these Terms and Conditions.
- 12.5 The Title Holder has appointed the Originator as servicer (*kredietbeheerder*) as referred to in Section 3 of the Exemption Regulation under the Act on Financial Supervision (*Vrijstellingsregeling Wft*), as amended from time to time. To the extent reasonably possible, the Fund Manager shall ensure that the Title Holder shall continue to comply with Section 3 of the Exemption Regulation under the Act on Financial Supervision (*Vrijstellingsregeling Wft*), as amended from time to time.

13 THE DEPOSITARY

The Fund Manager appoints, also for the benefit of the Fund and the Participants, a Depositary pursuant to Section 4:62m DFSA. To that end, the Fund Manager shall enter into the Depositary Agreement with the Depositary in conformity with the AIFMD, the DFSA and delegated legislation thereto.

14 RESIGNATION AND REMOVAL OF THE FUND MANAGER

- 14.1 The Fund Manager shall resign:
- (i) at its own initiative, with a notice period of at least three (3) months, if and to the extent that such resignation by the Fund Manager does not cause the Fund or its Participants to act in contravention of applicable laws; and
 - (ii) upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Fund Manager having been granted suspension of payments (*surseance van betaling*).
- 14.2 The Fund Manager can be removed as manager of the Fund by a resolution by the Participants Meeting, in accordance with Clause 16, which the Participants Meeting adopts with a majority of eighty percent (80%) of the votes cast. If the Fund Manager is removed in accordance with this Clause 14.2, the Fund Manager is entitled to a break-up fee equal to two (2) times the Management Fee the Fund Manager received in the twelve (12) months before the date of the resolution concerned.
- 14.3 If the Fund Manager resigns pursuant to Clause 14.1 or is removed pursuant to Clause 14.2, the Participants Meeting is entitled to appoint a successor fund manager. An extraordinary Participants Meeting shall be convened within ten (10) weeks after the occurrence of the event causing the resignation or removal of the Fund Manager with the aim to appoint a successive fund manager by a resolution of the Participants Meeting, in accordance with Clause 16. If the Fund Manager resigns pursuant to Clause 14.1, the Fund Manager is obliged to perform its duties in accordance with these Terms and Conditions and the Fund Management and Custody Agreement until the appointment of a successive fund manager for a maximum duration of six (6) months after the effective date of the resignation in accordance with Clause 14.1. All reasonable costs incurred by the Fund Manager in connection with the ending of its task as fund manager shall be paid out of the Fund Assets.

15 RESIGNATION AND REMOVAL OF THE TITLE HOLDER

- 15.1 The Title Holder shall resign:
- (i) at its own initiative and in accordance with Clause 15.2, with a notice period of at least three (3)

- months, if and to the extent that such resignation by the Title Holder does not cause the Fund or its Participants to act in contravention of applicable laws; and
- (ii) upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Title Holder having been granted suspension of payments (*surseance van betaling*);
- 15.2 If the Title Holder intends to resign pursuant to Clause 15.1(i), it shall only be able to do so with the prior consent of the Fund Manager and the Participants as evidenced by a resolution of the Participants Meeting, which has been adopted by a unanimous vote. Only after the Fund Manager and the Participants have consented to the intended resignation of the Title Holder, such resignation shall be effective and an extraordinary Participants Meeting shall be convened in accordance with Clause 15.3.
- 15.3 If the Title Holder resigns pursuant to Clause 15.1, the Participants Meeting is entitled to appoint a successor title holder and therefore, an extraordinary Participants Meeting shall be convened within four (4) weeks after the occurrence of the event causing the resignation of the Title Holder with the aim to appoint a successive title holder by a resolution of the Participants Meeting, in accordance with Clause 16. If the Title Holder resigns pursuant to Clause 15.1, the Title Holder is obliged to perform its duties in accordance with these Terms and Conditions and the Fund Management and Custody Agreement until the appointment of a successive Title Holder.
- 15.4 If within ten (10) weeks after the occurrence of the event causing the resignation or removal of the Title Holder no successive Title Holder has been appointed, the Fund will be dissolved and liquidated in accordance with Clause 21, unless the Fund Manager decides that this term is extended with another ten (10) weeks.

16 PARTICIPANTS MEETING

- 16.1 Within six (6) months of the end of the financial year, the Fund Manager shall convene the annual Participants Meeting.
- 16.2 In addition to the annual Participants Meeting, the Fund Manager shall convene an extraordinary Participants Meeting if the Fund Manager deems such extraordinary Participants Meeting necessary.
- 16.3 One or more Participants that alone or jointly hold at least ten percent (10%) of the Participations in a Sub-Fund, or to the extent the Participants Meeting pertains to the Fund as a whole, in the Fund, may instruct the Fund Manager to convene an extraordinary Participants Meeting or instruct the Fund Manager to place a topic on the agenda as referred to in Clause 16.6.
- 16.4 The Fund Manager shall send the written notice convening a Participants Meeting no later than fourteen (14) calendar days before the envisaged date of the Participants Meeting, excluding the date of receipt of the notice and the date of the Meeting. The written notice shall include the agenda, a template for a power of attorney and any documents to be discussed during such Participants Meeting. In urgent cases, at the discretion of the Fund Manager, the period of notice for convening a Participants Meeting may be reduced to not less than seven (7) calendar days or such shorter period as agreed by the Participants.
- 16.5 All Participants Meetings shall be held in the Netherlands in a place and on a date to be determined by the Fund Manager. The Fund Manager may determine that a Participants Meeting will be held by telephone call or video conference.
- 16.6 For each Participants Meeting, the Fund Manager will draft an agenda.
- 16.7 The agenda may contain topics which pertain to the Fund, to Sub-Fund NHG and/or to Sub-Fund non-NHG.
- 16.8 Topics that were not placed on the agenda shall not be discussed in a Participants Meeting, unless the majority of the Participants present or represented at the Participants Meeting decides otherwise. The Fund Manager may determine that if a topic on the agenda only pertains to a specific Sub-Fund, only Participants of that Sub-Fund have the right to participate in discussions and vote on resolutions with regard to that topic during the Participants Meeting.
- 16.9 If the Participants Meeting was not called in accordance with the provisions set out in this Clause 16, the Participants Meeting can still adopt valid resolutions, when (i) all Participants are present or represented and (ii) all Participants vote in favour of such resolution. If the Fund Manager indicates that the resolution only pertains to a specific Sub-Fund, the resolution is adopted when (i) all Participants in that Sub-Fund are present or represented and (ii) all Participants in that Sub-Fund vote in favour of such resolution. For the avoidance of doubt, this Clause 16.9 shall also apply for Participants Meetings conducted by means of a conference call.

- 16.10 An employee of the Fund Manager shall be the chairman of the Participants Meeting. The chairman shall designate a secretary. The chairman may allow third parties to observe or speak at the Participants Meeting. The Title Holder shall have the right to be present or represented at every Participants Meeting.
- 16.11 A Participant can be represented by a representative. A Participant must notify the Fund Manager in writing no later than three (3) Business Days before the Participants Meeting whether such Participant will be present at the Participants Meeting and who will represent such Participant at the Participants Meeting. The representative will only be granted access to the Participants Meeting, in its role as representative, if all requirements set out in this Clause 16.11 are fulfilled.
- 16.12 Each Participant has a number of votes corresponding to the number of its Participations. The ASR Participants combined have at most 15% of the votes represented in the Participants Meeting. To the extent that the ASR Participants have voting rights that exceed 15% of the votes represented in the Participants Meeting, the remaining votes that the ASR Participants would have on the basis of the number of Participations they hold, are deemed to be held by the other Participants on a pro rata basis.
- 16.13 If the Fund Manager has indicated that a resolution pertains to one Sub-Fund, only Participants in that Sub-Fund are allowed to cast a vote in relation to such resolution. In this event, each Participant in the relevant Sub-Fund has a number of votes corresponding to the number of its Participations in that Sub-Fund. The ASR Participants combined have at most 15% of the votes represented in the Participants Meeting with regard to the relevant Sub-Fund. To the extent that the ASR Participants have voting rights that exceed 15% of the votes represented in the Participants Meeting with regard to the relevant Sub-Fund, the remaining votes that the ASR Participants would have on the basis of the number of Participations they hold, are deemed to be held by the other Participants in the relevant Sub-Fund on a pro rata basis.
- 16.14 Resolutions of the Participants Meeting which pertain to the Fund shall be adopted if:
- a) the Participants present at the Participants Meeting represent at least seventy-five (75%) of all votes; and
 - b) a simple majority of votes is cast for the resolution.
- 16.15 Resolutions of the Participants Meeting which pertain to a Sub-Fund shall be adopted if:
- a) the Participants present at the Participants Meeting represent at least seventy-five (75%) of all votes in that Sub-Fund; and
 - b) a simple majority of votes in that Sub-Fund is cast for the resolution.
- 16.16 If requirement 16.14(a) or 16.15(a) is not met, a second Participants Meeting shall be held not less than fourteen (14) calendar days after the first Participants Meeting with due observance of the same formalities for convening the Participants Meeting which governed the convening of the first Participants Meeting. At the second Participants Meeting, business shall be transacted regardless of the quorum present at such second Participants Meeting.
- 16.17 In derogation of Clause 16.14(b) resolutions with regard to the following topics shall not be adopted by a simple majority of votes:
- (i) the amendment of these Terms and Conditions or the Investment Policy pursuant to Clause 4.4;
 - (ii) the removal of the Fund Manager pursuant to Clause 14.2;
 - (iii) the intended resignation of the Title Holder pursuant to Clause 15.2;
 - (iv) a proposed amendment to the Valuation Method pursuant to Clause 17.3; and
 - (v) the dissolution of the Fund pursuant to Clause 21.1(i).
- These resolutions shall be adopted as set out in the respective Clauses set out above.
- 16.18 Resolutions of the Participants may, instead of at a Participants Meeting, be adopted in writing, including by e-mail, provided that all Participants participate in this decision-making process by exercising their voting rights.
- 16.19 This clause 16 shall apply mutatis mutandis to meetings of Participants of a Sub-Fund.

17 NET ASSET VALUE

- 17.1 Within six (6) Business Days after the end of each calendar month, the Fund Manager shall, in accordance with the Valuation Method, calculate the Net Asset Value NHG and the Net Asset Value non-NHG, as per the final Business Day of the preceding calendar month as well as the Participation Value. The Fund Manager may decide to suspend the calculation of the Fund's Net Asset Value temporarily, if there are circumstances that

- would reasonably interfere with an adequate calculation. When the Fund Manager has suspended the calculation of the Net Asset Value, the Fund cannot issue or redeem Participations.
- 17.2 If the Fund Manager discovers an error in the calculation of the Net Asset Value, the Fund Manager shall within four (4) Business Days prepare a report on the errors that were made and which correction needs to be made to the Net Asset Value. The Fund Manager shall send this report to each Participant forthwith. If a correction of more than 1% of the Net Asset Value is required, the error caused a direct loss of the Participant, and the loss is the direct result of fraud (*fraude*), willful misconduct or gross negligence (*opzet of grove schuld*) of the Fund Manager, the Fund Manager shall provide the Participant(s) concerned compensation for the actual loss incurred.
- 17.3 The Valuation Method shall be validated, both initially and when the Valuation Method has been amended. If and to the extent an amendment to applicable laws, which are applicable to the Participants, requires an amendment to the Valuation Method, the Participants may request the Fund Manager to propose an amendment to the Valuation Method. The Fund Manager shall submit the proposed amendment to the Participants Meeting which may only accept the amendment by a resolution which has been adopted by a majority of eighty percent (80%) of the votes.

18 DISTRIBUTIONS

- 18.1 To the extent possible, the Fund Manager shall make preliminary distributions in connection with the Monthly Interest Result and final distributions in connection with the Annual Result in the manner set forth in this Clause 18.
- 18.2 The Fund Manager shall, to the extent possible, distribute the Monthly Interest Result of the preceding month in cash to the Participants of each Sub-Fund in proportion to the Participations they hold in a Sub-Fund on the last day of the preceding calendar month, no later than the seventh (7th) Business Day of each calendar month.
- 18.3 If a Participant wants to receive the distributions as referred to in Clause 18.2 in Participations instead of in cash, it shall inform the Fund Manager in writing at least thirty-five (35) Business Days before the end of a calendar month to which the distribution pertains. The Fund Manager shall then, unless this is in the opinion of the Fund Manager not possible, provide all following distributions to that Participant in Participations. If the Participant subsequently informs the Fund Manager at least thirty-five (35) Business Days before an Issue Date that it wants to receive the distributions in cash, subsequent distributions shall be made in cash, unless this is in the opinion of the Fund Manager not possible.
- 18.4 If a Participant indicated to the Fund Manager that it wants to receive the distribution as referred to in Clause 18.2 in Participations, the Fund Manager shall issue Participations to that Participant on the first Issue Date following the calendar month to which the distribution pertains. The number of Participations to be issued, is based on the Participation Value on the Issue Date.
- 18.5 Upon the adoption of the Annual Report by the Participants Meeting, the Fund Manager shall determine the final distribution.
- 18.6 If the Annual Result is higher than the Monthly Interest Results that were distributed during the preceding calendar year, the Fund shall make a final distribution within one (1) month after the adoption of the Annual Report. If the Annual Result is lower than the Monthly Interest Results that were distributed during the preceding calendar year, (i) the Participants are obliged to re-pay any surplus amounts they received in cash over the preceding year, which surplus amounts shall be set off, to the extent possible, with any distributions that the Fund is obliged to make pursuant to this Clause 18; and (ii) to the extent the Monthly Interest Result has been provided in Participations, Participations corresponding to the surplus shall be withdrawn by the Fund Manager without consideration. If a Participant has had all its Participations redeemed in the preceding calendar year, such ex-Participant shall receive a final distribution or be obliged to re-pay any surplus amounts, as the case may be.
- 18.7 The Fund Manager may determine that (part of) the Monthly Repayment Result shall be used to reduce the Net Asset Value by repaying an amount on each Participation in the Sub-Fund concerned. Such repayment shall be made on a pro rata basis to each Participant and for an identical amount on each Participation and shall entail that the Participation Value shall be reduced with such amount. The Fund Manager cannot repay an amount that is higher than the Participation Value. The Fund Manager shall inform the Participants of such

repayment at least one week in advance.

19 FEES AND COSTS

- 19.1 The Fund Manager shall charge each Sub-Fund a yearly Management Fee of forty-five basis points (0.45%) of the Net Asset Value of that Sub-Fund. The Management Fee will be payable on a monthly basis and is due on every sixth (6th) Business Day of the calendar month following the calendar month to which it pertains. This monthly Management Fee shall be 1/12th of forty-five basis points (0.45%) of the Net Asset Value, calculated on the last Business Day of the calendar month concerned.
- 19.2 The Management Fee shall be paid to the Fund Manager out of the Fund Assets of the Sub-Fund concerned.
- 19.3 The Fund Manager can, in its sole discretion, grant a discount on the Management Fee to an individual Participant, which discount shall be the result of a separate agreement between the Fund Manager and the Participant concerned. Such discount shall be reimbursed by the Fund Manager to that Participant from the Management Fee received by the Fund Manager.
- 19.4 The Management Fee covers:
- a) a fee for the activities of the Fund Manager relating to the management of the Fund;
 - b) the following costs of the Fund Manager relating to the management of the Fund: costs and fees for the Depositary and the Title Holder, costs of accountants, costs of legal and tax assistance, costs of (legal) documentation, annual reports, investor reports, and all other documents pertaining to the Sub-Fund, costs of registrations of the (Sub) Fund, costs in relation to calculating and publishing the Net Asset Value, costs in relation to pool data, the costs in relation to the Register, the costs of keeping records, the costs of Participant Meetings and the fees payable to the Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Central Bank (*De Nederlandsche Bank*);
 - c) a component for the fee payable to the Servicer for the servicing of the Mortgage Loans from which the Mortgage Receivables acquired by the Fund have arisen, which fee the Fund Manager shall - in its capacity as Fund Manager on behalf of the Fund - pay through to the Servicer; and
 - d) a component for the fee payable to the Originator for the origination of the Mortgage Loans from which the Mortgage Receivables of the Fund have arisen, which fee the Fund Manager shall - in its capacity as Fund Manager on behalf of the Fund - pay through to the Originator.
- 19.5 All fees and costs will be borne pro rata by the Sub-Funds, unless the Fund Manager determines at its sole discretion that these shall be allocated to a specific Sub-Fund. Subject to changes in Dutch tax law and Dutch tax policy all fees are in the view of the Fund Manager, exclusive of VAT (*BTW*), if applicable.

20 ANNUAL ACCOUNTS, ANNUAL REPORT AND REPORTING

- 20.1 The financial year of the Fund is equal to the calendar year.
- 20.2 Within six (6) months after the end of each financial year, the Fund Manager shall prepare the Annual Accounts and the Annual Report.
- 20.3 The Fund Manager shall instruct the Auditor to audit the Annual Accounts. The Auditor shall report to the Fund Manager on its audit and incorporate the results of its audit in a report.
- 20.4 Within six (6) months after the end of each financial year, the Fund Manager shall submit the Annual Accounts, the Annual Report and the Auditor's report referred to in Clause 20.3 for approval by the Participants Meeting.
- 20.5 Annual reporting shall be done in euro's and shall be drawn up in accordance with the accounting and reporting standards laid down in Book 2 of the Netherlands Civil Code.

21 DISSOLUTION AND LIQUIDATIONS

- 21.1 The Fund will be dissolved upon the occurrence of any of the following events:
- (i) by a resolution by the Participants Meeting, in accordance with Clause 16, which the Participants Meeting adopts with a majority of eighty percent (80%) of the votes; and
 - (ii) if there are no more Participants.
- 21.2 The liquidation of the Fund shall be effected by the Fund Manager. The Fund Manager shall use its best

- endeavours to liquidate the Fund Estate as soon as possible.
- 21.3 These Terms and Conditions shall remain, to the extent possible, in full force and effect.
- 21.4 Upon the Fund Manager fulfilling its obligation under Clause 21.5, the balance left after liquidation shall be distributed to the Participants in proportion to the Participations that are held by the Participants. Any subsequent debts or income shall be borne or received by the Participants, according to the system set out in the preceding sentence, with the understanding that the total amount of subsequent debts to be borne by a Participant shall be limited to the amount of the balance left after liquidation that such Participant has received. For the avoidance of doubt: a Participant shall only be required to make a repayment to the extent it received distributions in connection with this liquidation and not for an amount higher than such distributions received.
- 21.5 The Fund Manager shall prepare a report that is accompanied by a statement by an accountant selected by the Fund Manager regarding the outcome of the accountant's audit of the report.
- 21.6 Without prejudice to Clause 6.5, the Participants or former Participants are not liable for any deficit, which includes a negative Net Asset Value, that arises upon dissolution and liquidation of the Fund.

22 GOVERNING LAW AND DISPUTES

- 22.1 These Terms and Conditions and any non-contractual obligations arising out of or in relation to these Terms and Conditions, including Clause 22.2 hereof, shall be governed by and construed in accordance with the laws of the Netherlands.
- 22.2 If a dispute arises in connection with these Terms and Conditions, the relevant parties shall first try to come to an amicable solution. If they fail to do so within a reasonable timeframe, each party shall have the right to submit such dispute to District Court of Amsterdam.

SCHEDULE A - INVESTMENT POLICY

The Fund invests primarily in Mortgage Receivables of Mortgage Loans. The Fund will consist of two Sub-Funds: (i) the sub-fund which contains Mortgage Loans backed by an NHG guarantee (Sub-Fund NHG), and (ii) the sub-fund which contains Mortgage Loans not backed by an NHG Guarantee (Sub-Fund non-NHG). The investments of the Fund will, in both Sub-Funds, have the following characteristics at origination:

1. the Mortgage Loans are either:
 - a) Linear Mortgage Loans (*lineaire hypotheken*);
 - b) Annuity Mortgage Loans (*annuïteitenhypotheken*);
 - c) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*);
 - d) Extended Annuity Mortgage Loans (*verlengde annuïteitenhypotheken*); or
 - e) Bridge Mortgage Loans (*overbruggingshypotheken*);
2. the Borrower is a private individual, a resident of the Netherlands;
3. (other than in respect of Bridge Mortgage Loans) each Mortgage Loan is secured by a first ranking mortgage or, in case of Mortgage Loans secured on the same property, first and sequentially lower ranking mortgages;
4. each mortgaged asset that secures a Mortgage Loan is not the subject of residential letting and is occupied by the borrower at the moment or shortly after origination;
5. no Mortgage Loan or part thereof qualifies as a revolving credit mortgage loan (*krediethypotheek*);
6. each mortgaged asset is located in the Netherlands;
7. on the relevant purchase date no amounts due under any of the Mortgage Loans acquired on such date were in arrears more than 30 days;
8. other than the construction deposit, the principal sum was in case of each of the Mortgage Loans fully disbursed to the relevant borrower whether or not through the relevant civil law notary;
9. all Mortgage Loans have been originated on or after 1 January 2013 (including, for the avoidance of doubt, Mortgage Loans which have been refinanced by the Originator on or after 1 January 2013);
10. each Mortgage Loan has a fixed interest period, or in case of more loan parts an average fixed interest period, of more than five (5) years;
11. each Mortgage Loan is denominated in EUR;
12. each Mortgage Loan has a legal maturity of not more than forty (40) years and one month;
13. the Mortgage Loan has not been based on a self-certified income statement or advisor-verified income statement of the borrower;
14. (other than in respect of Mover Mortgage Loans) the outstanding principal amount of each of the Mortgage Loans in Sub-Fund NHG did not exceed the maximum loan amount as stipulated by Stichting Waarborgfonds Eigen Woningen for providing an NHG Guarantee;
15. the aggregate gross outstanding principal amount of each Mortgage Loan (excluding, for the avoidance of doubt, the outstanding principal amount of any Bridge Mortgage Loan that has been originated on the same date) does not exceed EUR 1,000,000;
16. each Mortgage Loan constitutes the entire loan granted to the relevant borrower that is secured by the mortgaged asset and not merely one or more loan parts (*leningdelen*);
17. each Mortgage Loan has a positive outstanding principal amount;
18. the maximum original loan to value at origination is such percentage as allowed under applicable regulations at such time, whereby the date of the binding offer is the origination date; and
19. each Mortgage Loan is originated by the Originator.