

Base Prospectus dated 28 April 2021



## PROLOGIS INTERNATIONAL FUNDING II S.A.

(a Luxembourg *société anonyme*)

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

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

**guaranteed by**

### **Prologis European Logistics Fund, FCP-FIS**

(a Luxembourg *fonds commun de placement—fonds d'investissement spécialisé*)

Under the Guaranteed Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Prologis International Funding II S.A. (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Guaranteed Euro Medium Term Notes guaranteed by Prologis Management II S.à r.l. acting in its own name and on behalf of Prologis European Logistics Fund, FCP-FIS (the “**Guarantee**” and the “**Guarantor**”, respectively) (the “**Notes**”). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5 billion (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

Application has been made to the Luxembourg Stock Exchange in its capacity as market operator of Euro MTF under the Luxembourg law dated 16 July 2019 relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) (the “**Luxembourg Law**”) to list Notes issued under the Programme on the Euro MTF market of the Luxembourg Stock Exchange (the “**Euro MTF**”) for a period of 12 months from the date of this Base Prospectus. References in this Base Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to trading on the Euro MTF and are intended to be listed on the Official List of the Luxembourg Stock Exchange (the “**Official List**”). The Luxembourg Stock Exchange’s Euro MTF is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended (“**MiFID II**”). However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Euro MTF (or any other stock exchange). If any Green Bonds (as defined herein) are to be issued under the Programme and listed on the Official List, the Issuer may also apply for such Green Bonds to be displayed on the Luxembourg Green Exchange (“**LGX**”). This Base Prospectus does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) nor for the purposes of Article 18 of the Luxembourg Law.

Each Series (as defined in “Overview of the Programme – Method of Issue”) of Notes will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Notes of one Series. Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”), the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream Luxembourg (the “**Common Depositary**”).

The provisions governing the exchange of interests in Global Certificates and definitive Notes are described in “Summary of Provisions Relating to the Notes while in Global Form”.

The Programme is rated A3 by Moody’s Deutschland GmbH (“**Moody’s**”) and A- by S&P Global Ratings Europe Limited (“**S&P**”).

S&P and Moody’s are established in the European Economic Area (“**EEA**”) and are registered under Regulation (EC) No 1060/2009, as amended (the “**EU CRA Regulation**”). As such, each of Moody’s and S&P is included in the list of credit rating agencies registered in accordance with the EU CRA Regulation and published by the European Securities and Markets Authority (ESMA) on its website (at <http://www.esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. The Programme and Tranches of Notes (as defined in “Overview of the Programme – Method of Issue”) to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant 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.**

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

#### *Arrangers for the Programme*

**BoFA Securities**

**J.P. Morgan**

**ING**

**NatWest Markets**

#### *Dealers*

**BBVA**

**BNP PARIBAS**

**Crédit Agricole CIB**

**HSBC**

**J.P. Morgan**

**BoFA Securities**

**CaixaBank**

**Deutsche Bank**

**ING**

**NatWest Markets**

*This Base Prospectus is not a prospectus for the purposes of the Prospectus Regulation and has been drawn up in accordance with the rules and regulations of the Luxembourg Stock Exchange in continuity with article 62 of the Luxembourg Law. The Euro MTF Market of the Luxembourg Stock Exchange is not a regulated market within the meaning of MiFID II.*

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

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”), with any supplement thereto and should be read and construed with the relevant Final Terms.

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

**IN THE CASE OF ANY NOTES ISSUED UNDER THE PROGRAMME, THE MINIMUM SPECIFIED DENOMINATION SHALL BE €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY AS AT THE DATE OF ISSUE OF THE NOTES).**

None of the Arrangers nor any of the Dealers accepts any responsibility nor makes any representation as to the suitability of any Green Bonds (as defined herein), including the listing or admission to trading thereof on any dedicated ‘green’, ‘environmental’, ‘sustainable’, ‘social’ or other equivalently-labelled segment of any stock exchange or securities market, to fulfil any green, social, environmental or sustainability criteria required by any prospective investors. The Arrangers and the Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Green Projects (as defined herein), any verification of whether the Eligible Green Projects meet such criteria or the monitoring of the use of proceeds of any Green Bonds (or amounts equal thereto). Investors should refer to any green bond framework which the Issuer, the Guarantor or any of their affiliates may publish from time to time, any second party opinion delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Bonds for further information. Any such green bond framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Base Prospectus and none of the Arrangers nor any of the Dealers makes any representation as to the suitability, reliability or the contents thereof.

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

target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes may include a legend entitled “**UK MiFIR Product Governance**” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the 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 Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU 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 EU 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 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the 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.

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the

Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Guarantor, the Arrangers and the Dealers to inform themselves about and to observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), and subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Trustee, the Arrangers, the Dealers, or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

To the fullest extent permitted by law, none of the Trustee, the Arrangers, the Dealers or the auditors of the Issuer and/or the Guarantor accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by an Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. The Trustee, each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any of the documents incorporated by reference herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Trustee, the Arrangers, the Dealers or the auditors of the Issuer and/or the Guarantor that any recipient of this Base Prospectus or any of the documents incorporated by reference herein should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary.

None of the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or the Dealers. See “Risk Factors” for a description of certain factors relating to an investment in the Notes, including information about the Fund’s (as defined below) business.

None of the Trustee, the Arrangers or the Dealers nor any of their respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Base Prospectus in connection with the issue or offering of the Notes and no representation or warranty, express or implied, is made by the Trustee, the Arrangers, the Dealers or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information nor do the Dealers or any of their respective directors, affiliates, advisers or agents take any responsibility for the acts or omissions of the Issuer, the Guarantor or any other person (other than the relevant Dealer) or the accuracy or completeness of any information in connection with the issue and offering of the Notes. Nothing contained in this Base Prospectus is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Trustee, the Arrangers, the Dealers or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Base Prospectus are not, are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it (including, but not limited to, as to compliance with the selling restrictions set out under “Subscription and Sale”). Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

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

The Luxembourg Stock Exchange takes no responsibility for the content of this Base Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Base Prospectus.

**BENCHMARKS REGULATION** – Interest and/or other amounts payable under the Notes may be calculated or otherwise determined by reference to the Euro Interbank Offered Rate (“**EURIBOR**”), the London Interbank Offered Rate (“**LIBOR**”) or the euro short-term rate (“**€STR**”), which are provided by the European Money Markets Institute (“**EMMI**”), the ICE Benchmark Administration Limited (“**ICE**”) and the European Central Bank, respectively.

As at the date of this Base Prospectus, from the list of the above-named administrators, only EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”). However, Article 51 (*Transitional provisions*) of the BMR provides that index providers already providing a benchmark on 30 June 2016 have until 31 December 2021 to apply for authorisation or registration in accordance with Article 34 (*Authorisation and registration of an administrator*) of the BMR and may continue to provide such an existing benchmark until 31 December 2021 or, where the index provider submits an application for authorisation or registration, unless and until such authorisation or

registration is refused. Similarly, third country benchmarks already used in the European Union (the “EU”) prior to 31 December 2021 can continue to be used. The registration status of an administrator under the BMR is a matter of public record and, save where required by law, the Issuer does not intend to update the Base Prospectus or the Final Terms to reflect any changes in the registration status of the administrator.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2019 and 2020 (each incorporated by reference in this Base Prospectus as described under “Documents Incorporated by Reference” below) have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”). Accordingly, all financial information presented in this Base Prospectus in respect of the Guarantor has been prepared in accordance with IFRS, unless otherwise specified.

The audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2019 and 2020 (each incorporated by reference in this Base Prospectus as described under “Documents Incorporated by Reference” below) have been prepared in accordance with legal and regulatory requirements and generally accepted accounting principles in Luxembourg (“**Luxembourg GAAP**”). Accordingly, all financial information presented in this Base Prospectus in respect of the Issuer has been prepared in accordance with Luxembourg GAAP, unless otherwise specified.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “U.S. dollars”, “USD” and “U.S.\$” are to the lawful currency of the United States of America, to “Euro”, “euro”, “EUR” and “€” are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time, and to “Sterling” and “£” are to pounds sterling.

Certain amounts which appear in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them or from which they are derived or extracted.

The contents of any website referred to in this Base Prospectus shall not be incorporated into this Base Prospectus, save for the documents incorporated by reference as described under “Documents Incorporated by Reference” below.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following:

- the audited annual accounts of the Issuer for the years ended 31 December 2019 and 31 December 2020, in each case together with the audit report thereon;
- the audited consolidated financial statements of the Guarantor for the years ended 31 December 2019 and 31 December 2020, in each case together with the audit report thereon;
- the Terms and Conditions set out on pages 42 to 73 of the base prospectus published by the Issuer dated 11 October 2013;
- the Terms and Conditions set out on pages 39 to 68 of the base prospectus published by the Issuer dated 14 October 2014;
- the Terms and Conditions set out on pages 41 to 69 of the base prospectus published by the Issuer dated 23 February 2018;
- the Terms and Conditions set out on pages 44 to 72 of the base prospectus published by the Issuer dated 16 April 2019; and
- the Terms and Conditions set out on pages 48 to 85 of the base prospectus published by the Issuer dated 16 April 2020.

Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

In relation to each issue of Notes, this Base Prospectus should be read and construed in conjunction with the relevant Final Terms.

Copies of documents incorporated by reference in this Base Prospectus may be obtained from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The tables below set out the relevant page references for the financial information incorporated by reference herein. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Base Prospectus.

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## ABOUT THIS BASE PROSPECTUS

Unless otherwise indicated or unless the context requires otherwise, any reference in this Base Prospectus to:

- **“Fund”** means Prologis European Logistics Fund, FCP-FIS, a Luxembourg *fonds commun de placement—fonds d’investissement spécialisé* under Luxembourg law dated 13 February 2007 on specialised investment funds, as amended (the **“SIF law”**) and qualifying as an alternative investment fund (**“AIF”**) under the law of 12 July 2013 on alternative investment fund managers (the **“AIFM Law”**) represented by the Management Company, and its subsidiaries, including the Issuer, except where it is made clear that the applicable terms mean only Prologis European Logistics Fund, FCP-FIS, the Issuer or both;
- **“Group”** means the Fund and its direct and indirect subsidiaries;
- **“Guarantor”** means the Management Company acting in its own name and on behalf of Prologis European Logistics Fund, FCP-FIS;
- **“Issuer”** means Prologis International Funding II S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-163.039;
- **“Management Company”** means Prologis Management II S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-131.417 and having a share capital of EUR 125,000, acting in its own name, a Prologis affiliate. In order to comply with the requirements of the AIFM Law, the Management Company obtained a licence as a Luxembourg alternative investment fund manager (an **“AIFM”**) on 8 September 2014 and has been appointed as the Fund’s AIFM;
- **“Prologis”** means Prologis, Inc., a Maryland corporation, and its subsidiaries; and
- **“Prologis Related Party”** means (a) an entity that directly or indirectly is controlled by Prologis or (b) an entity at least 35 per cent. of whose economic interest is owned directly or indirectly by Prologis (for the avoidance of doubt, the Fund shall be considered a Prologis Related Party).

### Final Terms and Drawdown Prospectus

In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus (as defined in “Overview of the Programme”), each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

## FORWARD-LOOKING STATEMENTS

Certain of the statements included in this Base Prospectus that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which the Fund operates, management's beliefs and assumptions made by management of the Fund. Such statements involve uncertainties that could significantly impact the Fund's financial results.

Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks" and "estimates", variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that the Fund expects or anticipates will occur in the future — including statements relating to rent and occupancy growth, changes in acquisition or disposition activity, general conditions in the geographic areas where the Fund operates, the Fund's debt and financial position and the availability of capital in the Fund — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict.

Although the Management Company acting in its own name and on behalf of the Fund believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Management Company acting in its own name and on behalf of the Fund can give no assurance that its expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for the Fund's properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) availability of financing and capital, the levels of debt that the Fund maintains and its credit ratings, (vi) risks of doing business internationally, including currency risks, (vii) environmental uncertainties, including risks of natural disasters, and (viii) those additional factors described under "Risk Factors". The Management Company acting in its own name and on behalf the Fund undertakes no duty to update any forward-looking statements appearing in this Base Prospectus except as may be required by law.

Subject to the Issuer's and the Guarantor's obligations under the applicable laws and regulations of any relevant jurisdiction (including, without limitation, Luxembourg) in relation to disclosure and ongoing information, neither the Issuer nor the Guarantor undertakes any obligation to update publicly or revise any such forward-statements, whether as a result of new information, future events or otherwise.

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## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus.*

<b>Issuer:</b>	Prologis International Funding II S.A., a public limited liability company ( <i>société anonyme</i> ) incorporated and existing under the laws of the Grand Duchy of Luxembourg with its registered office at 34-38, Avenue de la Liberté, L-1930, Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-163.039.
<b>Issuer Legal Entity Identifier (LEI):</b>	213800JNRWW2C9DWI388
<b>Guarantor:</b>	Prologis Management II S.à r.l. acting in its own name and on behalf of Prologis European Logistics Fund, FCP-FIS, a Luxembourg <i>fonds commun de placement—fonds d’investissement spécialisé</i> under the SIF law and qualifying as an AIF under the AIFM Law with its registered office at 34-38, Avenue de la Liberté, L-1930, Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-131.417 and having a share capital of EUR 125,000. The Guarantor was previously named Prologis European Properties Fund II, FCP-FIS and changed its name to Prologis European Logistics Fund, FCP-FIS on 16 October 2017.
<b>Description:</b>	EUR 5,000,000,000 Guaranteed Euro Medium Term Note Programme.
<b>Size:</b>	Up to EUR 5,000,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any time as described herein. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
<b>Arrangers:</b>	BofA Securities Europe SA, ING Bank N.V., J.P. Morgan Securities plc and NatWest Markets Plc.
<b>Dealers:</b>	<p>Banco Bilbao Vizcaya Argentaria, S.A, BofA Securities Europe SA, BNP Paribas, CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, HSBC Continental Europe, ING Bank N.V., J.P. Morgan Securities plc, NatWest Markets N.V. and NatWest Markets Plc.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “<b>Permanent Dealers</b>” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “<b>Dealers</b>” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>

<b>Trustee:</b>	Deutsche Trustee Company Limited.
<b>Issuing and Paying Agent:</b>	Deutsche Bank AG, London Branch.
<b>Transfer Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Registrar:</b>	Deutsche Bank Luxembourg S.A.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “ <b>Final Terms</b> ”) or in a separate prospectus specific to such Tranche (the “ <b>Drawdown Prospectus</b> ”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Form of Notes:</b>	The Notes may be issued in registered form only. Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Notes of one Series. Certificates representing Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.
<b>Clearing Systems:</b>	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent and the relevant Dealer.
<b>Initial Delivery of Notes:</b>	On or before the issue date for each Tranche, if the relevant Global Certificate is held under the NSS, the Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Certificate is not held under the NSS, the Global Certificate representing Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, will) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Notes that are to be credited to one or more clearing systems on issue will

	be registered in the name of nominees or a common nominee for such clearing systems.
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealers.
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Specified Denomination:</b>	Notes issued under the Programme shall have a minimum specified denomination of €100,000 (or its equivalent in any other currency) and 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 Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest determined separately for each Series as follows (as specified in the relevant Final Terms):</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or</li> <li>(ii) by reference to LIBOR, EURIBOR or €STR as adjusted for any applicable margin and subject to the Benchmark Discontinuation provisions set out in Condition 6(k).</li> </ul> <p>Interest periods will be specified in the relevant Final Terms.</p>
<b>Zero Coupon Notes:</b>	Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “Terms and Conditions of the Notes”) will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes (as defined in “Terms and Conditions of the Notes”) or of

interest in respect of Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes”) will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.

**Interest Periods and Interest Rates:**

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

**Redemption:**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Redemption by Instalments:**

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

**Other Notes:**

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes and any other type of Note that the Issuer, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and any prospectus supplement (if applicable).

**Use of Proceeds:**

An amount equal to the net proceeds from the issue of each Tranche of Notes will, as indicated in the applicable Final Terms, be:

- (a) used for general corporate and finance purposes; or
- (b) applied to finance or refinance, in whole or in part, Eligible Green Projects, in line with any green bond framework(s) the Issuer, the Guarantor or any of their affiliates may publish from time to time,

each as more particularly described in the section entitled “Use of Proceeds”.

**Optional Redemption:**

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

	provided, some of the Notes at the Make-Whole Amount in accordance with Condition 7(d).
<b>Clean Up Call:</b>	The Issuer may redeem all of the Notes for the time being outstanding at their Early Redemption Amount in accordance with Condition 7(f) if 75 per cent. or more in nominal amount of the Notes of such Series have been redeemed or purchased and cancelled.
<b>Status of Notes and Guarantee:</b>	The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively, all as described in “Terms and Conditions of the Notes – Guarantee and Status”.
<b>Covenants:</b>	Certain limitations on indebtedness and secured indebtedness and requirement to maintain Properties. See “Terms and Conditions of the Notes – Covenants”.
<b>Cross Default:</b>	See “Terms and Conditions of the Notes – Events of Default”.
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Luxembourg, unless the withholding is required by law. In such event, the Issuer or the Guarantor shall, subject to the exceptions (as set out under “Terms and Conditions – Taxation”), pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in “Terms and Conditions of the Notes – Taxation”.
<b>Governing Law:</b>	English law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended are excluded in respect of the Notes.
<b>Listing and Admission to Trading:</b>	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Euro MTF. If any Green Bonds are to be issued under the Programme and listed on the Official List, the Issuer may also apply for such Green Bonds be displayed on the LGX. The Euro MTF is an unregulated market for the purposes of MiFID II. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
<b>Rating:</b>	The Programme and Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme and/or the Issuer or the Guarantor. 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 assignment rating agency.



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

**Selling Restrictions:**

The United States, the UK, the EEA, Grand Duchy of Luxembourg, Singapore and Japan. See “Subscription and Sale”.

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

**EU PRIIPs Regulation:**

No EU PRIIPs Regulation key information document will be prepared in connection with the issuance of any Notes, as Notes issued under the Programme are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA.

**UK PRIIPs Regulation:**

No UK PRIIPs Regulation key information document will be prepared in connection with the issuance of any Notes, as Notes issued under the Programme 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.

**MiFID II product governance / target market:**

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

**UK MiFIR product governance / target market:**

The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to 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.

## RISK FACTORS

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Prospective investors should carefully review the risks set forth and referred to below and the other information contained in this Base Prospectus (including any information deemed to be incorporated by reference herein) and should reach their own views and decisions on the merits and risks of investing in the Notes in light of the investor's personal circumstances prior to making any investment decision. Furthermore, investors should consult their financial, legal and tax advisers to carefully review the risks associated with an investment in the Notes.*

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer and the Guarantor do not represent that the statements below regarding the risks of an investment in the Notes are exhaustive.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

### **Risk Factors Relating to the Fund's Business**

***Changes in general economic conditions and other events or circumstances that affect the markets in which the Fund's properties are located or that are served by customers leasing the Fund's facilities may negatively impact the Fund's financial results.***

The Fund is exposed to general economic conditions, local, regional, national and international economic conditions and other events and occurrences that affect the markets in which it owns properties. The Fund's operating performance is further impacted by the economic conditions of the specific markets in which the Fund has concentrations of properties. As at 31 December 2020, approximately 20.3 per cent. of the Fund's properties by net market value were located in Germany, approximately 16.3 per cent. of its properties by net market value were located in France, and approximately 14.6 per cent. of its properties by net market value were located in the United Kingdom, and approximately 13.9 per cent. of its properties by net market value were located in the Netherlands. In addition, the Fund has significant investments in markets in Central and Eastern Europe, namely the Czech Republic, Hungary, Slovakia and Poland. An economic slowdown, downturn or recession in Europe would be likely to have a significant adverse effect on the Fund's business, particularly a downturn or recession in Germany, France, the United Kingdom the Netherlands or other key markets in which the Fund holds properties. Such a slowdown, downturn or recession could result in an oversupply of distribution space, which may adversely affect the Fund's operating results. Such a slowdown, downturn or recession could also be caused or exacerbated by the factors described under “ – COVID-19 and disruption in the markets” below. Any material oversupply of distribution space or material reduction in demand for distribution space for any reason could adversely affect the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***Real estate investments are subject to risks that could adversely affect the Fund's business.***

Real estate investments are subject to a number of risks that are outside the control of the Fund, including risks relating to:

- changes in the general economic climate;
- local conditions, such as an oversupply of distribution space or a reduction in demand for distribution space in an area;
- the relative attractiveness of the Fund's distribution facilities to potential customers;
- competition from other available distribution facilities, including those owned by, and under the management of, affiliates of the Management Company and Prologis and Prologis Related Parties;
- increasing costs of rehabilitating, repositioning, renovating, and making improvements to the Fund's distribution facilities;
- the Fund's ability to provide adequate maintenance of, and insurance on, its distribution facilities;
- the Fund's ability to achieve optimal rental growth and control operating costs, including energy costs;
- governmental regulations, including zoning, usage and tax laws, and costs or operational limitations resulting from changes in these laws; and
- potential liability under, and changes in, environmental, zoning and other laws.

Adverse changes in any of the above factors could have a material adverse effect on the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***The Fund faces significant competition in each of its markets.***

The Fund has a number of competitors in Europe. Its competitors include local companies owning distribution facilities and other companies that own, or seek to own, distribution facilities across a number of countries in Europe. Competitors may own or operate distribution facilities that are more conveniently located, have more suitable space, or are otherwise more attractive to potential customers. Some of these competitors also have significant resources. Competition may result in a reduction of rental income or the Fund incurring increased costs to refurbish or build distribution facilities that are more attractive to current or potential customers. In an economic downturn, competition may increase as companies seek to attract or retain customers. The impact of competition may adversely affect the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***Real estate investments are not as liquid as other types of assets, which may affect the Fund's ability to react promptly to certain changes.***

Real estate investments are not as liquid as other types of investments, and this lack of liquidity may limit the Fund's ability to react promptly to changes in economic or other conditions. For example, the Fund may not be able to sell properties at prices that reflect their current market value or at all in the event of a downturn in the market. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, are relatively fixed, despite circumstances causing a reduction in income from such investments. Certain costs are also incurred in the sale of real estate properties, which can significantly reduce the proceeds received by the Fund from any such sales of properties.

The Fund is subject to leverage restrictions under its management regulations, effective 18 May 2018, as amended from time to time (the "**Management Regulations**"). Leverage restrictions (and other restrictive

covenants) also apply under the Fund's bank credit agreements and debt securities, such as the outstanding notes previously issued by the Issuer; see "Covenants in the Fund's credit agreements and debt securities could limit its flexibility and breaches of these covenants could adversely affect its financial condition" below for further details. If the Fund is required to sell assets to repay debt in order to comply with these leverage or other restrictions, the lack of liquidity of property investments may adversely affect its ability to do so, or its ability to achieve market prices in such a sale.

If the Fund does not have sufficient cash available to it through its operations or available credit facilities to continue operating its business as usual, the Fund may need to find alternative ways to increase its liquidity. Such alternatives may include, without limitation, raising private equity, divesting itself of properties, whether or not they otherwise meet the Fund's strategic objectives to keep in the long term, at less than optimal terms, issuing equity or incurring debt, entering into leases with its customers at lower rental rates or less than optimal terms, entering into lease renewals with the Fund's existing customers without an increase in rental rates at turnover or retaining its distributable cash flow. There can be no assurance, however, that such alternative ways to increase the Fund's liquidity will be available to the Fund. Additionally, taking such measures to increase the Fund's liquidity may adversely affect the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***The Fund's investments are concentrated in the industrial logistics sector and therefore its business would be adversely affected by an economic downturn in that sector.***

The Fund's real estate investments are concentrated in the industrial logistics sector. This concentration may expose the Fund to the risk of economic downturns in this sector to a greater extent than if its business activities were more diversified.

***The Fund's operating results and the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable, will depend on the continued generation of lease revenues from customers.***

The Fund's operating results, cash flow and the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable, would be adversely affected if a significant number of customers, or one or more of the Fund's largest customers, were unable to meet their lease obligations. The Fund could be adversely affected by a credit event or downturn in these customers' businesses, or by these customers seeking the protection of bankruptcy, insolvency or similar laws, causing the loss of the customer, a failure by the customer to make rental payments when due or a restructuring that might reduce cash flow to the Fund from the lease. In addition, if one or more significant customers received lease terms significantly less favourable to the Fund, renewal terms with other customers or terms with new customers could be affected (by virtue of the potential impact on market rents generally), reducing the Fund's rental income. In the event of default by a significant number of customers, or one or more of its largest customers, the Fund may experience delays and incur substantial costs in enforcing its rights as lessor. Such defaults, delays and costs could be caused or exacerbated by the factors described under " – COVID-19 and disruption in the markets" below. Any of the above could have a material adverse effect on the Fund's operating results, cash flow and the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***The Fund's business may be adversely affected if it is unable to renew leases or re-lease space on favourable terms as leases expire.***

The Fund's business, financial condition, results of operations, cash flow and the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable, would be adversely affected if the Fund is unable to lease, on economically favourable terms, a significant amount of space in the Fund's portfolio (the "Portfolio"). The number of distribution facilities available in a market or

submarket could adversely affect both the Fund's ability to re-lease the space and the rental rates that could be obtained in new leases. If the supply of properties exceeds demand, or demand for properties falls, the resulting oversupply could adversely affect the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable. Upon the expiration of leases for space located in the Portfolio, leases may not be renewed by existing customers, the space may not be re-leased to new customers or the terms of renewal or re-leasing (including the cost of required renovations or concessions to customers) may be less favourable to the Fund than current lease terms. Significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, generally are not reduced in the event of a reduction or interruption of income from such investments.

***If the Fund decides to sell properties to third parties to generate proceeds, the Fund may not be successful.***

The Fund may sell properties to third parties on a case-by-case basis. The Fund's ability to sell properties on advantageous terms is affected by competition from other owners of properties that are trying to dispose of their properties; market conditions, including the capitalisation rates applicable to the Fund's properties; and other factors beyond the Fund's control. If the Fund's competitors sell assets similar to assets the Fund intends to divest in the same markets and/or at valuations below the Fund's valuations for comparable assets, the Fund may be unable to divest its assets at favourable pricing or on favourable terms or at all. The third parties who might acquire the Fund's properties may need to have access to debt and equity capital, in the private and public markets, in order to acquire properties from the Fund. Should they have limited or no access to capital on favourable terms, then dispositions could be delayed. If the Fund is unable to generate proceeds through property sales or if there is a delay in its sale of properties, the Fund's liquidity, distributable cash flow, debt covenant ratios, and therefore, the Issuer's and/or Guarantor's ability to service their obligations under the Notes and the Guarantee, as applicable, may be adversely affected.

***The Fund expects to acquire properties, which involves risks that could adversely affect the Fund's operating results.***

The Fund expects to acquire properties. The acquisition of properties involves risks, including the risk that the acquired property will not perform as anticipated and the risk that any actual costs for rehabilitation, repositioning, renovation and improvements identified in the pre-acquisition due diligence process will exceed estimates. There is, and it is expected there will continue to be, significant competition for investment opportunities that meet the Fund's investment criteria as well as risks associated with obtaining financing for acquisition activities, if necessary.

***The Fund may experience risks relating to development.***

The Fund may make limited investments in land to develop a distribution facility which is related to a tenant expansion option, or a build to suit project for a tenant on a pre-let basis (which, pursuant to the Guarantor's Management Regulations must be 90 per cent. pre-let). Any development that is not pre-leased would be subject to the approval of the Advisory Council of the Fund. Such investment is limited in any country to 30 per cent. of the Fund's portfolio value in that country. Risks associated with development may include the following:

- delays, cost overruns or defects;
- the Fund's development projects may be subject to the hazards and risks normally associated with the construction and development of commercial real estate, any of which could result in increased costs and/ or damage to persons or property;
- planning permissions for developments may be delayed or refused or granted on onerous terms, which would result in a development not proceeding as intended and increased costs;

- failure to find suitable funding for proposed developments could mean the Fund is unable to take advantage of development opportunities; and
- a development project may be unsuccessful, with the investment cost exceeding the value of the project on completion and the income available adversely affected in these circumstances.

The occurrence of one or more of the events described above could adversely affect the Fund's business, financial condition, results of operations, future prospects, cash flow and/or the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***Increased maintenance and redevelopment costs could negatively affect the Fund's results of operations.***

The average age of the properties in the Portfolio is likely to increase over time, which may result in the Fund's maintenance, refurbishment and redevelopment costs relating to the Portfolio increasing from their historic levels. These additional costs could in turn adversely affect the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable. If the Fund does not carry out maintenance, refurbishment and redevelopment, its distribution facilities may become less attractive to customers and rental yields may fall. Additionally, the Fund may need to expend additional funds to keep these ageing properties in adequate repair.

***The Fund's insurance coverage does not include all potential losses.***

The Fund currently has the benefit of insurance coverage, including property, liability, fire, flood, wind, earthquake, environmental, terrorism and rental loss as the Management Company considers appropriate for the markets where each of the Fund's distribution facilities and business operations are located. The insurance coverage contains policy specifications and insured limits that the Management Company believes are customarily carried for similar properties, business activities and markets. While the Management Company believes that the Fund's distribution facilities are adequately insured, there are certain losses, including losses from acts of war or riots, that are not generally insured against, partially or in full, because it is not deemed economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of the Fund's distribution facilities, the Fund could experience a significant loss of capital invested and potential revenues in these distribution facilities. If any such event were to occur, the Issuer's and/or Guarantor's ability to service their obligations under the Notes and the Guarantee, as applicable, may be adversely affected.

***The Fund's access and affordability of insurance can adversely change.***

Insurance for the Fund's properties, including coverage in respect of rental interruption, is currently provided pursuant to master all-risk policies (the "**Policies**") supplied by a range of insurers, each covering specified layers of insurance, including a first loss of U.S.\$1 million which would be paid to the primary insurers by a Prologis Related Party as a reinsurer, coordinated by the Management Company. The Policies are placed on the properties as developed or acquired and are renewable annually. Environmental insurance policies are generally of three-year duration. There is no guarantee that such insurance can be renewed on terms acceptable to the Fund or at all.

***Disruptions in the global capital and credit markets may adversely affect the Fund's operating results and financial condition.***

Global market and economic conditions have been challenging with tighter credit conditions and slower growth in most major economies. Although signs of recovery may exist, there are continued concerns about deflationary pressures, the availability and cost of credit, any decline in the real estate market and geopolitical issues that contribute to increased market volatility and uncertain expectations for the global economy. To the extent there is turmoil in the financial markets, it has the potential to materially affect the value of the Fund's properties, the availability or the terms of financing that the Fund has or may anticipate utilising, the Fund's ability to make

principal and interest payments on, or refinance any outstanding debt when due and may impact the ability of the Fund's customers to enter into new leasing transactions or satisfy rental payments under existing leases.

Any additional, continued or recurring disruptions in the capital and credit markets may adversely affect the Fund's business, financial condition, results of operations and cash flow, which could have a material adverse effect on the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***COVID-19 and disruption in the markets.***

The ongoing global outbreak of a novel strain of coronavirus ("COVID-19") has disrupted financial markets, and the outbreak's economic long term impact, including on the Fund's business, is uncertain. In March 2020, the outbreak was declared to be a pandemic by the World Health Organisation. Existing customers and potential customers of the Fund's logistics properties could be adversely affected by a slowdown in economic activity and may also experience disruption to their business caused by the outbreak, which could in turn have a negative impact on the Fund's business.

The value of the Fund's portfolio was negatively impacted in the second quarter of 2020 during the coronavirus outbreak but since then has increased again. The extent to which the outbreak further impacts the Fund's financial condition, results of operations, cash flow and prospects will depend on future developments, which are highly uncertain and cannot be predicted. Those developments may include new information which may emerge concerning the severity of the coronavirus, the duration and spread of the outbreak, the actions to contain the coronavirus or treat its impact, its impact on the Fund's customers and vendors, and governmental, regulatory and private sector responses, which may be precautionary, to the coronavirus. Any prolonged economic downturn, escalation of the coronavirus outbreak or disruption in the functioning of the capital markets and/or the markets in which the Fund operates may adversely affect the Fund's financial condition, results of operations, cash flow and prospects and, consequently, the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable, could be adversely affected.

***The Fund is exposed to various environmental risks that may result in unanticipated losses that could affect its operating results and financial condition.***

Under various laws and regulations, a current or previous owner, developer or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under, in or emanating from its property. The costs of removal or remediation of such substances could be substantial. A current or previous owner could also be liable in respect of damages to persons who are exposed to hazardous or toxic substances at, on, under, in or emanating from its property, and a current or previous owner of property from which hazardous or toxic substances have migrated or are migrating may be liable in respect of damages to owners of properties to which such substances have migrated or are migrating. Such damages could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. If the Fund were found to be liable for any such removal or remediation costs or damages, the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable, could be adversely affected.

Environmental laws in some countries also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of the Fund's properties are known to contain asbestos-containing building materials.

In addition, some of the Fund's properties are leased or have been leased, in part, to owners and operators of businesses that use, store or otherwise handle petroleum products or other hazardous or toxic substances, creating a potential for the release of such hazardous or toxic substances. Further, certain of the Fund's properties are on, adjacent to or near other properties that have contained or currently contain petroleum products or other hazardous or toxic substances, or upon which others have engaged, are engaged or may engage in activities that may release such hazardous or toxic substances. From time to time, the Fund may acquire properties, or interests in properties, with known adverse environmental conditions where it believes that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In connection with certain divested properties, the Fund has agreed to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

The Fund purchases various limited environmental insurance policies to mitigate its exposure to environmental liabilities, but there may be risks that are not covered by such insurance or which exceed the policy limits of such insurance. While environmental investigations indicate that there are hazardous or toxic substances at, on, under, in or emanating from some of its properties, the Management Company is not aware of any environmental liability that it believes would have a material adverse effect on its business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable. However, the Management Company cannot give any assurance that other such conditions do not exist or may not arise in the future. The presence of such substances on the Fund's real estate properties could adversely affect its ability to lease, develop or sell such properties or to borrow using such properties as collateral and may have an adverse effect on the Fund's business, financial condition, results of operations, distributable cash flow and therefore the ability of the Issuer and/or Guarantor to service their obligations under the Notes or the Guarantee, as applicable.

Moreover, the Fund is subject to the risk that environmental laws and regulations may become more onerous over time, which could in turn create additional costs and limit the Fund's future activities.

***The Fund is subject to governmental regulations and actions that could, in the future, materially affect its operating results and financial condition.***

As the owner of the distribution facilities in Europe, the Fund is subject to a wide range of European Union and, as a result of the United Kingdom leaving the European Union, United Kingdom, national and local laws and regulations. These include zoning, health and safety, environmental, tax, planning, foreign ownership limitations and other laws and regulations. The Fund is a regulated entity and is subject to the supervision of the Luxembourg *Commission de Surveillance du Secteur Financier*. Changes in these laws and governmental regulations, or their interpretation by agencies or the courts, could occur. Such regulatory changes and other economic and political factors, including civil unrest, governmental changes and restrictions on the ability to transfer capital in the foreign countries in which the Fund has invested, could have a material adverse effect on the Fund's operating results, financial condition and/or the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable.

***The valuation of the Fund's property is uncertain and is based on assumptions which may prove to be inaccurate.***

The Fund's properties will be valued by independent appraisers on behalf of the Fund in accordance with the Fund's appraisal policy. Under the Fund's appraisal policy, each of the properties is appraised on a quarterly basis. The Management Company, in its discretion, may increase the frequency of appraisals to the extent that it determines there has been a change in the general economic situation or in the condition of the relevant properties or property rights held by the Fund. The appraised values obtained for the Fund's properties are used in connection with determining the Fund's net asset value. An appraised value is only an estimate of the fair value of a property and is not a precise measure of the value that may be obtained in connection with a free market sale of that property. Valuers rely on a variety of assumptions when appraising properties, including that



each property has a good and marketable title, that there are no encumbrances or restrictions of an onerous nature on the property, and that the tenants are capable of meeting their financial obligations, among others. Ultimate realisation of the market value of a property depends to a great extent on economic and other conditions beyond the control of the Fund and the Management Company, including, without limitation, the availability of financing on terms acceptable to potential purchasers, general market conditions and the financial condition of the property's customers.

Further, valuations do not necessarily represent the price at which a property could be sold given that market prices of the Fund's distribution facilities can only be determined by negotiation between a willing buyer and seller. If the Fund were to liquidate a particular distribution facility, the realised value could be more than or less than the appraised value of such distribution facility. In calculating appraised values, appraisers typically take into account a number of factors, including, without limitation, the financial aspects of a property, market transactions, the relative yield for an asset measured against alternative investments as well as a discounted cash flow analysis for the asset, the estimated replacement cost of the asset and the asset's location and other relevant structural characteristics. In periods of economic volatility in which there is a perceived greater uncertainty as to fair value estimates and fewer comparable transactions against which to measure fair value, the difference between an appraised value for a real estate asset and the ultimate market value for that asset may increase. Further, relative uncertainty as to cash flows in a distressed market can adversely affect the reliability of an appraisal. Consequently, the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable, could be adversely affected.

***The Fund's consolidated statement of financial position and consolidated statement of comprehensive income may be significantly affected by fluctuations in the fair market value of the Fund's properties as a result of revaluations.***

The Fund's properties are independently re-valued on a quarterly basis, and any increase or decrease in the value of its properties is recorded in the Fund's statement of comprehensive income and statement of financial position in the period during which the revaluation occurs. As a result, the Fund can have significant non-cash gains and losses from period to period, depending on the change in fair market value of its properties, whether or not such properties are sold. Any such fluctuations could have an adverse impact on the Fund's business, financial condition and/or results of operations.

***The Fund has exposure to risks in relation to the Eurozone.***

Concerns regarding the sovereign debt of various Eurozone countries have given rise to concerns about sovereign defaults, the possibility that further countries might leave the European Union or the Eurozone, and various proposals for support of affected countries and the Euro as a currency. The outcome of this situation or similar concerns in the future cannot yet be predicted. Sovereign debt defaults, and European Union and/or Eurozone exits, could have material adverse effects on the Fund's ability to make investments, including but not limited to the availability of credit to acquire or dispose of properties and to support portfolio companies' financing needs, uncertainty and disruption in relation to financing, customer and supply contracts denominated in Euro, and wider economic disruption in markets served by those companies, while austerity and other measures introduced in order to limit or contain these issues may themselves lead to economic contraction and resulting adverse effects for the Fund and its investments. The Fund's functional currency is Euro, as are likely to be the majority of its investments, and legal uncertainty about the satisfaction of obligations to fund commitments in Euro following any breakup of or exits from the Eurozone (particularly in the case of investors or investments domiciled in affected countries) could also have material adverse effects on the Fund, and consequently the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable, could be adversely affected.

***The Fund faces risks associated with the use of debt to fund its business activities, including refinancing and interest rate risks, and its operating results and financial condition could be adversely affected if the Fund is unable to make required payments on its debt or is unable to refinance its debt.***

The Fund is subject to risks normally associated with debt financing, including the risk that its cash flow will be insufficient to meet required payments of principal and interest. There can be no assurance that the Fund will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favourable as the terms of the maturing indebtedness, or that the Fund will be able to otherwise obtain funds by selling assets or raising capital to make required payments on maturing indebtedness. If the Fund is unable to refinance its indebtedness at maturity or meet its payment obligations, the amount of its distributable cash flow, operating results and its financial condition would be adversely affected and, if the maturing debt is secured, the lender may foreclose on the property securing such indebtedness.

The Fund currently has, as at the date of this Base Prospectus, revolving credit facilities with a total capacity of €600 million. As at 31 December 2020, the full facility totalling €600 million was available under the Fund's unsecured credit facilities.

Increases in interest rates would increase the Fund's interest expense under all of the above agreements and in respect of which payments are required at variable rates of interest. See also – "Fluctuations and changes in interest rates may cause losses" below.

***Covenants in the Fund's credit agreements and debt securities could limit its flexibility and breaches of these covenants could adversely affect its financial condition.***

The terms of the Fund's various credit agreements, including the senior revolving credit facilities and term loans, the Issuer's €300,000,000 2.875 per cent. Guaranteed Notes due 2022 and issued on 2 April 2014, the Issuer's €300,000,000 1.876 per cent. Guaranteed Notes due 2025 and issued on 17 April 2015, the Issuer's €300,000,000 1.750 per cent. Green Bonds due 2028 and issued on 15 March 2018, the Issuer's €300,000,000 2.375 per cent. Green Bonds due 2030 and issued on 14 November 2018, the Issuer's €450,000,000 0.875 per cent. Green Bonds due 2029 and issued on 9 July 2019, the Issuer's €500,000,000 1.625 per cent. Green Bonds due 2032 and issued on 17 June 2020 and the Issuer's €500,000,000 0.750 per cent. Green Bonds due 2033 and issued on 23 March 2021 (together, the "Issuer's Outstanding Notes"), require the Fund to comply with a number of customary financial covenants, such as maintaining debt service coverage, leverage ratios, fixed charge ratios and other operating covenants including maintaining insurance coverage. These covenants may limit the Fund's flexibility in its operations, and breaches of these covenants could result in defaults under the relevant agreements or instruments governing the applicable indebtedness. If the Fund defaults under the covenant provisions and is unable to cure the default, refinance the indebtedness or meet payment obligations, the Issuer's and/or the Guarantor's ability to service their obligations under the Notes or the Guarantee, as applicable, could be adversely affected.

***Adverse changes in the Fund's credit ratings could negatively affect its financing activity.***

The Fund's credit ratings are based on its operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses of the Fund. The Fund's credit ratings can affect the amount of capital it can access, as well as the terms and pricing of any debt the Fund may incur. There can be no assurance that the Fund will be able to maintain its current credit ratings, and in the event its credit ratings are downgraded, the Fund would likely incur higher borrowing costs and may encounter difficulty in obtaining additional financing. Also, a downgrade in the Fund's credit ratings may trigger increased costs under the Fund's current and future credit facilities and debt instruments. Adverse changes in the Fund's credit ratings could negatively impact its refinancing and other capital market activities, its ability to manage debt maturities, its future growth, its financial condition, and its development and acquisition activity.

***Annualised rental income may not reflect actual results.***

Annualised rental income figures and annualised average rents per square metre figures provided in this Base Prospectus are presented for illustration only and may not reflect the Fund's actual results, which could differ significantly. Among other factors, the termination of leases, the Fund's inability to renew leases or replace existing customers on comparable terms, changes in economic conditions and other factors described in this section of this Base Prospectus may affect the Fund's actual results and may cause actual results to differ from annualised amounts, possibly significantly.

***Changes in the Fund's tax structure could have a material adverse effect on the Fund's financial condition or prospects.***

The Fund holds its Portfolio through a number of subsidiaries and other investment vehicles and has structured its investments in a manner that is designed to be tax-efficient, in particular with respect to the distribution of cash flow to the Guarantor by its subsidiaries. Maintaining a tax-efficient structure is an important factor affecting operating results. Tax charges and withholding taxes in various jurisdictions in which the Fund may invest will affect the level of intercompany loan principal and interest payments, distributions or other payments made to the Fund. Changes in tax laws, regulations or interpretations by tax authorities could increase tax liabilities or affect the value of investments held by the Fund and require changes in the Fund's structure, which could negatively affect the ability of the Issuer and/or Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable. No assurance can be given as to the level of taxation incurred by the Fund or its investments in the future.

***The Fund may be jointly held liable to French 3 per cent. tax.***

According to article 990D et seq. of the French Tax Code, legal entities, organisations, trusts or similar institutions which directly or indirectly own real estate assets or certain rights over real estate assets located in France are liable for an annual tax equal to 3 per cent. of the market value of French real estate or rights over such real estate that they own ("**French 3 per cent. tax**"). The Fund is not listed on a recognised stock exchange and will therefore not qualify for the listing exemption (Article 990E 2° b of the French Tax Code). Accordingly, any unitholder in the Fund will not automatically be exempt from French 3 per cent. tax in respect of its interest in the Fund, although other exemptions may apply to that unitholder.

If a unitholder in the Fund should fail to qualify for one of the exemptions from the French 3 per cent. tax, or should fail to fulfil its obligations in respect of filings and payment of the 3 per cent. annual tax ("**Non-Exempt Unitholder**"), this would potentially generate a tax liability for the Fund or any of its subsidiaries in the ownership chain of the French real estate, which could adversely affect the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable.

***The Fund may be subject to litigation in the course of its business.***

In the ordinary course of its business, the Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any such litigation may consume substantial amounts of the Management Company's time and attention and that time and the devotion of these resources to such litigation may, at times, be disproportionate to the amounts at stake in the litigation, which in turn, could, if adversely determined, affect the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable.

***The Fund may increase its leverage in the future; changes in available terms for debt financing or refinancing (including increases in interest rates) could have a material adverse effect on the Guarantor and its ability to service its obligations under the Guarantee.***

The Fund has significant amounts of indebtedness outstanding, with approximately €2,781 billion of gross debt (total proceeds from borrowings) outstanding at 31 December 2020, and it may, subject to the Fund's applicable investment policy and investment restrictions, increase the amount of its borrowings in the future. Additional

borrowing may be required, among other things, to make further investments in distribution facilities and to refinance the current portion of outstanding debt. As a result, the Management Company expects the Fund's total indebtedness as a percentage of total assets may increase to a limited extent, which would result in higher financing costs and would increase financing and refinancing risks.

Due to its existing debt and potential additional borrowings, including borrowings represented by outstanding notes issued by the Issuer and further Notes to be issued under the Programme, the Fund is subject to the risks associated with debt financing, including the risks that available funds will be insufficient to meet required payments and the risk that existing indebtedness will not be refinanced or additional debt obtained or that the terms of such refinancing or additional debt will not be as favourable as the terms of existing indebtedness. In particular, the Fund will require additional debt facilities to finance its expected investments. These facilities may not be available in the amounts or on terms that are as favourable as the Fund's current facilities.

Certain debt of the Fund and its subsidiaries is secured by real estate owned by such subsidiaries or related collateral. As is the case in secured debt financings, to the extent the Fund's subsidiaries are unable to meet required payments, pledged assets, such as the real estate, could be transferred to the lender with a consequent loss of such assets. This secured debt is non-recourse to the Fund (except with respect to the assets over which security is granted).

The extent of the Fund's borrowings depends on the Fund's ability to obtain credit facilities and lenders' estimates of the amounts and stability of the Fund's cash flow. The Fund's return on investments and its cash flow may be reduced to the extent that changes in market conditions cause the cost of its borrowings to increase relative to the value of the income that can be derived from the Portfolio or if the financing costs for additional debt exceed the income received by the Fund from the investments funded with the additional debt, and the Guarantor's ability to service its obligations under the Guarantee or the Issuer's ability to service its obligations under the Notes may therefore be adversely affected. Due to its significant borrowings and reliance on income from the Portfolio to service these borrowings, the Fund may not be able to meet its debt service obligations, and, to the extent that it cannot, it risks the loss of some or all of its assets to foreclosure or sale to satisfy its debt obligations.

***The Fund may not meet the cash flow requirements to service its indebtedness.***

If sufficient cash flow is not available at the maturity date or interest payment date (as applicable) of any potential credit agreements or other indebtedness, including the Notes, incurred by the Fund, the Fund may be forced to prematurely sell certain of the distribution facilities on terms disadvantageous to it, and the Fund's remaining portfolio may not share the general characteristics of the Fund's portfolio before such sales. A default in paying principal and interest under the property level mortgages could result in enforcement of any security instrument securing the debt and the complete loss of the capital invested in the particular distribution facility or distribution facilities related to the debt. Accordingly, any such default would adversely affect the Fund's business, financial condition, results of operations, cash flow and could adversely affect the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable.

***The Fund's debt agreements contain covenants that may limit the flexibility of the Fund's operations.***

The terms of the Fund's credit agreements and other indebtedness may require that the Fund comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit flexibility in the Fund's operations, and its failure to comply with these covenants could cause a default under the applicable debt agreement even if it has satisfied its payment obligations. Certain of the Fund's indebtedness may be cross-collateralised to the extent permitted by applicable law. If the Fund defaults on any of these loans, it may then be required to repay such indebtedness, together with applicable prepayment charges, to avoid foreclosure on all the cross-collateralised assets within the applicable pool. Foreclosure on any of the Fund's assets, or the Fund's inability

to refinance its loans on favourable terms, could adversely impact the Fund's business, financial condition, results of operations, cash flow and/or adversely affect the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable. In addition, the Fund's credit agreements may contain certain cross-default provisions, which would be triggered in the event that its other material indebtedness is in default. These cross-default provisions could require the Fund to repay or restructure indebtedness under such credit agreements in addition to any mortgage or other debt that is in default, which could adversely affect the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable.

***The Fund is exposed to Foreign Currency (defined as currencies not denominated in Euro) exchange rate fluctuations, and there can be no assurance that its Foreign Currency hedging strategy will be effective.***

The Fund is subject to fluctuations in Foreign Currency exchange rates as a consequence of the revenues of its property-owning subsidiaries being denominated in currencies other than the Euro. In particular, the Fund has a material interest in distribution facilities in the United Kingdom resulting in Sterling exposure. However, the Fund has borrowings in local currency to create a natural hedge and mitigate currency fluctuations. Further, the Fund has a material interest in non-Euro countries in Central and Eastern Europe. Although those countries have stated plans and intentions to join the Eurozone at various future points in time, there can be no assurance that those times or plans will be met. Although the Fund has historically been successful in negotiating leases in these countries using the Euro as a base currency, there can be no assurance the customers will continue to accept that practice. As such, the Fund may enter into derivative transactions for hedging purposes to mitigate risks resulting from fluctuations in Foreign Currency exchange rates. Hedging arrangements involve risks, such as the risk that counterparties may fail to honour their obligations under these arrangements. The funds required to settle such arrangements could be significant depending on the stability and movement of foreign currency. There can be no assurance that its Foreign Currency hedging strategy will be effective or that, when such derivative transactions expire, they could be renewed on acceptable terms or at all.

As a result, the Fund's financial condition, results of operations and cash flow could be adversely affected by hedged and unhedged Foreign Currency fluctuations if the Fund is required to exchange a Foreign Currency to Euro (for financial reporting purposes or on a cash basis), in particular from Sterling to Euro, at a time when Foreign Currency exchange rates are not favourable, and it has not been able to enter into appropriate hedging arrangements in respect thereof.

***Fluctuations and changes in interest rates may cause losses.***

Some indebtedness of the Fund will bear interest at a variable rate. Changes in interest rates could have an adverse effect on the Fund's ability to obtain loans and other financings on favourable terms. Although interest rates have remained low over the past several years, there can be no assurance that interest rates will not increase.

The Fund historically has incurred significant third party debt to leverage the Portfolio with the aim of increasing returns. It has relied on its ability to generate rental yields in excess of financing costs to make leveraged acquisitions profitable. Increases in interest rates would be likely to have a material adverse effect on the Portfolio, and there can be no assurance that such interest rates will not rise in the future. Increases in interest rates could have an adverse effect on the Fund's financial conditions, results of operations, cash flow and the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable. In addition, the Fund may enter into interest rate and cross currency swaps and other arrangements to seek to preserve a return on a particular investment. Such transactions have special risks associated with them, including the possible default by the counterparty relating thereto. Although the transactions may reduce the Fund's exposure to decreases in the value of investments, the costs associated with these arrangements may reduce the returns that the Fund would have otherwise achieved if these transactions were not entered into by the Fund.

***Uncertainty regarding the effects of Brexit could adversely affect the Fund and the value of Notes.***

The value of the Fund's portfolio in the United Kingdom was negatively impacted in the second quarter of 2020, which reflects the decrease in value of the rest of the Fund's portfolio during the coronavirus outbreak. The value of the Fund's United Kingdom portfolio has since increased again, but at a slower pace than the rest of the Fund's portfolio. Vacancy in the United Kingdom remains low driven by healthy domestic demand and accelerated structural trends.

The United Kingdom's exit from the European Union ("**Brexit**") has caused and may continue to cause significant political and economic uncertainty, which could negatively affect taxes and costs of business (including changes to the taxes and costs on imports and exports and the time taken to move goods between the United Kingdom and European Union or changes to product regulation); cause volatility in currency exchange rates, interest rates, and European Union, United Kingdom or worldwide political, regulatory, economic or market conditions; and contribute to instability in political institutions, regulatory agencies, and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as the new relationship between the United Kingdom and European Union continues to be defined. Any of these effects of Brexit, and others that cannot be anticipated, could adversely affect the Fund's operations within Europe and in turn adversely affect the value of any Notes issued under the Programme. Any of these events may adversely affect the Fund's financial condition, results of operations, cash flow and prospects and, consequently, the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable, could be adversely affected.

***The Fund relies on key personnel, the Management Company and the Managers.***

The Fund depends significantly on the efforts and abilities of the Managers (as defined in "Management – The Management Company"), the officers and employees of (or otherwise provided by) the Management Company and the Investment Managers (as defined in "Management – The Investment Managers"). The Fund does not maintain insurance against the loss of these persons' services. The loss of these persons' services could have a material adverse effect on the Fund. Consistent with past practice, there are no service agreements in place between the Managers and the Fund, and as a result any of the Managers could be replaced or moved to another position within Prologis without the consent of the Fund. Whilst the Fund believes that it could find suitable employees to meet its personnel needs, the loss of key personnel, any change in their roles or the limitation of the availability could adversely affect the Fund's business, financial condition, results of operations, cash flow and/or the ability of the Issuer and/or the Guarantor to service their obligations under the terms of the Notes or the Guarantee, as applicable. If Prologis is unable to continue to attract and retain its executive officers, the Fund's performance and competitive position could be adversely affected.

***The Fund is exposed to the potential impacts of future climate change and climate change-related risks.***

The Fund considers that it is exposed to potential physical risks from possible future changes in climate. The Fund's distribution facilities may be exposed to rare catastrophic weather events, such as severe storms and/ or floods. If the frequency of extreme weather events increases due to climate change, the Fund's exposure to these events could increase.

The Fund does not currently consider itself to be exposed to regulatory risks related to climate change, as its operations do not emit a significant amount of greenhouse gases. However, the Fund may be adversely impacted as a real estate developer in the future by potential impacts to the supply chain and/or stricter energy efficiency standards for buildings.

***The Fund is subject to evolving regulatory risks of private investment funds.***

The operation of the Fund and the consequences of an investment in the Fund are substantially affected by legal requirements, including requirements imposed by the securities laws and companies laws in various jurisdictions, including Luxembourg. No assurance can be given that future legislation, administrative rulings

or court decisions will not adversely affect the operation of the Fund. These changes could adversely affect the Issuer's and/or the Fund's ability to service their obligations under the Notes or the Guarantee, as applicable, and result in increased expenses to be borne by the Fund.

### **Risk Factors Relating to the Fund's Relationship with Prologis**

#### ***The Fund may face competition from Prologis or its affiliates.***

Prologis and other funds managed by Prologis may have investment objectives and policies comparable to those of the Fund and may be in competition with the Fund. In particular, the Fund's distribution facilities may face competition from other distribution facilities developed or redeveloped by Prologis, whether currently existing or developed in the future, on properties adjacent to the Fund's distribution facilities. Competition with Prologis-developed distribution facilities not owned by the Fund could have a material adverse effect on the rental income of the Fund in relation to any affected distribution facility.

#### ***The interests of Prologis may not always be aligned with the interests of the Fund.***

Prologis owns a substantial percentage of the equity capital invested in the Fund. The Fund believes that Prologis' interests are aligned with the interests of the Fund, but notwithstanding this alignment of interests, Prologis Parties occupy key positions in respect of the operations of the Fund including the Management Company, Managers, Investment Managers and contributing parties under the acquisition framework agreement between the Management Company for and on behalf of the Fund and Prologis, L.P. effective from 1 October 2017 and accordingly conflicts of interest may exist over which Prologis has influence.

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

#### ***The Issuer is a special purpose financing entity with no direct operations.***

The Issuer is a special purpose financing entity with no business operations other than the issuance of debt securities and the lending of the proceeds to the Fund (or other entities within the Group (the "**relevant entities**")). The Issuer's only material assets are the relevant entities' obligation to repay the loan(s) by which the proceeds of the Notes are on-lent. Therefore, the Issuer is subject to all risks to which the Fund and the relevant entities are subject, to the extent that such risks could limit the Fund's or the relevant entities' ability to satisfy in full and on a timely basis its obligations under such loan(s).

#### ***The Guarantor is an investment fund and payments under the Guarantee are effectively subordinated to liabilities and obligations of the Guarantor's subsidiaries.***

The Guarantor's ability to make payments under the Guarantee will depend upon the receipt by it of dividends, distributions, interest payments and/or advances from the Guarantor's wholly or partly owned subsidiaries and associated companies. The ability of such companies to pay dividends and other amounts to the Guarantor may be subject to their profitability and to applicable restrictions on the payment of dividends and other amounts contained in relevant financing or other agreements to which those subsidiaries are party. Claims of creditors of such companies will have priority as to the assets of such companies over the Guarantor and its creditors, including holders of the Notes, and therefore Noteholders are effectively subordinated to all claims in respect of existing and future liabilities and obligations of each of the Guarantor's subsidiaries, other than the Issuer. As at 31 December 2020, the Fund had gross debt (total proceeds from borrowings) including both secured and unsecured indebtedness of approximately €2,781 billion.

#### ***The Guarantor's ability to service its obligations under the Guarantee will depend on payments made to it by its subsidiaries.***

In order to service its obligations under the terms of the Guarantee, the Guarantor depends on intercompany loan payments, distributions and other payments from its subsidiaries that hold distribution facilities, as the Guarantor holds no distribution facilities directly. The ability of the Guarantor's subsidiaries to make distributions of cash held by them to the Guarantor may be limited by applicable law, the terms of their

financings, or for other reasons. These factors may negatively affect the amounts that are available to the Guarantor to service its obligations under the Guarantee.

***The Fund's financial performance and other factors could adversely impact the Issuer's ability to make payments on the Notes.***

The Issuer's ability to make scheduled payments with respect to the Issuer's indebtedness, including the Notes, will depend on the Fund's financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors, some of which may be beyond the Issuer's or the Fund's control.

***The Notes will be pari passu with the Issuer's other unsecured senior indebtedness and effectively be subordinated to the Issuer's secured indebtedness and other secured liabilities and to the indebtedness and other liabilities of any subsidiary of the Issuer.***

The Notes will be direct, unsecured and unsubordinated obligations of the Issuer. The Notes will rank *pari passu* with all of other unsecured and unsubordinated indebtedness and other obligations of the Issuer outstanding from time to time. The Notes will be effectively subordinated to all secured indebtedness and other secured liabilities of the Issuer (to the extent of the assets securing such indebtedness and other liabilities) as well as to claims of creditors of any subsidiary (if any). Although the covenants described under "Terms and Conditions of the Notes—Covenants—Limitations on incurrence of debt" impose certain limitations on the incurrence of additional indebtedness, the Issuer will retain the ability to incur substantial additional secured and unsecured indebtedness and other liabilities in the future that rank senior to or *pari passu* with the Notes. At 31 December 2020, the Issuer had approximately €2.2 billion of indebtedness (debenture loans), all of which is unsecured. This debt is unsubordinated.

The Notes will be effectively subordinated to all of the secured and unsecured indebtedness and other liabilities of the Issuer's subsidiaries (if any). At the date of this Base Prospectus, the Issuer has no subsidiaries.

***The Guarantee will be pari passu with all of the Guarantor's other unsecured senior indebtedness and effectively subordinated to the Guarantor's secured indebtedness and other secured liabilities and to the indebtedness and other liabilities of any subsidiary of the Guarantor, other than the Issuer.***

The Guarantee will be an unsecured and unsubordinated obligation of the Guarantor. The Guarantee will rank *pari passu* in right of payment with all current and future unsecured and unsubordinated indebtedness and other obligations of the Guarantor outstanding from time to time, including borrowings by the Guarantor under the Fund's existing senior revolving credit facilities and term loans, the Issuer's Outstanding Notes and unsecured guarantees by the Guarantor of indebtedness of its subsidiaries.

Noteholders will be effectively subordinated to all secured indebtedness and other secured liabilities of the Guarantor (to the extent of the assets securing such indebtedness and other liabilities). At 31 December 2020, the Fund had approximately €506.4 million of secured gross indebtedness.

Although the covenants described under "Terms and Conditions of the Notes—Covenants—Limitations on incurrence of debt" impose certain limitations on the incurrence of additional indebtedness, the Guarantor will retain the ability to incur substantial additional secured and unsecured indebtedness and other liabilities in the future that rank senior to or *pari passu* with the guarantee. At 31 December 2020, the Fund's unsecured gross indebtedness totalled approximately €2,275 million. This debt is unsubordinated and mainly arose out of the guarantee by the Fund of indebtedness of the Issuer under the Issuer's Outstanding Notes.

Noteholders are effectively subordinated to all claims in respect of existing and future liabilities and obligations of each of the Guarantor's subsidiaries, other than the Issuer.



***The market price of the Notes may be volatile.***

The market price of the Notes will depend on many factors that may vary over time and some of which are beyond the Issuer's control, including:

- the Fund's financial performance;
- the amount of indebtedness the Fund has outstanding;
- market interest rates;
- the market for similar securities;
- competition;
- the size and liquidity of the market for the Notes; and
- general economic conditions.

As a result of these factors, an investor may only be able to sell its Notes at prices below those it believes to be appropriate, including prices below the price paid for them.

***An increase in interest rates could result in a decrease in the relative value of the Notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value. Consequently, if an investor purchases Notes with a fixed interest rate and market interest rates increase, the market value of its Notes may decline. The future level of market interest rates cannot be predicted and so the future market value of the Notes is uncertain.

***Ratings of the Notes may not reflect all risks of an investment in the Notes.***

The Programme and Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme and/or the Guarantor. Any rating is not a recommendation to purchase, sell or hold the Notes. These ratings do not correspond to market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety. As a result, the ratings of the Notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the Notes.

Although the Programme has been assigned a credit rating, there is no obligation on the Issuer or the Fund to maintain such credit rating and as a result the Programme and Notes to be issued under the Programme may become unrated.

***The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.***

In certain circumstances (including giving of notice to the Issuer pursuant to Condition 11 and taking enforcement steps as contemplated in Condition 13 (see "Terms and Conditions of the Notes"), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

***Calculation Agent Discretions and Conflict of Interest; Determination Agent.***

Under the Terms and Conditions of the Notes, the Calculation Agent may make certain determinations in respect of the Notes, which could affect the amounts payable by the Issuer on the Notes. The Terms and Conditions of the Notes will specify the circumstances in which the Calculation Agent will be able to make such determinations and adjustments. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

For some Series of Notes, the Issuer or one of its affiliates may be appointed as Calculation Agent (as specified in the relevant Final Terms). In such cases, potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and the Noteholders. Prospective investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Notes.

Equivalent considerations apply in the context of any determination made by the Determination Agent of the Make-Whole Amount, should "Make-Whole Amount" be specified in the applicable Final Terms and the early redemption option be exercised, save that the Determination Agent must be independent of the Issuer as provided in the Terms and Conditions of the Notes.

***Variable Rate Notes.***

Notes with variable rates of interest can be volatile investments. If such Notes are structured to include margins, caps or floors, a rate of interest equal to a fixed rate minus a rate based upon a reference rate such as LIBOR, a rate that the Issuer may convert from a fixed rate to a floating rate or vice versa or any combination of such features, their market value may be even more volatile than those of securities that do not include such features.

In particular:

- (a) in the case of Notes with an inverse floating rate, an increase in the reference rate not only decreases the interest rate of such Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of such Notes; and
- (b) in the case of Notes with a fixed/floating or floating/fixed rate of interest, the Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing and may be lower than prevailing rates on other securities.

***Notes Issued at a Substantial Discount or Premium.***

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

***Benchmarks Regulation.***

The London Interbank Offered Rate ("LIBOR"), Euro Interbank Offered Rate ("EURIBOR") and other reference rates which are deemed to be "benchmarks" are the subject of recent international, national and other regulatory discussions and proposals for reform. Some of these reforms are already effective while others are still to be implemented, and include the introduction of "risk free" rates such as €STR. These reforms may cause some benchmarks to perform differently from the past or disappear entirely, or have other consequences that

cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark. Certain risks relating to such benchmarks are described below.

Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (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). Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Floating Rate Notes which specify Screen Rate Determination in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, where the applicable Original Reference Rate is deemed to be a benchmark, particularly if the methodology or other terms of such benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. 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.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in certain benchmarks; or (iii) lead to the discontinuation or unavailability of quotes of certain benchmarks. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Notes linked to a benchmark.

Investors should consult their own independent advisers and reach their own views about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation and applicable reforms prior to reaching any investment decision with respect to any Floating Rate Notes linked to a benchmark.

#### ***Discontinuation of LIBOR and EURIBOR.***

LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform. For example, in the UK, the UK Financial Conduct Authority (the “**FCA**”), which regulates LIBOR, announced, on 27 July 2017, that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and on 5 March 2021 confirmed that most LIBOR tenors would cease to be published and/or cease to be representative of their underlying market from the end of 2021 (in the case of GBP LIBOR) or June 2023 (in the case of USD LIBOR), meaning the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower

than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, UK, or any other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the trading market for, liquidity of, value of and return on any such affected Floating Rate Notes.

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

The potential elimination of an IBOR, or changes in the manner of administration of an IBOR, could require an amendment to the terms and conditions, or result in other consequences, in respect of any Notes referencing such IBOR (including, but not limited to, Floating Rate Notes whose interest rates are linked to an IBOR which may, depending on the manner in which such IBOR is to be determined under the terms and conditions, result in the effective application of a fixed rate based on the rate which applied in the last preceding Interest Determination Date for the relevant Notes (see Condition 6(b)(iii)(B)). Such factors may have the effect, amongst other things, of: (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 or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing a benchmark.

#### ***Benchmark Discontinuation.***

If a Benchmark Event (as defined in Condition 6(k)) (which, amongst other events, includes (i) the permanent discontinuation of an Original Reference Rate and (ii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable. The Independent Adviser shall endeavour to determine, in consultation with the Issuer, a Successor Rate or Alternative Rate and, in either case, an Adjustment Spread, to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. In particular, should a Benchmark Event occur as a result of the Original Reference Rate no longer being considered representative of its relevant underlying market, the rate of interest on the relevant Notes may therefore cease to be determined by reference to the Original Reference Rate, and instead be determined by reference to a Successor Rate or Alternative Rate, even if the Original Reference Rate continues to be published. Such rate may be lower than the Original Reference Rate for so long as the Original Reference Rate continues to be published, and the value of and return on the relevant Notes may be adversely affected.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may amend the Conditions and/or the Trust Deed,

as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread. The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes, including due to the possibility that a license or registration may be required under applicable legislation for establishing and publishing fallback interest rates.

Where the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in Condition 6(k).

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant Benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

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

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of floating rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the ISDA Definitions. Where the Floating Rate Option specified is an inter-bank offered rate ("IBOR"), the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or UK Benchmarks Regulation reforms in making any investment decision with respect to any Notes referencing a benchmark.

***The market continues to develop in relation to €STR as reference rates for Floating Rate Notes.***

The Programme provides for the issuance of Floating Rate Notes with interest determined on the basis of the reference rate €STR.

€STR is published by the European Central Bank and is intended to reflect the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. The European Central Bank reports that the €STR is published on each TARGET business day based on transactions conducted and settled on the previous TARGET business day (the reporting date "T") with a maturity date of T+1 which are deemed to have been executed at arm's length and thus reflect market rates in an unbiased way.

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

Furthermore, interest on Notes which reference Compounded Daily €STR is only capable of being determined at the end of the relevant Observation Period or Interest Period (as applicable) and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference Compounded Daily €STR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to, for example, EURIBOR-based Notes, if Notes referencing Compounded Daily €STR become due and payable as a result of an event of default under Condition 11 (Events of Default), or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

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

Prospective investors should consider these matters prior to reaching an investment decision with respect to Notes which reference Compounded Daily €STR.

***Notes subject to redemption at the option of the Issuer.***

An optional redemption feature, if specified in the relevant Final Terms, is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

***Modification, waivers and substitution.***

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

The Trust Deed also provides that the Trustee may, without the consent of the Noteholders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the Conditions of the Notes which, in each case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders (or, in the case of a modification, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error), (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such and (iii) the substitution of another company as principal debtor in place of the Issuer and/or as guarantor in place of the Guarantor, in each case in the circumstances described in the Conditions and the Trust Deed.

***Risk of the UK no longer being party to Brussels I Recast as a result of Brexit.***

Following the end of the transition period under the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union, Regulation (EU) 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (“**Brussels I Recast**”) no longer applies to UK or English court judgments, meaning that a judgment rendered against the Issuer or the Guarantor in an English court can no longer be recognised or enforced in EU courts (including in Luxembourg courts) under Brussels I Recast.

The UK has, on the other hand, acceded to the Hague Convention of 30 June 2005 on Choice of Court Agreements (the “**Convention**”) to give effect to the choice of jurisdiction agreement and to entitle recognition and enforcement of judgments in other States party to the Convention (the “**Contracting States**”) under the terms of the Convention. The Convention has a delimited material scope and is subject to key preconditions such as the presence of an exclusive choice of court agreement, meaning a two-way exclusive jurisdiction clause, in the relevant contractual agreement. In addition, the court being given exclusive jurisdiction must be a court of a Contracting State.

Furthermore, it cannot be ruled out that the Convention will conflict with other treaties in force for Contracting States.

Finally, there are some timing concerns as regard the coming into force of the Convention.

Two situations must hence be distinguished:

- Where the Convention applies, a final civil or commercial judgment obtained in the courts of England against the Issuer or the Guarantor will be enforceable in Luxembourg subject to the applicable enforcement proceedings provided for in the Convention.

- Where the Convention does not apply, for example in relation to asymmetrical jurisdiction clauses such as that contained in Condition 19 (Governing Law and Jurisdiction), the Trust Deed and the Notes, a final civil or commercial judgment obtained in the courts of England against the Issuer or the Guarantor will be enforceable in Luxembourg subject to Luxembourg ordinary rules on enforcement (*exequatur*) of foreign judgments as laid down in Article 678 of the *Luxembourg nouveau Code de procédure civile*. Pursuant to such rules, the District Court (*Tribunal d'Arrondissement*) will authorise the enforcement in Luxembourg of the judgment of the English court if it is satisfied that (i) such judgment is enforceable (*exécutoire*) in the UK, (ii) the jurisdiction of the English court is founded according to Luxembourg private international law rules and to applicable domestic English law jurisdiction rules, (iii) the English court has applied to the dispute the substantive law which would have been applied by Luxembourg courts, (iv) the principles of natural justice have been complied with and (v) the English judgment does not contravene Luxembourg international public policy. Luxembourg courts will not review the merits of the English judgment, even although there is no statutory prohibition of such review.

Accordingly, enforcing in Luxembourg a judgment rendered against the Issuer or the Guarantor by an English court will require the completion of potentially more burdensome proceedings compared to the situation prior to the end of the Brexit transition period referred to above.

***The proposed financial transactions tax.***

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has ceased to participate.

The initially proposed FTT had very broad scope, possibly applying to dealings in the Notes (including secondary market transactions) in certain circumstances. Other proposals advanced by different Participating Member States have since been discussed, none of which has however reached the necessary consensus. In light of ongoing negotiations between the Participating Member States, the scope of any such tax and its adoption are uncertain.

If the proposed directive or any similar tax was adopted and depending on the final terms and scope of the FTT, transactions on the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

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

***The Anti-Tax Avoidance Directive.***

Prospective holders of the Notes should be aware that the provisions of the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market, amended by the Council Directive (EU) 2017/952 of 29 May 2017, may impact the tax treatment of the Issuer or the Noteholders. Prospective holders of the Notes should consult their own professional adviser and obtain confirmation of the relevant tax treatment under such provisions.

***Limited Secondary Market.***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited



secondary market and more price volatility than conventional debt securities. Illiquidity may also affect the market value of Notes.

***Exchange Rate Risks and Exchange Controls.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. 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 (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) 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.

***Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets***

The Final Terms relating to any specific Tranche of Notes may provide that such Notes are intended to be ‘Green Bonds’, which may include sustainable, green or environmental Notes (together, “**Green Bonds**”). The Issuer and the Guarantor intend to allocate an amount equivalent to the net proceeds from each issuance of Green Bonds to finance assets, projects and expenditures with a positive sustainability, environmental or green impact (“**Eligible Green Projects**”), in line with any green bond framework(s) that the Issuer, Guarantor or any of their affiliates may publish from time to time (including the Prologis Green Bond Framework (as defined in the section entitled “*Prologis Green Bond Framework*” below)) and/or which the Issuer and the Guarantor expect will substantially adhere to the Green Bond Principles published by the International Capital Market Association (“**ICMA**”) from time to time (the “**ICMA Green Bond Principles**”). A prospective investor should have regard to such green bond framework(s) of the Issuer, Guarantor or any of their affiliates and determine for itself the relevance of such information for the purpose of an investment in Green Bonds with any other investigation it deems necessary.

There is currently no clearly defined legal, regulatory or other definition of a “green bond”, “sustainable”, “environmental” or market consensus on what precise attributes are required for a particular asset or project to be defined as ‘green’ or ‘sustainable’, nor can any assurance be given that such a clear definition or consensus will develop over time. A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the “**Sustainable Finance Taxonomy Regulation**”) on the establishment of a framework to facilitate sustainable investment (the “**EU Sustainable Finance Taxonomy**”). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation. No assurance is or can be given to investors that any Eligible Green Projects will satisfy any requisite criteria determined under the Sustainable Finance Taxonomy Regulation or within the EU Sustainable Finance Taxonomy at any time, or otherwise meet any or all investor expectations regarding such ‘green’, ‘sustainable’ or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any Eligible Green Projects.

No assurance is given by the Issuer, the Guarantor or the Dealers that the use of the proceeds of each issue of Green Bonds will satisfy, whether in whole or in part, any present or future investor expectations or

requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Each prospective investor should seek advice from their independent financial adviser or other professional adviser and have regard to any green bond framework(s) that the Issuer, Guarantor or any of their affiliates may publish from time to time to determine for itself the relevance of the information contained in this Base Prospectus and any applicable Final Terms regarding the use of proceeds and its purchase of each of the Green Bonds, based upon such investigation as it deems necessary.

Although Eligible Green Projects may be selected in accordance with the categories recognised by the ICMA Green Bond Principles and may be developed in accordance with the relevant legislation and standards (such as the EU Green Bonds Standards), there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the Eligible Green Projects. In addition, where negative impacts are insufficiently mitigated, the Eligible Green Projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

Any failure to use an amount equivalent to the net proceeds from any Green Bonds on Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally focussed investors with respect to any Green Bonds may affect the value of such Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

While it is the intention of the Issuer and the Guarantor to apply the proceeds of any Green Bonds in the manner described in this Base Prospectus and any applicable Final Terms and the Issuer and the Guarantor may agree at the time of each issue of Green Bonds to certain reporting and use of proceeds, it would not be an Event of Default under the Conditions of the Green Bonds (or otherwise give rise to any claims to the Noteholders), if the Issuer and the Guarantor were to fail to comply with such obligations. Any failure to apply the proceeds of any issue of Green Bonds for Eligible Green Projects and/or withdrawal of any second party opinion or certification as described above or any such second party opinion or certification attesting that the Issuer or the Guarantor is not complying in whole or in part with any matters for which such second party opinion or certification is opining or certifying on and/or the Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Green Bonds and their trading market.

In addition, pending allocation of an amount equal to the net proceeds of any Tranche of Green Bonds to Eligible Green Projects, the net proceeds from such issue of any such Tranche may be on-lent by the Issuer to the Guarantor or other entities in the Guarantor's Group for the repayment of indebtedness and for other capital management activities.

Payment of principal and of interest on each of the Green Bonds will be made from the Group's general funds and will not be directly linked to the performance of any Eligible Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any second party opinion or certification of any third party (whether or not solicited by the Issuer and the Guarantor) which may be made available in connection with each issue of any Green Bonds and in particular as to whether or not any Eligible Green Projects fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such second party opinion or certification (i) is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus, (ii) may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed in this section and other factors that may affect the value of any Green Bonds, (iii) is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor, the Dealers or any other person to buy, sell or hold Green Bonds and (iv) would only be current as

of the date that it was initially issued (or updated). Prospective investors must determine for themselves the relevance of any such second party opinion or certification and/or the information contained therein and/or the provider of such second party opinion or certification for the purpose of any investment in the Green Bonds. Currently, the providers of such second party opinions and certifications are not subject to any specific regulatory or other regime or oversight.

If Green Bonds are listed, displayed on or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), including without limitation the Luxembourg Green Exchange (“**LGX**”), no representation or assurance is given by the Issuer, the Guarantor, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, for example with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Additionally, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Furthermore, no representation or assurance is given or made by the Issuer, the Guarantor, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of such Green Bonds.

## SUMMARY FINANCIAL INFORMATION FOR THE FUND

The following Summary Financial Information includes certain information from the Consolidated Statements of Financial Position and Consolidated Statements of Comprehensive Income that were included in the audited consolidated financial statements of the Fund for the years ended 31 December 2020 and 2019, each of which are incorporated by reference into this Base Prospectus.

### Summarised Consolidated Statement of Financial Position

	As at 31 December 2020	As at 31 December 2019
	<i>(in millions of euros)</i>	
Investment in property <sup>1</sup> .....	13,375	11,810
Other non-current assets <sup>2</sup> .....	244	228
Cash and cash equivalents .....	125	78
Other current assets .....	175	190
<b>Total assets</b> .....	<b>13,919</b>	<b>12,305</b>
Equity attributable to unitholders.....	9,672	8,613
Non-controlling interests .....	60	48
Total equity.....	9,732	8,662
Other current liabilities.....	422	400
Interest bearing borrowings (current and non-current).....	2,760	2,445
Other non-current liabilities.....	1,005	798
<b>Total liabilities and equity</b> .....	<b>13,919</b>	<b>12,305</b>

<sup>1</sup> excludes "Investment property right of use asset"

<sup>2</sup> includes "Investment property right of use asset"

## Summarised Consolidated Statement of Comprehensive Income

	For the year ended 31 December 2020	For the year ended 31 December 2019
	<i>(in millions of euros)</i>	
Gross profit.....	589	536
Fund expenses.....	(62)	(56)
Property fair value movements .....	715	891
Net Gain from investment property disposals..	20	0
Net change in fair value of right of use asset	(4)	(4)
Net change in fair value of financial instruments .....	(3)	(15)
Realised gain on currency forward contracts...	10	—
Finance cost.....	(62)	(64)
Income tax expense .....	(230)	(252)
Profit attributable to Unitholders .....	962	1,027
Profit attributable to Non-controlling interest..	12	10

## Certain Financial Ratios

For the years ended 31 December 2020 and 2019, the Fund had EBITDA of €527 million and €480 million, respectively, and Interest Coverage of 8.5 and 7.5 times, respectively. As at 31 December 2020 and 31 December 2019, the Fund had a Loan to Value ratio of 19.6 per cent. and 19.7 per cent., respectively, and a Debt to EBITDA ratio of 5.3 and 5.1 times, respectively.

For the purpose of these ratio calculations, which have been made by the Fund and have not been the subject of an external audit, the following definitions have been used:

- (i) *Debt to EBITDA*: is the ratio of Gross Debt to annualised EBITDA.
- (ii) *EBITDA*: is Operating Profit, which is Gross Profit less Fund Expenses (both as included in the relevant table above).
- (i) *Gross Debt*: is total proceeds from borrowings prior to any transaction costs and was (in millions of euro) €2,781 and €2,465 as at 31 December 2020 and 31 December 2019, respectively.
- (ii) *Gross Market Value*: equals Market Value plus Purchasers' Costs which were previously deducted in arriving at Market Value.
- (iii) *Interest Coverage*: is EBITDA divided by Finance Expenses (as included in the relevant table above).
- (iv) *Loan to Value*: is the ratio of Gross Debt to the sum of Gross Market Value and Cash and cash equivalents (as included in the relevant tables).
- (v) *Market Value (Investment in property at market value or fair value)*: is the external appraised value as determined by independent third-party appraisers, in accordance with the RICS Valuation Standards. Market Value is defined as: "The estimated amount for which a property should exchange on the date of

valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

- (vi) *Purchasers' Costs*: is the cost associated with a property acquisition. These typically include transfer taxation, agent fees, legal fees and associated VAT or equivalent.

The below table sets out the Market Value, Purchasers' Costs and Gross Market Value of Investment in Property with respect to the Fund as at 31 December 2020 and 31 December 2019.

	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
	<i>(in millions of euros)</i>	
Investment in property <sup>1</sup> .....	13,375	11,810
Purchasers' Costs .....	714	620
Gross Market Value.....	<u>14,089</u>	<u>12,430</u>

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<sup>1</sup> excludes "Investment property right of use asset"

## SUMMARY FINANCIAL INFORMATION FOR THE ISSUER

The following summary financial information includes certain information from the annual accounts of the Issuer for the years ended 31 December 2020 and 2019, which annual accounts are incorporated by reference into this Base Prospectus.

### Summarised Balance Sheet

	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
	<u>          </u>	<u>          </u>
	<i>(in millions of euros)</i>	
Loans to affiliated undertakings.....	2,113	1,617
Current assets.....	42	36
Prepayments.....	18	15
Total assets.....	<u>2,173</u>	<u>1,668</u>
Capital and reserves .....	<u>1</u>	<u>1</u>
Debenture loans .....	2,150	1,650
Other liabilities .....	22	18
Total liabilities .....	<u>2,173</u>	<u>1,668</u>

### Summarised Profit and Loss Account

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>
	<u>          </u>	<u>          </u>
	<i>(in millions of euros)</i>	
<b>Charges</b>		
Interest payable and similar charges.....	37	32
Other external expenses.....	0	0
Total charges.....	<u>38</u>	<u>32</u>
<b>Income</b>		
Other interests receivable and similar income derived from affiliated undertakings.....	38	32
Total income .....	<u>38</u>	<u>32</u>

## TERMS AND CONDITIONS OF THE NOTES

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

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.*

The Notes are constituted by an Amended and Restated Trust Deed dated 28 April 2021 (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) between Prologis International Funding II S.A. (the “**Issuer**”), Prologis Management II S.à r.l. acting in its own name and on behalf of Prologis European Logistics Fund, FCP-FIS (the “**Guarantor**”), and Deutsche Trustee Company Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Certificates referred to below. An Amended and Restated Agency Agreement dated 28 April 2021 (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and at the specified offices of the Issuing and Paying Agent and the Transfer Agents.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

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

### 1. Form, Denomination and Title

The Notes are issued in registered form in the Specified Denomination(s) shown hereon. This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

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

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of



competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means the person in whose name a Note is registered and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

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

- (a) *Transfer*: One or more Notes may, subject to Condition 2(e), be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (b) *Exercise of Options or Partial Redemption in Respect of Notes*: In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (c) *Delivery of New Certificates*: Each new Certificate to be issued pursuant to Condition 2(a) or 2(b) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 7(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (d) *Transfers Free of Charge*: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed

in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

- (e) *Closed Periods*: No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3. Guarantee and Status

- (a) *Guarantee*: The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes. Its obligations in that respect (the “**Guarantee**”) are contained in the Trust Deed.
- (b) *Status of Notes and Guarantee*: The Notes constitute direct, senior, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation which are mandatory, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer and the Guarantor respectively, present and future.

### 4. Covenants

Subject to Condition 5, for so long as any of the Notes remain outstanding the Issuer and the Guarantor undertake to comply with each of the following covenants:

#### (a) Financial Covenants

- (1) **Leverage Ratio Test**: the Guarantor will not, and will not permit any Subsidiary (as defined in the Trust Deed) to, incur any Debt if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Guarantor and its Subsidiaries on a consolidated basis determined in accordance with IFRS is greater than 60 per cent. of the sum of (without duplication) (i) Total Assets as of the end of the most recent fiscal quarter prior to the incurrence of such additional Debt and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Guarantor or any Subsidiary since the end of such fiscal quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.
- (2) **Fixed Charge Cover Ratio**: in addition to the limitation set forth in subsection (1) of this Condition 4(a), the Guarantor will not, and will not permit any Subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service to the Annual Service Charge for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5, on a pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumption that (i) such Debt and any other Debt incurred by the Guarantor and its Subsidiaries since the first day of such fiscal four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such fiscal period; (ii) the repayment or retirement of any other Debt by the Guarantor and its Subsidiaries since the first day of such fiscal four-quarter period had been incurred, repaid or retired at the beginning of such fiscal period (except

that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such fiscal period); (iii) in the case of Acquired Debt or Debt incurred in connection with any acquisition since the first day of such fiscal four-quarter period, the related acquisition had occurred as of the first day of such fiscal period with the appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and (iv) in the case of any acquisition or disposition by the Guarantor or its Subsidiaries of any asset or group of assets since the first day of such fiscal four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such fiscal period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

- (3) **Encumbered Assets Test:** in addition to the limitation set forth in subsections (1) and (2) of this Condition 4(a), the Guarantor and its Subsidiaries may not at any time own Total Unencumbered Assets equal to less than 150 per cent. of the aggregate outstanding principal amount of the Unsecured Debt of the Guarantor and its Subsidiaries on a consolidated basis.
- (4) **Secured Debt Test:** in addition to the limitation set forth in subsections (1), (2) and (3) of this Condition 4(a), the Guarantor will not, and will not permit any Subsidiary to, incur any Debt for borrowed money secured by any mortgage, lien, charge, pledge, encumbrance or security interest upon any of the property of the Guarantor or any Subsidiary, whether owned at the date hereof or hereafter acquired, if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Guarantor and its Subsidiaries on a consolidated basis for borrowed money which is secured by any mortgage, lien, charge, pledge, encumbrance or security interest on property of the Guarantor or any Subsidiary is greater than 40 per cent. of the sum of (without duplication): (i) Total Assets as of the end of the most recent fiscal quarter prior to the incurrence of such additional Debt and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Guarantor or any Subsidiary since the end of such fiscal quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.
- (5) For purposes of this Condition 4(a), Debt shall be deemed to be “incurred” by the Guarantor or a Subsidiary whenever the Guarantor or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.
- (6) Notwithstanding the foregoing, nothing in the above covenants shall prevent: (i) the incurrence by the Guarantor or any Subsidiary of Debt between or among the Guarantor, any Subsidiary or any Equity Investee or (ii) the Guarantor or any Subsidiary from incurring Refinancing Debt.

(b) **Maintenance of Properties**

The Guarantor will cause all of its properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Guarantor may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Condition 4(b) shall prevent the Guarantor or any Subsidiary from selling or otherwise disposing for value its properties in the ordinary course of its business.

In this Condition 4:

**“Acquired Debt”** means Debt of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

**“Annual Service Charge”** as of any date means the maximum amount which is payable in any fiscal period for interest on, and original issue discount of, Debt of the Guarantor and its Subsidiaries and the amount of dividends which are payable in respect of any Disqualified Stock.

**“Capital Stock”** means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participations or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible or exchangeable for capital stock), warrants or options to purchase any thereof.

**“Consolidated Income Available for Debt Service”** for any fiscal period means Earnings from Operations of the Guarantor and its Subsidiaries plus amounts which have been deducted, and minus amounts which have been added, for the following (without duplication): (a) interest on Debt of the Guarantor and its Subsidiaries, (b) provision for taxes of the Guarantor and its Subsidiaries based on income, (c) amortisation of debt discount, (d) provisions for unrealised gains and losses, depreciation and amortisation, and the effect of any other non-cash items, (e) extraordinary, non-recurring and other unusual items (including, without limitation, any costs and fees incurred in connection with any debt financing or amendments thereto, any acquisition, disposition, recapitalisation or similar transaction (regardless of whether such transaction is completed)), (f) the effect of any noncash charge resulting from a change in accounting principles in determining Earnings from Operations for such fiscal period, (g) amortisation of deferred charges and (h) any of the items described in clauses (d) and (e) above that were included in Earnings from Operations on account of an Equity Investee.

**“Debt”** of the Guarantor or any Subsidiary means any indebtedness of the Guarantor or any Subsidiary, excluding any accrued expense or trade payable, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance or any security interest existing on property owned by the Guarantor or any Subsidiary, but only to the extent of the lesser of (x) the amount of indebtedness so secured and (y) the fair market value of the property subject to such mortgage, pledge, lien, charge, encumbrance or any security interest, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued and called or amounts representing the balance deferred and unpaid of the purchase price of any property or services, or all conditional sale obligations or obligations under any title retention agreement, (iv) the principal amount of all obligations of the Guarantor or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock or (v) any lease of property by the Guarantor or any Subsidiary as lessee which is reflected on the Guarantor’s Consolidated Statement of Financial Position as a capitalised lease in accordance with IFRS and to the extent, in the case of items of indebtedness under (i) through (iii) above, that any such items (other than letters of credit) would appear as a liability on the Guarantor’s Consolidated Statement of Financial Position in accordance with IFRS, and also includes, to the extent not otherwise included, any obligation by the Guarantor or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of another Person (other than the Guarantor or any Subsidiary).

**“Disqualified Stock”** means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (ii) is convertible into or exchangeable or exercisable for

Debt or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the Maturity Date of the Notes.

**“Earnings from Operations”** for any fiscal period means net earnings excluding gains and losses on sales of investments, net, as reflected in the financial statements of the Guarantor and its Subsidiaries for such fiscal period determined on a consolidated basis in accordance with IFRS.

**“Encumbrance”** means any mortgage, pledge, lien, charge, encumbrance or any security interest existing on property owned by the Guarantor or any Subsidiary securing indebtedness for borrowed money, other than a Permitted Encumbrance.

**“Equity Investee”** means any Person in which the Guarantor or any Subsidiary holds an ownership interest that is accounted for by the Guarantor or a Subsidiary under the equity method of accounting.

**“IFRS”** means the International Financial Reporting Standards as adopted by the European Union applied on a consistent basis as in effect from time to time; provided, that solely for purposes of calculating the financial covenants contained herein, “IFRS” means the International Financial Reporting Standards as adopted by the European Union and in effect on 30 September 2013 consistently applied.

**“Permitted Encumbrances”** means leases, Encumbrances securing taxes, assessments and similar charges, mechanics liens and other similar Encumbrances.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

**“Refinancing Debt”** means Debt issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Debt (including the principal amount, accrued interest and premium, if any, of such Debt plus any fees and expenses incurred in connection with such refinancing); provided that (a) if such new Debt, or the proceeds of such new Debt, are used to refinance or refund Debt that is subordinated in right of payment to the Securities of any series, such new Debt shall only be permitted if it is expressly made subordinate in right of payment to the Securities of such series at least to the extent that the Debt to be refinanced is subordinated to the Securities of such series and (b) such new Debt does not mature prior to the stated maturity of the Debt to be refinanced or refunded, and the weighted average life of such new Debt is at least equal to the remaining weighted average life of the Debt to be refinanced or refunded.

**“Total Assets”** as of any date means the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of the Guarantor and its Subsidiaries determined only for purposes of this clause (ii) in accordance with IFRS (but excluding accounts receivable and intangibles).

**“Total Unencumbered Assets”** means the sum of (i) Undepreciated Real Estate Assets not subject to an Encumbrance and (ii) the value (determined only for purposes of this clause (ii) in accordance with IFRS) of all other assets (other than accounts receivable and intangibles) of the Guarantor and its Subsidiaries not subject to an Encumbrance. “Total Unencumbered Assets” will not include investments in unconsolidated joint ventures, unconsolidated limited partnerships, unconsolidated limited liability companies and other unconsolidated entities.

**“Undepreciated Real Estate Assets”** as of any date means the cost (original cost plus capital improvements) of real estate assets of the Guarantor and its Subsidiaries on such date, before depreciation, amortisation and impairment charges determined on a consolidated basis. For the avoidance of doubt, the value of these real estate assets will not be determined using fair market value accounting in accordance with IFRS.

“**Unsecured Debt**” means Debt of the types described in clauses (i), (iii) and (iv) of the definition thereof which is not secured by any mortgage, lien, charge, pledge or security interest of any kind upon any of the properties of the Guarantor or any Subsidiary.

## 5. **Covenant Defeasance**

- (a) *Issuer’s Option to Effect Covenant Defeasance:* The Issuer may at its option by Board Resolution, at any time upon satisfaction of the conditions set out in Condition 5(c), elect to defease the Notes to the extent set out in Condition 5(b).
- (b) *Covenant Defeasance:* Upon the Issuer’s exercise of the option set out in Condition 5(a), the Issuer and the Guarantor shall be released from their respective obligations under Conditions 4(a) and 4(b) on and after the date on which the conditions set out in Condition 5(c) below are satisfied (“covenant defeasance”), and the Notes shall thereafter be deemed to be not outstanding for the purposes of Conditions 4(a) and 4(b) but shall continue to be outstanding as obligations of the Issuer for all other purposes under these Conditions and the Trust Deed. Such covenant defeasance means that the Issuer and the Guarantor need not comply with, and shall have no liability in respect of, any term, condition or limitation set out in Conditions 4(a) and 4(b), whether directly or indirectly, by reason of any reference elsewhere in these Conditions or the Trust Deed to such Condition or by reason of reference in Conditions 4(a) and 4(b) to any other provision in these Conditions or the Trust Deed. Any such failure to comply shall not constitute an Event of Default under Condition 11(c) or otherwise, but, except as specified above, the remainder of these Conditions and the Trust Deed shall be unaffected thereby.
- (c) *Conditions to Covenant Defeasance:* The following shall be the conditions to application of Condition 5(b) to the Notes:
  - (i) The Issuer or the Guarantor shall, irrevocably have deposited or caused to be deposited with, or to the order of, the Trustee or on its behalf, solely for the benefit of the Noteholders the following: (A) an amount in the Specified Currency or Specified Currencies applicable to the Notes, or (B) Government Obligations which through the scheduled payment of principal and/or premium and/or interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal and interest on the Notes money in an amount, or (C) a combination thereof in an amount, in each case sufficient, without consideration of any reinvestment of such principal and/or premium and/or interest, in the opinion of an Independent Financial Adviser expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by or on behalf of the Trustee to pay and discharge, the principal and interest on the Notes on the day(s) on which such payments are due and payable in accordance with these Conditions and the Trust Deed; *provided that* the Trustee shall not apply such money or the proceeds of such Government Obligations in the discharge of such payments in respect of the Notes unless it shall first have been irrevocably instructed by the Issuer to such effect;
  - (ii) Such covenant defeasance shall not result in a breach or violation of, or constitute a default under, these Conditions or the Trust Deed;
  - (iii) No Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred and be continuing on the date of the deposit referred to in Condition 5(c)(i) above or, insofar as (x) Condition 11(e) is concerned, at any time during the period ending on the 61st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period) and (y) Condition 11(g) is concerned, at any time during the

period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

- (iv) The Issuer and the Guarantor shall have delivered or caused to be delivered to the Trustee an Officers' Certificate stating that all conditions precedent to the covenant defeasance under this Condition 5 have been satisfied, and (if required by the Trustee) at the expense of the Issuer shall have delivered an Opinion of Counsel to the effect that its holding of the relevant Government Obligations would not result in the Trustee being in breach of any applicable law or regulation of the jurisdiction of incorporation of the Trustee or Luxembourg; and
  - (v) From the time of, and after the 91st day following the deposit referred to in Condition 5(c)(i), the amount in the Specified Currency and/or Government Obligations representing such deposit will not be subject to the effect of any applicable bankruptcy, insolvency, reorganisation or similar laws affecting creditors' rights generally (save in respect of any claims which may be made under Condition 5(f)) and the Issuer or the Guarantor, as the case may be, shall have delivered or caused to be delivered to the Trustee on such 91st day an Opinion of Counsel to such effect.
- (d) *Deposited Money and Government Obligations to be Held in Trust; Other Miscellaneous Provisions:* Subject to Condition 5(e) below, all money and Government Obligations (including the proceeds thereof) deposited with, or to the order of, the Trustee pursuant to Condition 5(c)(i) shall be held on trust for and for the benefit of the Noteholders and applied by the Trustee, in accordance with the provisions of these Conditions and the Trust Deed, to the payment to the Noteholders of all sums due and to become due on the Notes. Notwithstanding any other provision of these Conditions or of the Trust Deed, neither the Issuer nor the Guarantor shall have any rights (whether in bankruptcy, insolvency, reorganisation or otherwise) in respect of such money and/or Government Obligations (including the proceeds thereof) following such deposit, save for those rights referred to in Condition 5(f).
- (e) *Trustee Tax Indemnity:* The Issuer and/or the Guarantor (as the case may be) shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to Condition 5(c)(i) or the principal and/or premium and/or interest received in respect thereof, other than any such tax, fee or other charge which by law is for the account of the Noteholders.

Notwithstanding anything in this Condition 5 to the contrary, the Trustee shall deliver or pay to or to the order of the Issuer from time to time upon receipt of an Issuer Request any money or Government Obligations (or other property and any proceeds therefrom) held by it as provided in this Condition 5 which, in the opinion of an Independent Financial Adviser expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect a covenant defeasance in accordance with this Condition 5.

- (f) *Unclaimed Monies:* Without prejudice to Condition 10, any money deposited with the Trustee pursuant to Condition 5(c)(i) in trust for the payment of the principal or interest on any Note, and remaining unclaimed for two years after such principal or interest has become due and payable, shall be paid to or to the order of the Issuer upon receipt of an Issuer Request; and the Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer or the Guarantor for payment of such principal or interest on any Note, without interest thereon, and all liability of the Trustee with respect to such trust money shall thereupon cease; *provided, however*, that the Trustee, before being required to make any such repayment to or to the order of the Issuer, may at the expense of the Issuer and/or the Guarantor (as appropriate) cause to be published once, as provided in Condition 17, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of

such publication, any unclaimed balance of such money then remaining will be repaid to or to the order of the Issuer.

(g) *Notice to Noteholders:* The Issuer shall notify the Noteholders in accordance with Condition 17 as soon as practicable and in any event within five days following exercise of its option pursuant to Condition 5(a) above.

(h) *Definitions:* In this Condition 5:

**“Board of Directors”** means the board of directors of the Issuer or any committee of such board duly authorised to act generally or in any particular respect hereunder.

**“Board Resolution”** means a copy of a resolution certified by a director who presided at a meeting of the Board of Directors to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

**“Business Day”** means any day other than Saturday, Sunday and other day on which banks are authorised or required by law to be closed for business in London, Luxembourg and Amsterdam or any other city where a payment is to be made on the Notes.

**“Government Obligations”** means securities denominated in the Specified Currency which are (i) direct obligations of the United States of America or the government which issued the Specified Currency in which the Notes are payable, for the payment of which the full faith and credit of the relevant government is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America or such government which issued the Specified Currency in which the Notes are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt, *provided that* (except as required by law) such custodian is not authorised to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt.

**“Independent Financial Adviser”** means an independent broker or investment bank of international repute acting as expert selected by the Issuer and approved in writing by the Trustee.

**“Issuer Request”** means a written request signed in the name of the Issuer by two directors of the Issuer and delivered to the Trustee.

**“Officers’ Certificate”** means a certificate signed by two directors of the Issuer or two managers of the Management Company on behalf of the Guarantor, as the case may be, and delivered to the Trustee.

**“Opinion of Counsel”** means a written opinion of counsel, who may be an employee of or counsel for the Issuer or the Guarantor, as the case may be, or other counsel, in each case satisfactory to the Trustee.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

## 6. Interest and other Calculations



- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(h).

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.

- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

- (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any). For the purposes of this subparagraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

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

(B) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily €STR

- (x) Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the Final Terms is not “Compounded Daily €STR”, the Rate of Interest for each Interest Accrual Period will, subject as provided below and subject to Condition 6(k), be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or in the Relevant Financial Centre in the case of any other Reference Rate) on the Interest Determination Date in question plus or minus (as indicated hereon) the Margin (if any), all as determined by the Calculation Agent (being the Issuing and Paying Agent or any other party named in the applicable Final Terms). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer and/or an agent appointed by the Issuer shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is otherwise specified hereon, the principal office of each of the Reference Banks in the Relevant Financial Centre, to provide the Issuer and/or the agent appointed by the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time),

or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is otherwise specified hereon, at approximately 11.00 a.m. in the Relevant Financial Centre on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer and/or the agent appointed by the Issuer with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Issuer and/or the agent appointed by the Issuer determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer and/or the agent appointed by the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is otherwise specified hereon, at approximately 11.00 a.m. in the Relevant Financial Centre on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is otherwise specified hereon, the relevant inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer and/or the agent appointed by the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is otherwise specified hereon, at approximately 11.00 a.m. in the Relevant Financial Centre, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer and/or the agent appointed by the Issuer it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is otherwise specified hereon, the relevant inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily €STR

Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the Final Terms as being “Compounded Daily €STR”, the Rate of Interest applicable to such Notes for each Interest Accrual Period will (subject as provided below and to Condition 6(k) (*Benchmark Discontinuation*)), be Compounded Daily €STR plus or minus (as indicated hereon) the Margin (if any) all as determined by the Calculation Agent (being the Issuing and Paying Agent or any other party named in the applicable Final Terms).

As used in these Conditions:

**"Compounded Daily €STR"** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily euro short-term rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows (the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards):

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

where:

"d" is the number of calendar days in:

- (A) where “Lag” is specified as the Observation Method in the Final Terms, the relevant Interest Accrual Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"d<sub>o</sub>" means, for any Interest Accrual Period:

- (A) where “Lag” is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days in the relevant Interest Accrual Period; or
- (B) where “Shift” is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days in the relevant Observation Period;

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

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

"**ni**", for any TARGET Settlement Day "i", means, in the relevant Interest Accrual Period or the relevant Observation Period, the number of calendar days from, and including, such TARGET Settlement Day "i" up to, but excluding, the following TARGET Settlement Day;

"**Observation Period**" means, in respect of an Interest Accrual Period, the period from, and including, the date falling "p" TARGET Settlement Days prior to the first day of such Interest Accrual Period and ending on, but excluding, the date which is "p" TARGET Settlement Days prior to the Interest Period Date for such Interest Accrual Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means, for any Interest Period:

- (A) where "Lag" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes the corresponding Interest Accrual Period, being the number of TARGET Settlement Days specified as the "€STR Lag Period (p)" in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five TARGET Settlement Days, and, if no such number is so specified, shall be five TARGET Settlement Days);
- (B) where "Shift" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes the corresponding Interest Accrual Period, being the number of TARGET Settlement Days specified as the "€STR Shift Period (p)" in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five TARGET Settlement Days, and, if no such number is so specified, shall be five TARGET Settlement Days);

"**TARGET Settlement Day**" means any day on which the TARGET System is open for the settlement of payments in Euro;

"**€STR Reference Rate**" means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate ("€STR") for such TARGET Settlement Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank initially at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the "ECB's Website") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

"**€STR<sub>i-pTBD</sub>**" means:

- (A) where "Lag" is specified as the Observation Method in the Final Terms, in respect of any TARGET Settlement Day "i" falling in the relevant Interest Accrual Period, the €STR Reference Rate for the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (B) where "Shift" is specified as the Observation Method in the Final Terms, the €STR Reference Rate for the relevant TARGET Settlement Day "i".

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) (the "ECB Recommended Rate"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "EDFR") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "EDFR Spread").

Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions (i) the Rate of Interest shall be that determined at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if references to €STR for each TARGET Settlement Day in the relevant Observation Period occurring from and including the €STR Index Cessation Effective Date were references to the latest published ECB Recommended Rate or, if EDFR is published on a later date than the latest published ECB Recommended Rate, the latest published EDFR plus the EDFR Spread.

If the relevant Series of Notes referencing Compounded Daily €STR becomes due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms,

be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date and as if (solely for the purposes of such interest determination) the relevant Interest Period had been shortened accordingly.

As used in these Conditions:

**"€STR Index Cessation Event"** means the occurrence of one or more of the following events:

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

**"€STR Index Cessation Effective Date"** means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR);

**"ECB Recommended Rate Index Cessation Event"** means the occurrence of one or more of the following events:

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

**"ECB Recommended Rate Index Cessation Effective Date"** means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(D) Linear Interpolation

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

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

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date (as defined in Condition 9).
- (f) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual 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 Accrual Periods, in the case of (y), calculated in accordance with Condition 6(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, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount 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 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

- (g) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, the Issuing and Paying Agent, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange or, as the case may be, other relevant authority of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (i) **Definitions:** 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 TARGET Settlement Day; and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the relevant Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30

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

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

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

“**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.

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

“**Interest Amount**” means:

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

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

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Settlement Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) as soon as possible after the date which is “p” London Business Days before the Interest Payment Date for the applicable Interest Period and in no event less than two London Business Days before such Interest Payment Date.

**“Interest Payment Date(s)”** means the date(s) as specified in the relevant Final Terms.

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

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

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

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

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer and/or an agent appointed by the Issuer or as specified hereon.

**“Reference Rate”** means (i) LIBOR, (ii) EURIBOR or (iii) €STR, in each case for the relevant currency and for the relevant period, as specified in the relevant Final Terms.

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

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

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

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment 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 (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (k) **Benchmark Discontinuation**

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (in consultation with the Issuer) a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(k)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 6(k)(iii)) and any Benchmark Amendments (in accordance with Condition 6(k)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6(k) shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, or the Noteholders for any determination made by it, pursuant to this Condition 6(k).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine (in consultation with the Issuer) a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(k) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of this Condition 6(k).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser, determines that:

- (i) there is a Successor Rate, then such Successor Rate (subject to the adjustment as provided in Condition 6(k)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for the immediately following Interest Period and all following Interest Periods, subject to the operation of this Condition 6(k)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to the adjustment as provided in Condition 6(k)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for the immediately following Interest Period and all following Interest Periods, subject to the operation of this Condition 6(k)).

(iii) *Adjustment Spread*

If the Independent Adviser, determines that an Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to

determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6(k) and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate(s) of Interest and/or the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 6(k)(v), without any requirement for the consent or approval of the relevant Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors of the Issuer pursuant to Condition 6(k)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition 6(k), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6(k) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 6(k), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6(k) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Trustee, the Calculation Agent and the Paying Agents a certificate signed by two directors of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) where applicable, the applicable Adjustment Spread and

- (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6(k); and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 6(k), if, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread is notified to the Calculation Agent pursuant to Condition 6(k), if in the Calculation Agent's opinion there is any uncertainty as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Rate of Interest (or any component part thereof), under this Condition 6(k), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the determination of such Rate of Interest. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Calculation Agent remains uncertain of the application of the Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Rate of Interest (or any component part thereof), the Reference Rate and the fallback provisions provided for in Condition 6(b)(iii)(B) will continue to apply.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 6(k) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 6(b)(B) will continue to apply unless and until a Benchmark Event has occurred.

- (vii) This Condition 6(k) (*Benchmark Discontinuation*) shall not apply to Notes for which the Reference Rate is specified in the relevant Final Terms as being "€STR", in respect of which the provisions of Condition 6(b)(iii)B (*Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily €STR*) will apply.

(viii) *Definitions:*

As used in this Condition 6(k):

**"Adjustment Spread"** means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:



- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (in the case of a Successor Rate where no such recommendation as referred to in (i) above has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Independent Adviser determines that there is no such spread, formula or methodology customarily applied as referred to in (ii) above, or in the case of an Alternative Rate) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6(k)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 6(k)(iv).

“**Benchmark Event**” means:

- (1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (2) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences; or
- (5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (6) it has become unlawful for any Paying Agent, the Calculation Agent, the Trustee (or agent of a Trustee) or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate, and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

**“business day”** means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate experience appointed by the Issuer under Condition 6(k)(i).

**“Original Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

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

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

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

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

### **(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, or purchased and cancelled as provided in this Condition 7, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

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

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 7(c), Condition 7(d), Condition 7(f) or Condition 7(g) or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(c), Condition 7(d), Condition 7(f) or Condition 7(g) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(c).

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

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(c), Condition 7(d), Condition 7(f) or Condition 7(g) upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note), on giving not less than the minimum period and not more than the maximum period of notice specified hereon to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 9 as a result of any change in, or amendment to, the laws or regulations of Luxembourg (in the case of a payment by the Issuer or the Guarantor) or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice

of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee (1) a certificate signed by two Directors of the Issuer (or two Managers of the Guarantor, as the case may be) and stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred, including that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it (and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above) and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment as is referred to in this Condition. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the conditions precedent set out in this Condition 7(c) in which event they shall be conclusive and binding on Noteholders. Upon the expiry of any such notice as is referred to in this Condition 7(c), the Issuer shall redeem the Notes in accordance with this Condition 7(c).

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date (that is, if Issuer Par Call is specified hereon, a date prior to the Par Call Period Commencement Date). Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon, together with interest accrued to, but excluding, the Optional Redemption Date(s). Any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case the notice of redemption shall state the applicable condition precedent(s) and that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

For the purposes of this Condition 7(d) only, the “**Optional Redemption Amount**” will either be:

- (i) the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms; or
- (ii) if “**Make-Whole Amount**” is specified in the applicable Final Terms, an amount which is the higher of:
  - (a) 100 per cent. of the Early Redemption Amount of the Notes to be redeemed; or
  - (b) the sum of the then current values of the remaining scheduled payments of principal and interest on such Notes to the Maturity Date (or, if Issuer Par Call is specified in the applicable Final Terms, to the Par Call Period Commencement Date (as defined in Condition 7(g) below)) (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate (as defined below) plus the Redemption Margin, in each case as determined by the Determination Agent by reference to each Calculation Amount and with the result rounded to two decimal places, with 0.005 being rounded upwards,

plus, in each case, any interest accrued on the Notes to, but excluding the Optional Redemption Date.

In this Condition:

**“Determination Agent”** means a financial adviser or bank which, in either case, is independent of the Issuer appointed by the Issuer and approved by the Trustee for the purpose of determining the Make-Whole Amount (for the purposes of which, any manager or dealer appointed in connection with the issue of the Notes shall not, solely by virtue of such appointment, be deemed not to be independent of the Issuer);

**“Redemption Margin”** shall be as set out in the applicable Final Terms;

**“Reference Bond”** shall be as set out in the applicable Final Terms, or if the Reference Bond as so set out is no longer outstanding at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date, a similar security in the reasonable judgment of the Determination Agent;

**“Reference Bond Rate”** means with respect to the Optional Redemption Date, (i) the mid-market yield to maturity of the Reference Bond which appears on the Relevant Make-Whole Screen Page at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date, or (ii) to the extent that the mid-market yield to maturity does not appear on the Relevant Make-Whole Screen Page at such time, the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Bond at such time, and quoted in writing to the Determination Agent and the Trustee by the Reference Dealers, or if the Determination Agent obtains fewer than three, but more than one, such quotations, the average of all such quotations, or if only one such quotation is obtained, the amount of that quotation;

**“Reference Dealers”** means three credit institutions or financial services institutions that regularly deal in bonds and other securities selected by the Determination Agent after consultation with, and approval of, the Issuer; and

**“Relevant Make-Whole Screen Page”** shall be as set out in the applicable Final Terms.

Any such redemption or exercise, if applicable, must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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

In the case of a partial redemption the notice to Noteholders shall specify the nominal amount of Notes drawn and the holder(s) of such Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 7(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (**“Exercise Notice”**) in the form obtainable from the Issuing and Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and

option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption at the Option of the Issuer (Clean Up Call):** The Issuer may, at any time, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all, but not some only, of the Notes for the time being outstanding at their Early Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption) if, prior to the date of such notice, 75 per cent. or more in nominal amount of the Notes of such Series have been redeemed or purchased and cancelled. For the avoidance of doubt, if Make-Whole Amount is specified in the applicable Final Terms, during the Make-Whole Period, the Early Redemption Amount for the purposes of this Condition 7(f) will be the applicable Make-Whole Amount.
- (g) **Redemption at the Option of the Issuer (Issuer Par Call):** If Issuer Par Call is specified in the applicable Final Terms, the Issuer may, at any time during the Par Call Period, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all, but not some only, of the Notes for the time being outstanding at their Final Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption).

In this Condition:

**"Par Call Period"** means, as specified in the applicable Final Terms, the period from and including the Par Call Period Commencement Date to but excluding the date specified in the applicable Final Terms; and

**"Par Call Period Commencement Date"** has the meaning given to it in the applicable Final Terms.

- (h) **Purchases:** Each of the Issuer, the Guarantor and their respective Subsidiaries (as defined in the Trust Deed) may at any time purchase Notes in the open market or otherwise at any price. Such Notes may be held, reissued, resold or surrendered to the Issuing and Paying Agent for cancellation.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## 8. Payments

### (a) Notes:

- (i) Payments of principal (which for the purposes of this Condition 8(a) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 8(a) shall include all Instalment Amounts other than final Instalment Amounts) on Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the **"Record Date"**). Payments of interest on each Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the

Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (b) **Payments subject to Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.
- (c) **Appointment of Agents:** The Issuing and Paying Agent, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

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

- (d) **Non-Business Days:** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
  - (i) (in the case of a payment in a currency other than euro) 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.

## 9. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes or under the Guarantee shall be made free and clear of, and without withholding or deduction for or an account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of or within Luxembourg or political sub-division or, in each case, any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such

withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Luxembourg other than the mere holding of the Note; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) is presented for payment; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (d) **Estate, inheritance etc:** where such tax, duty, assessment or other governmental charge is an estate, inheritance, gift, sales, transfer or personal property tax or any similar tax assessment or governmental charge; or
- (e) **Payable otherwise than by withholding on Notes:** where such tax, duty, assessment or other governmental charge is payable otherwise than by withholding from payments on or in respect of a Note; or
- (f) **Certification or other reporting requirements:** where such tax, duty, assessment or other governmental charge would not have been imposed but for the failure of the holder of the Note to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of such holder of the Note if such compliance is required by statute or by regulation of Luxembourg or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from such tax, duty, assessment or other governmental charge.

As used in these Conditions, “**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts (including any premium) that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 10. Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.



## 11. Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall in each case provided it is indemnified and/or secured and/or prefunded to its satisfaction, (but (i) in the case of the happening of any of the events described in paragraphs (c) (other than any breach of the covenants in Conditions 4 or 5) and (other than the winding up or dissolution of the Issuer or the Guarantor) (f) to (g) inclusive below, only if the Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders, and (ii) in the case of the happening of any of the events described in paragraphs (d) and (e) below other than in respect of the Issuer or the Guarantor, only if on or before the Cut-off Date the Issuer has not procured the delivery to the Trustee of a Relevant Expert Report or Relevant Expert Reports as the case may be), give notice in writing to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (a) **Payment of interest:** default in the payment of any interest on any Note when such interest becomes due and payable, and continuance of such default for a period of 30 days; or
- (b) **Payment of principal:** default in the payment of the principal of any Note when due and payable at its Maturity; or
- (c) **Breach of other obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is, as determined by the Trustee in its opinion, incapable of remedy or, if, as determined by the Trustee in its opinion, capable of remedy, is not in the opinion of the Trustee remedied within 60 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or
- (d) **Cross default:** a default under any bond, debenture, note or other evidence of indebtedness of the Issuer or the Guarantor or under any mortgage, indenture or other instrument of the Issuer or the Guarantor under which there may be issued or by which there may be secured any indebtedness of the Issuer or the Guarantor (or by any Subsidiary, the repayment of which the Issuer or the Guarantor has guaranteed or for which the Issuer or the Guarantor is directly responsible or liable as obligor or guarantor), whether such indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay an aggregate principal amount exceeding €100,000,000 of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto and shall have resulted in such indebtedness in an aggregate principal amount exceeding €100,000,000 becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 10 days after there shall have been given notice to the Issuer or the Guarantor by the Trustee specifying such default; or
- (e) **Judgment:** the entry by a court of competent jurisdiction of final judgments, orders or decrees against the Guarantor or any of its Subsidiaries in an aggregate amount (excluding amounts covered by insurance) in excess of €100,000,000 and such judgments, orders or decrees remain undischarged, unstayed and unsatisfied in an aggregate amount (excluding amounts covered by insurance) in excess of €100,000,000 for a period of 60 consecutive days; or
- (f) **Voluntary case/receiver:** the Issuer, the Guarantor or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:
  - (A) commences a voluntary case;

- (B) consents to the entry of an order for relief against it in an involuntary case;
- (C) consents to the appointment of a Receiver of it or for all or substantially all of its property; or
- (D) makes a general assignment for the benefit of its creditors; or
- (g) **Court order/decreed:** a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
  - (A) is for relief against the Issuer, the Guarantor or any Significant Subsidiary in an involuntary case,
  - (B) appoints a Receiver of the Issuer, the Guarantor or any Significant Subsidiary or for all or substantially all of any of their property, or
  - (C) orders the liquidation of the Issuer, the Guarantor or any Significant Subsidiary, and the order or decree remains unstayed and in effect for 90 days.

In this Condition 11:

**“Bankruptcy Law”** means any Luxembourg insolvency, opening of any bankruptcy proceedings (*faillite*), insolvency proceedings, proceedings for voluntary or judicial liquidation (*insolvabilité liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally, or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*, *juge délégué* or *juge commissaire*), or any other similar proceeding in any jurisdiction for the relief of debtors in scenarios in which a Luxembourg company is unable to pay its creditors (*cessation de paiement*) and unable to obtain credit (*ébranlement de crédit*).

**“Commission”** means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the date of the Trust Deed such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

**“Cut-off Date”** means either (x) the date falling 30 days after the date on which the Issuer informs the Trustee (or the Trustee otherwise becomes aware and informs the Issuer) of the occurrence of facts falling within the circumstances described in paragraphs (d) or (e) of Condition 11, or (y) so long as the Issuer has demonstrated to the satisfaction of the Trustee that it is using its best endeavours to agree to the terms of appointment of a Relevant Expert, 30 days after the date of such appointment unless the Trustee and the Issuer, each acting reasonably, agree such appointment is not possible at which time the Cut-off Date will occur.

**“Exchange Act”** means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder by the Commission.

**“Maturity”** means, when used with respect to any Note, the date on which the principal of such Note or an instalment of principal becomes due and payable as therein or herein provided, whether at the Maturity Date or by declaration of acceleration, notice of redemption, notice of option to elect repayment, repurchase or otherwise.

**“Receiver”** means any receiver, supervisory commissioner, liquidator, trustee commissaire, juge-commissaire, liquidateur, curateur or other similar official under any Bankruptcy Law.

**“Relevant Expert”** means an internationally recognised independent professional services firm (including, without limitation, a firm of accountants, auditors, financial advisers, valuers or lawyers) of good standing agreed between the Issuer and the Trustee who shall be appointed by the Issuer at the Issuer's expense.

**“Relevant Expert Report”** means a report or opinion (satisfactory to the Trustee) of a Relevant Expert that the relevant event falling within the facts described in paragraph (d) or (e) of Condition 11 which has occurred other than in respect of the Issuer or the Guarantor, is not, in its opinion, materially prejudicial to the interests of the Noteholders.

**“Securities Act”** means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder by the Commission.

**“Significant Subsidiary”** means any Subsidiary which is a “significant subsidiary” (within the meaning of Regulation S-X, promulgated under the Securities Act) of the Guarantor.

**“Trust Indenture Act”** means the Trust Indenture Act of 1939, as amended and as in force as of the date of the Trust Deed.

## **12. Meetings of Noteholders, Modification, Waiver and Substitution**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

For the avoidance of doubt, articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, shall not apply.

In addition, pursuant to Condition 6(k) (*Benchmark Discontinuation*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Trustee or the Noteholders.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders (in each case, except as mentioned in the Trust Deed). Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless the Trustee agrees otherwise, such modification shall be notified by the Issuer to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and certain other conditions (including such other conditions as the Trustee may require), but without the consent of the Noteholders, to the substitution of (i) the Issuer's successor in business or any Subsidiary (as defined in the Trust Deed) of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer (or any previous substituted company), or (2) the Guarantor's successor in business or any Subsidiary (as defined in the Trust Deed) of the Guarantor or its successor in business in place of the Guarantor (or any previous substituted company), as principal debtor or the guarantor, as applicable, under the Trust Deed and the Notes.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### 13. Enforcement

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

### 14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders on an opinion, report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed

to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such opinion, report, confirmation or certificate or advice and such opinion, report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

## **15. Replacement of Notes and Certificates**

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

## **16. Further Issues**

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

## **17. Notices**

Notices required to be given to the holders of Notes pursuant to these Conditions shall be sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. So long as the Notes are listed on the Luxembourg Stock Exchange, notices to the holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

## **18. Contracts (Rights of Third Parties) Act 1999**

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

## **19. Governing Law and Jurisdiction**

- (a) **Governing Law:** The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. For the

avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended are excluded in respect of the Notes.

- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes or the Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts. This Condition 19(b) is for the benefit of the Trustee and the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Service of Process:** Each of the Issuer and the Guarantor have in the Trust Deed irrevocably appointed Prologis UK Limited at 1 Monkspath Hall Road, Shirley, Solihull, West Midlands, B90 4FY, United Kingdom, as an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

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

### **1. Initial Issue of Notes**

If the Global Certificates are stated in the applicable Final Terms to be held under the NSS, the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If the Global Certificates issued in respect of any Tranche are stated to be held under the NSS, the ICSDs will be notified whether or not such Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility.

Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

Upon the registration of Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Certificate and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

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

### **2. Relationship of Accountholders with Clearing Systems**

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

### **3. Exchange**

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

Notes represented by any Global Certificate will be exchangeable (free of charge to the holder) in whole (but not in part) for duly authenticated and completed Definitive Notes if any of the following events occurs:

- (a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (b) with the consent of the Issuer; or
- (c) any of the circumstances described in Condition 11 occurs,

provided that, in the case of an exchange of a holding pursuant to paragraph 3(a), 3(b) or 3(c) above, the Holder has given the Registrar not less than 30 days' notice at its specified office of the Holder's intention to effect such exchange.

#### **4. Amendment to Conditions**

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

(a) **Payments**

If the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Certificate will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

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

(b) **Prescription**

Claims against the Issuer in respect of the Notes will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

(c) **Meetings**

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

For the avoidance of doubt, articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, shall not apply.

(d) **Noteholders' Options**



Where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

(e) **Trustee's Powers**

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

(f) **Notices**

So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices required to be given to the holders of Notes of that Series pursuant to the Conditions may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Certificate, except that so long as the Notes are listed on the Euro MTF and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

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

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (a “**Written Resolution**”) or (ii) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in aggregate nominal amount of the Notes then outstanding (“**Electronic Consent**”) shall, in each case for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting) be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Such a Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution or Electronic Consent.

## USE OF PROCEEDS

An amount equal to the net proceeds from the issue of each Tranche of Notes will, as indicated in the applicable Final Terms, be:

- (a) on-lent by the Issuer to the Guarantor or other entities within the Group. The net proceeds will be used by the Guarantor or other relevant entities within the Group for general corporate and finance purposes which may include, among other things, the refinancing of existing indebtedness, asset acquisitions or other capital management activities. Pending application of the net proceeds as described in this paragraph (a), the Issuer, the Guarantor, or the other relevant entity within the Group (as the case may be), may invest the proceeds in short-term securities; or
- (b) applied exclusively to finance or refinance, in whole or in part, Eligible Green Projects, in line with any green bond framework(s) the Issuer, the Guarantor or any of their affiliates may publish from time to time, as detailed in the relevant Final Terms. The Issuer or the Guarantor will strive, as long as such Green Bonds are outstanding, to achieve a level of allocation to Eligible Green Projects which matches the amount of such net proceeds. No assurance can be provided that the proceeds of the Green Bonds will be allocated to fund projects with the specific characteristics of any Eligible Green Projects during the term of the applicable Green Bonds.

Pending allocation of an amount equal to the net proceeds of any Tranche of Green Bonds to Eligible Green Projects, the net proceeds from such issue of any such Tranche may be on-lent by the Issuer to the Guarantor or other entities in the Guarantor's Group for the repayment of indebtedness and for other capital management activities.

Only Notes exclusively financing or refinancing Eligible Green Projects will be designated "Green Bonds" and will be identified as such in the relevant Final Terms.

See "Risk Factors – Risk Factors Relating to the Notes – Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets" for further details.

## PROLOGIS GREEN BOND FRAMEWORK

In February 2018, Prologis, L.P., related co-investment ventures and other affiliates (together, “**Prologis**”) published a green bond framework (the “**Prologis Green Bond Framework**”), as updated from time to time, which is available at <https://www.prologis.com/sustainable/industrial-real-estate/green-bond>. The contents of such website shall not be incorporated into this Base Prospectus.

Prologis appointed Sustainalytics to assess the suitability of the Prologis Green Bond Framework. Sustainalytics has reviewed the content for its alignment with the ICMA Green Bond Principles 2017, providing Prologis with a second party opinion (the “**Sustainalytics Opinion**”). The objective of the Sustainalytics Opinion is to provide investors with an independent assessment on the Prologis Green Bond Framework. The Sustainalytics Opinion is available at: [www.sustainalytics.com](http://www.sustainalytics.com). The contents of such website shall not be incorporated into this Base Prospectus.

The Prologis Green Bond Framework follows the ICMA Green Bond Principles 2017 and any further iterations thereof which provides guidelines in four key areas:

1. Use of proceeds;
2. Process for project evaluation and selection;
3. Management of proceeds; and
4. Reporting.

### 1. Use of Proceeds

Under the Prologis Green Bond Framework, the Issuer or the Guarantor intends to allocate an amount equal to the net proceeds of an issue of any green bond (“**Green Bonds**”) to a portfolio of Eligible Green Projects (as defined below) (the “**Eligible Green Project Portfolio**”).

Pending allocation of an amount equal to the net proceeds of any Tranche of Green Bonds to the Eligible Green Project Portfolio, the net proceeds from the issue of any such Tranche may be on-lent by the Issuer to the Guarantor or other entities in the Guarantor’s Group for the repayment of indebtedness and for other capital management activities.

For the purposes of this section, “**Eligible Green Projects**” means projects in the following categories:

#### *(a) Green buildings*

Use of proceeds: New or existing investments in or expenditures on properties which meet at least one of the following requirements:

- (i) New, existing or refurbished buildings which have received at least one of the following classifications:
  - (i) **LEED**: Platinum, Gold or Silver
  - (ii) **DGNB**: Platinum, Gold or Silver
  - (iii) **BREEAM**: Outstanding, Excellent, Very Good or Good
  - (iv) **HQE**: Exceptional, Excellent, Very Good (Very Performant) and Good (Performant)
  - (v) **CASBEE**: S, A or B+
  - (vi) **DBJ Green Building Certification**: 5 or 4

(vii) **BELS: 5 or 4**

- (ii) Refurbishments to properties in order to significantly improve energy efficiency and/or water efficiency of, or make other environmentally beneficial improvements to, a building, building subsystem or land, including but not limited to investments in LED and other energy efficient lighting, cool roof and other sustainability-oriented construction materials, smart meters, electric and renewable energy charging stations and batteries, xeriscaping/drought-tolerant landscaping, waste diversion, water and energy-saving technologies and materials and improvements recognised by sustainability rating systems.

**(b) Renewable energy**

Use of Proceeds: New or existing investments in or expenditures on the acquisition, development, construction and/or installation of renewable energy production units. Renewable energy and storage projects can include (but are not limited to):

- (i) Solar panel installations, including those on rooftops of properties owned and/or managed by the Issuer or the Guarantor or one of their affiliates; and
- (ii) Wind-related energy projects.

**(c) Energy efficiency**

- (i) Energy storage systems.

## **2. Project evaluation and selection process**

Projects to which the proceeds of an issue of Green Bonds are intended to be allocated are evaluated and selected based on compliance with the eligibility criteria set out above under “*Use of Proceeds*” by Prologis’s Green Bond Committee (the “**Green Bond Committee**”), which is comprised of members of Prologis’s Environmental, Social and Governance (ESG) department (or persons related to the Issuer, the Guarantor or a Prologis affiliate supporting the Prologis ESG department) together with members of Prologis management, as applicable.

## **3. Management of proceeds**

The Green Bond Committee intends to allocate the proceeds from an issue of any Green Bonds to the Eligible Green Project Portfolio within the applicable asset portfolio of the Issuer or the Guarantor or any of their affiliates. The Issuer or the Guarantor (as applicable) will strive, as long as the Green Bonds are outstanding, to achieve a level of allocation for the Eligible Green Project Portfolio which, after adjustments for intervening circumstances (the “**Intervening Circumstances**”) (including, but not limited to, sales, repayments and possible loss of certifications), matches the balance of net proceeds from its outstanding Green Bonds. In the case of Intervening Circumstances, for so long as the Green Bonds are outstanding, the Issuer or the Guarantor (as applicable) will strive to add Eligible Green Projects to the Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Projects. The Issuer or the Guarantor (as applicable) will internally track the allocated proceeds on a portfolio basis.

Pending the allocation of the net proceeds of a Green Bond to Eligible Green Projects, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

## **4. Reporting**

The Issuer or the Guarantor (as applicable) will report on a Prologis website (being, as at the date of this Base Prospectus: <https://www.prologis.com/sustainable/industrial-real-estate/green-bond>) the allocation of such net

proceeds to the Eligible Green Project Portfolio (the “**Allocation Reporting**”) within a year of the issuance of the Green Bonds. This reporting will be updated annually until full allocation of such net proceeds or until the applicable Green Bonds are no longer outstanding. The Issuer or the Guarantor (as applicable) intends to report the allocation of the Use of Proceeds to the Eligible Green Project Portfolio at least at the category level and on an aggregated basis for all of the Issuer’s Green Bonds for so long as such Green Bonds remain outstanding.

To the extent practicable, the Issuer or the Guarantor (as applicable) will provide information such as:

- The total amount of proceeds allocated;
- The number of eligible projects;
- The balance of unallocated projects; and
- For properties in the Eligible Green Project Portfolio; the levels of certification of properties in the portfolio.

For so long as the applicable Green Bonds are outstanding, to the extent the Eligible Green Project Portfolio has changed in the Allocation Reporting from the prior year’s Allocation Reporting, if and as disclosed by the Issuer or the Guarantor in the applicable Green Bond documentation, the Issuer or the Guarantor (as applicable) intends to receive a report from an independent accountant or a Green Bond Committee report attesting to its examination of the Issuer’s management’s assertion of the allocation of the net proceeds of the Green Bonds to the Eligible Green Project Portfolio.

See “Risk Factors – Risk Factors Relating to the Notes – Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets” for further details.

## DESCRIPTION OF THE FUND

### Fund Overview

Prologis European Logistics Fund, FCP-FIS, is a perpetual-life, open-ended vehicle focused on investing in core, stabilised properties in key European markets. Prologis European Logistics Fund, FCP-FIS, is a Euro-denominated vehicle, structured as *fonds commun de placement—fonds d'investissement spécialisé* under the SIF Law and qualifying as an AIF under the AIFM Law. The Fund also established the Issuer as a special purpose vehicle for the purpose of providing any form of financing directly or indirectly to the Fund (or any entity in the Group) and the issuance of stock, bonds, debentures, notes and other securities of any kind to the above effect. Prologis European Properties Fund II, FCP-FIS changed its name to Prologis European Logistics Fund, FCP-FIS on 16 October 2017.

As at 31 December 2020, the Fund's portfolio consisted of 537 modern, Class-A distribution facilities with a fair value of approximately €13,375 million, including €12,111 million of unencumbered assets and €1,264 million of encumbered assets. The Fund's properties were located in 12 countries and totalled approximately 11.8 million square metres of net rentable area, in each case as at 31 December 2020. The Fund intends to be an active investor and expects to continue to acquire and dispose of properties in the future. The Fund calculates its net asset value quarterly and includes its net asset value in its annual audited consolidated financial statements.

Approximately 65.1 per cent. of the Fund's investments are in Germany, France, the United Kingdom and the Netherlands (based on Net Market Value). The assets are of high quality with an average age of 12.9 years as at 31 December 2020. As at 31 December 2020, the portfolio was 96.2 per cent. occupied with a weighted average of 4.2 years remaining on the next lease break. Prologis Management II S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-131.417 and having a share capital of EUR 125,000 (the "**Management Company**"), a Prologis affiliate, is the management company of the Fund. In order to comply with the requirements of the AIFM Law, the Management Company obtained a licence as a Luxembourg AIFM on 8 September 2014 and has been appointed as the Fund's AIFM.

Prologis is the leading, fully integrated owner, operator and developer of industrial real estate and focuses on major global and strategic regional distribution markets throughout Europe, the Americas and Asia. As at 31 December 2020, Prologis owned 24.3 per cent. of the Fund. As a fully integrated owner/operator, Prologis is able to efficiently and effectively manage the entire asset life cycle of the Fund's properties. The Fund expects to benefit from Prologis' global customer relationships, in-house research capabilities and highly qualified real estate professionals. Further, Prologis' corporate commitment is to be the global leader in sustainable development of industrial logistics and distribution facilities. The Fund provides investors with a unique opportunity to invest in a portfolio of stabilised institutional quality distribution facilities in Europe.

The Fund has a core strategy, with an investment objective of combining attractive current income with long-term capital growth by investing in and operating industrial real estate assets in key European markets.

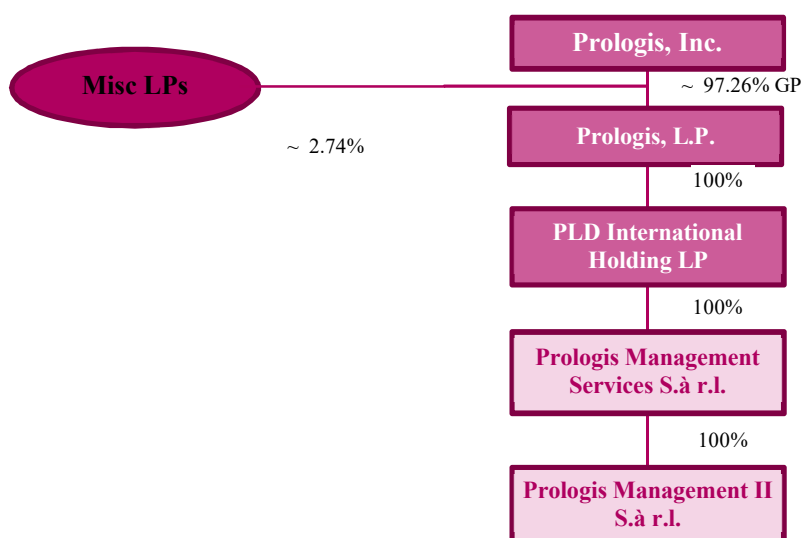
In pursuing its core strategy, the Fund generally focuses on stabilised (generally over 90 per cent. leased), modern distribution facilities in key European markets (near key airports, rail, seaports and highway interchanges) and strategically located, modern distribution facilities in regional markets. The Fund's Portfolio, which was 96.2 per cent. occupied as at 31 December 2020, is well-balanced and diversified by geographic location, economic base and lease maturity. The majority of property acquisitions in the Fund's pipeline are

assets developed by Prologis, which the Fund may acquire upon consent of the Fund's Advisory Council. In addition, the Fund pursues strategic property acquisitions from third parties in the open market.

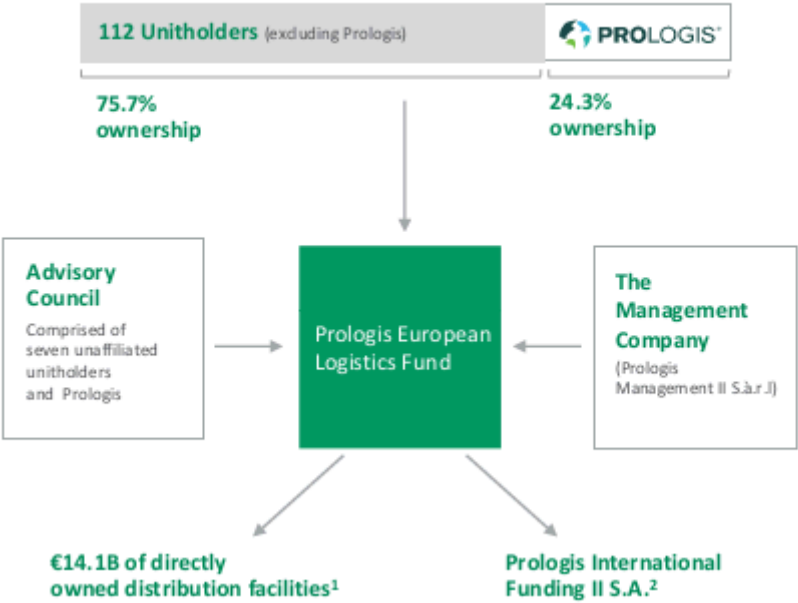
Launched in 2007, the Fund is a core distribution sector property fund diversified across 12 countries, as at 31 December 2020, with a solid base in the major European economies. As a result, the Fund is uniquely positioned for a number of reasons:

- The Fund is favourably positioned for orderly growth through market opportunities as well as off-market access to Prologis logistics assets, the great majority of which reinforce or complete the Fund's ownership in logistics parks identified as long-term holds.
- Expansions for tenants in existing buildings within the Fund's Portfolio are expected to create value and enhance property level returns.
- The Fund had a Loan to Value ratio of approximately 19.6 per cent. as at 31 December 2020.

#### Ownership Structure of the Management Company (as at 31 December 2020)



**Overview of Corporate Structure of the Fund (as at 31 December 2020)**

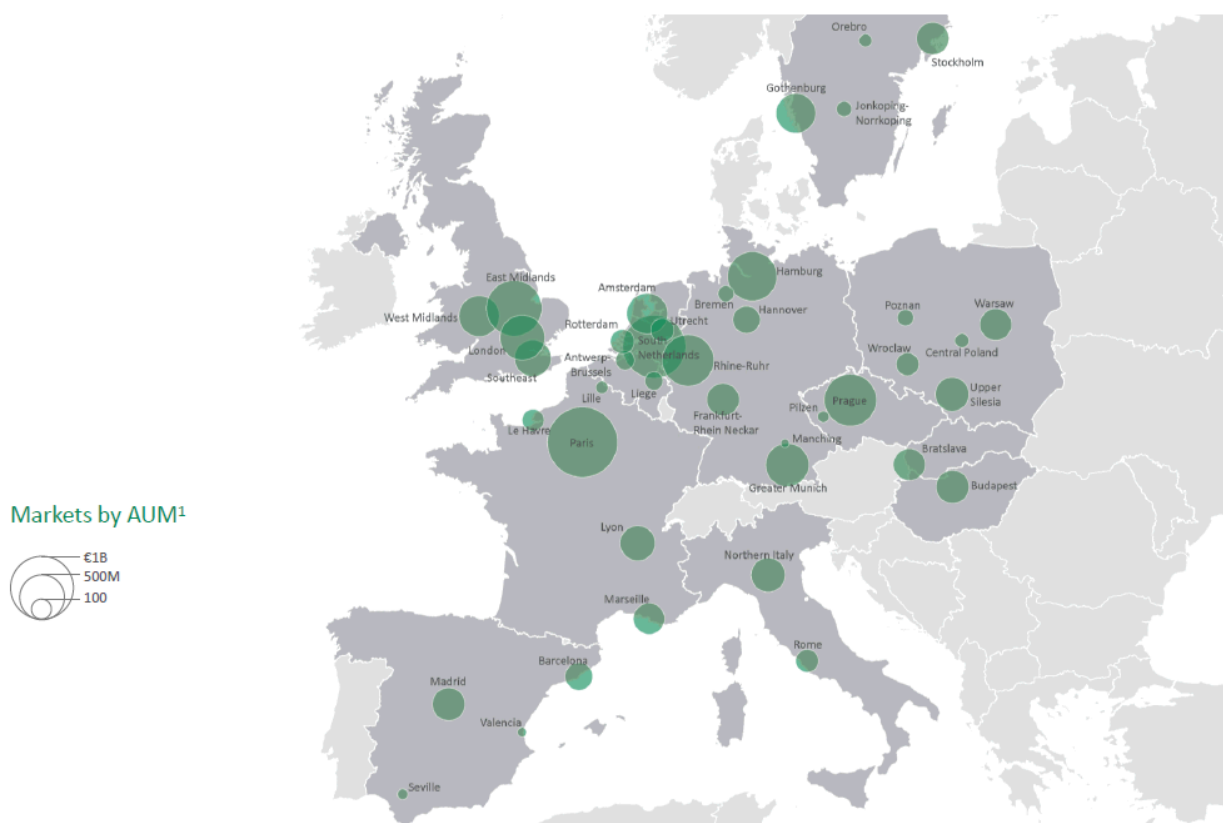


<sup>1</sup> €14.1B refers to the Gross Market Value of real estate

<sup>2</sup> Entity issuing the Eurobonds, wholly-owned subsidiary of Prologis European Logistics Fund



## Pan-European Platform, based on Gross Market Value (as at 31 December 2020)

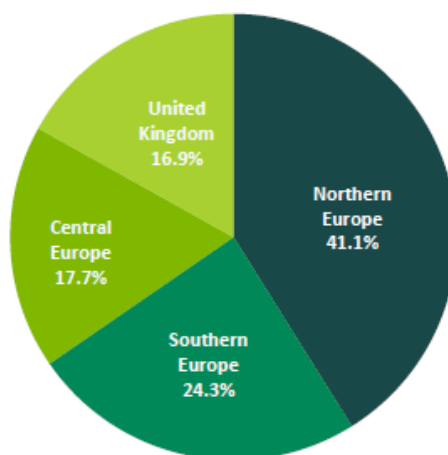


<sup>(1)</sup> AUM means gross market value of real estate

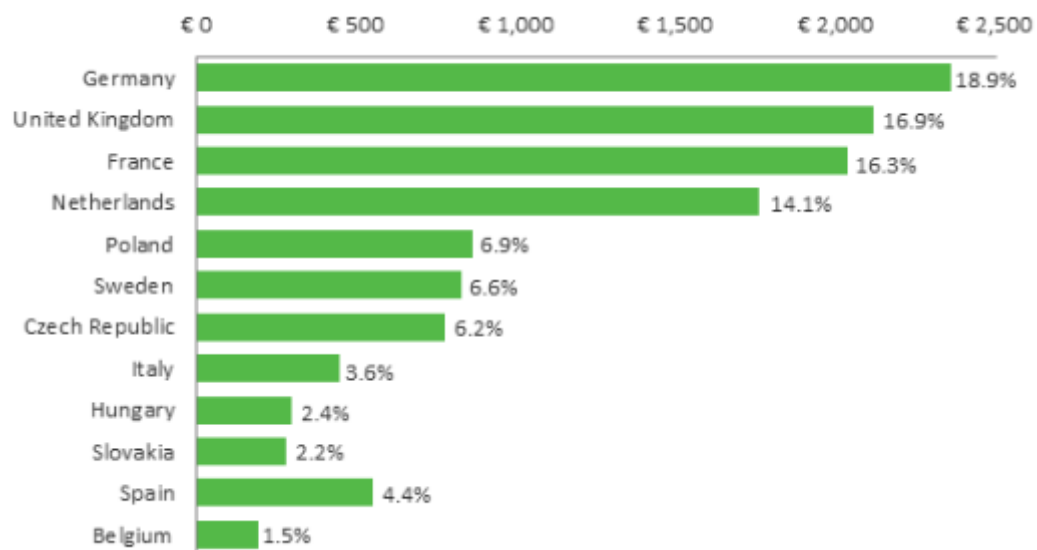
## Portfolio of the Fund

At 31 December 2020, approximately 65.1 per cent. of the Fund's investments were in Germany, France, the United Kingdom and the Netherlands (based on Net Market Value). The average age of the buildings in the portfolio was 12.9 years, as at the same date. At 31 December 2020, the Portfolio was 92.6 per cent. occupied with a weighted average of 4.2 years to the next lease break. As such, it generates a high and stable level of cash flow and is well positioned if an economic downturn were to occur.

### Geographic Diversification by Net Market Value (as at 31 December 2020)



### Country allocation (in percentages) by Net Market Value (as at 31 December 2020)



## Portfolio Overview (as at 31 December 2020)

PORTFOLIO OPERATING STATISTICS						Annualised Current	
Country	Number of Assets	SQM	PE Occupancy	Number of Leases	WALTR	Base Rent € 000's	Base Rent %
Belgium	10	219,931	100.0%	15	6.1	€ 10,746	1.8%
Czech Republic	41	785,090	96.5%	93	3.5	37,333	6.1%
France	72	1,797,215	96.8%	93	3.5	95,045	15.5%
Germany	80	1,935,625	98.8%	135	4.1	109,319	17.8%
Hungary	22	363,742	99.2%	39	3.1	17,538	2.9%
Italy	32	508,116	96.0%	56	3.8	26,424	4.3%
Netherlands	60	1,512,476	99.7%	85	4.7	90,544	14.8%
Poland	62	1,304,254	96.5%	154	1.9	50,760	8.3%
Slovakia	16	361,444	94.4%	43	3.5	16,255	2.7%
Spain	28	588,800	92.9%	38	2.2	25,738	4.2%
Sweden	28	635,768	99.8%	36	4.7	37,479	6.1%
United Kingdom	48	1,117,504	98.9%	52	7.8	95,540	15.5%
<b>Total Portfolio</b>	<b>499</b>	<b>11,129,965</b>	<b>97.7%</b>	<b>839</b>	<b>4.0</b>	<b>€ 612,721</b>	<b>100.0%</b>
Operating Portfolio	494	11,095,408	97.7%	831	4.1	610,518	99.6%
Value-Added Properties	5	34,557	98.4%	8	1.0	2,203	0.4%
<b>Total Portfolio</b>	<b>499</b>	<b>11,129,965</b>	<b>97.7%</b>	<b>839</b>	<b>4.0</b>	<b>€ 612,721</b>	<b>100.0%</b>

<sup>(1)</sup> Weighted Average Lease Term Remaining ("WALTR") represents the remaining lease term calculated from the reporting date to the lesser of lease end date or break/termination date, weighted by net rentable area for the lease.

<sup>(2)</sup> Value-Added Acquisitions ("VAA") are properties acquired as part of management's current belief that the discount in pricing attributed to the operating challenges of the property could provide greater returns, once stabilised, than the returns of stabilised properties, which are not value-added acquisitions. Valued Added Acquisitions must have one or more of the following characteristics: (i) existing unleased vacancy in excess of 20 per cent.; (ii) short-term lease roll-over, typically during the first two years of ownership; (iii) significant capital improvement requirements in excess of 10 per cent. of the purchase price and must be invested within the first two years of ownership. Stabilisation of a VAA is defined as the sooner of the achievement of 90 per cent. or greater occupancy with an average lease term of over two years, or the greater of underwritten lease up as approved in the final investment committee memo or 12 months after the later of (a) the expiration of the acquired leases or (b) the completion of the required capital improvements.

At 31 December 2020, distribution facilities developed by Prologis represented approximately 61.1 per cent. of the Portfolio on a Net Market Value basis. The Management Company considers the distribution facilities developed by Prologis as particularly appealing because of the high quality standards applied by Prologis in all the phases of development. In particular, distribution facilities developed by Prologis in Europe generally feature:

- strategic locations in key European markets (near airports, seaports, rail and highway exchanges); Prologis can leverage its expertise as an owner and operator of distribution facilities to identify key locations that are in demand among the Fund's target customers;
- efficient configurations, advanced technical standards, high-quality building materials and fixtures; there is significant occupational demand for high quality buildings in terms of relevant technology and sustainability as these features allow the occupants to achieve cost efficiency in their supply chain operations;

- larger-than-average size buildings; this increases versatility and enlarges the pool of potential customers as there are relatively few facilities of this type, thereby supporting the demand for the Portfolio;
- building characteristics in line with or exceeding market requests for top-quality buildings; these include high clearance heights, a large number of docking bays, multi-tenant configuration capabilities and ample room for manoeuvring trucks;
- leading technology in sustainable warehouse construction; customers' demand for sustainable distribution facilities has increased, as investors seek socially responsible investments; Prologis is a leader in this field and Prologis-developed properties, in particular, are at the forefront of this general trend, as they may include design features such as energy-efficient lighting, recycled and locally sourced construction materials, natural light sources, air-tight building construction, use of renewable energy and low-usage water systems;
- the average age of buildings in the Portfolio was 12.9 years as at 31 December 2020.

### Customer and Lease Profile of the Fund

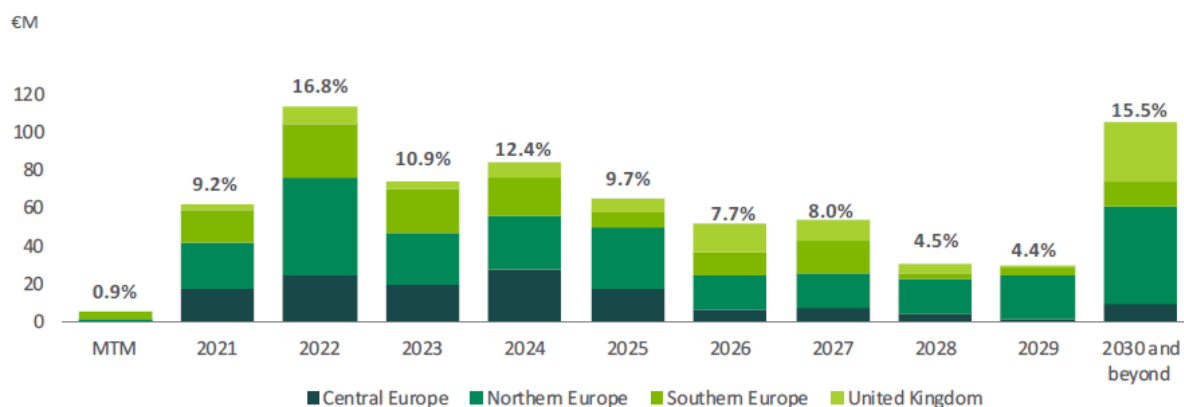
The table below illustrates the percentage of AE<sup>1</sup>BR by customer (top 10) as at 31 December 2020.

Customer	AE <sup>1</sup> BR %
DHL	4.7%
XPO Logistics	3.2%
Kuehne & Nagel	3.2%
DB Schenker	2.1%
BMW AG	2.1%
DSV Panalpina A/S	1.8%
La Poste	1.8%
Tesco	1.8%
Amazon	1.7%
Geodis	1.3%
<b>Total Top Ten Customers</b>	<b>23.8%</b>
Other Customers	76.2%
<b>Total Portfolio</b>	<b>100.0%</b>

<sup>1</sup> Annualised Ending Base Rent ("AE<sup>1</sup>BR") is calculated using the ending base rent in the lease.

As at 31 December 2020, the Fund's customer base comprised 531 customers (which have entered into 887 leases) and its 10 largest customers (by AE<sup>1</sup>BR) accounted for a total of 23.2 per cent. of AE<sup>1</sup>BR. No one customer comprised more than 4.9 per cent. of total AE<sup>1</sup>BR as at 31 December 2020.

The chart below displays the Fund's annualised ending rental income at risk by region over the years until 2030 and beyond, reflecting the proportion of the Fund's total rental income which is the subject of either lease expiry or first lease break in the relevant year. The Fund benefits from a good spread of lease maturities with no more than 16.8 per cent. of its income subject to lease rolls in any one year. Furthermore, 40.1 per cent. of the Fund's total rental income is subject to leases that expire, or have first lease breaks, in 2026 or thereafter.

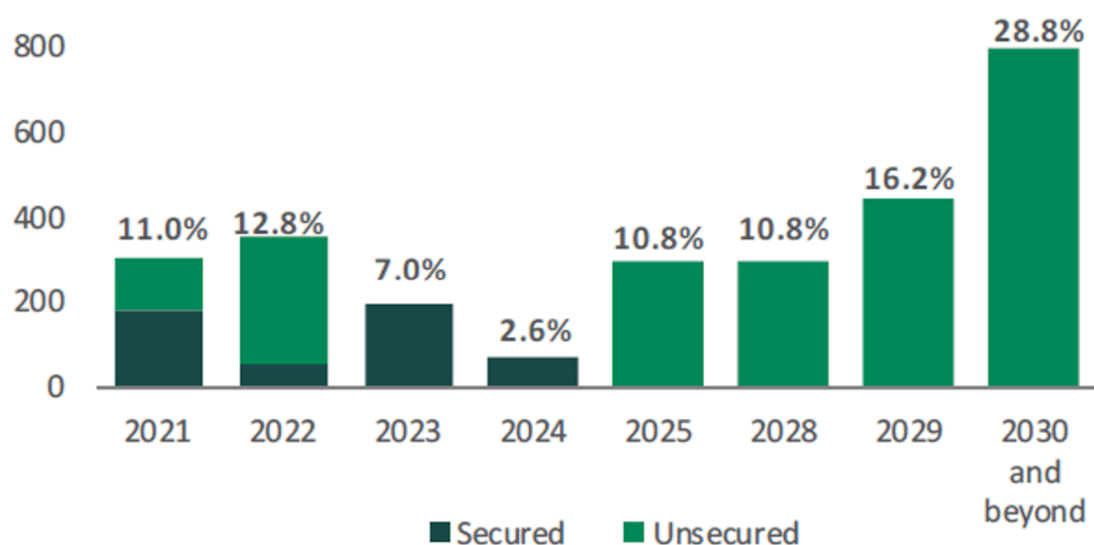


## Historical Operational Performance of the Fund

The Fund has enjoyed high levels of occupancy and retention since its launch, with the majority of its Portfolio consisting of new assets and new leases. At 31 December 2020, occupancy was at 96.2 per cent. and year-to-date tenant retention was at 82.9 per cent.

As part of the active management of the Portfolio, the Management Company continuously seeks to anticipate potential departures at an early stage and to work closely with the Fund's customers in order to maximise retention.

## Debt Maturity Schedule (in € million)



As at 31 December 2020, the Fund had 11 per cent. of its total borrowings (or €306.1 million) maturing in 2021. The Fund has unsecured revolving credit facilities of €600 million, fully undrawn as at 31 December 2020.

## MANAGEMENT

The Fund is managed by the Management Company in accordance with the Management Regulations. As further described herein, the Management Regulations set out the terms and conditions for managing the Fund, the responsibilities of the Management Company, and established the Advisory Council. An advisory council (“**Advisory Council**”) was created pursuant to the Management Regulations and comprises eight members, being the four largest unaffiliated unitholders, three rotating members and Prologis. The Management Company manages the day-to-day activities of the Fund and manages the Fund in accordance with the Management Regulations and in the exclusive interest of Fund investors. The Advisory Council’s approval is required for certain proposed decisions of the Management Company (as set out in the Management Regulations) prior to such decisions being finally adopted by the Management Company.

### **The Management Company**

Pursuant to the Management Regulations, the Management Company or its permitted designees has the exclusive right to manage the Fund for the account and in the exclusive interest of its owners. The Management Company has responsibility for managing the Fund in accordance with the Management Regulations, Luxembourg law and other relevant legal requirements. The Management Regulations also provide that the Management Company shall be entitled to perform the administration and management of other investment funds to the extent permitted by its corporate object.

The Management Company has three managers (the “**Managers**”) appointed by the sole shareholder of the Management Company, which is a subsidiary of Prologis. The Managers are appointed for an indefinite term of office. The Managers, who have overall responsibility for the management of the Fund, are:

#### *Simon N. J. Nelson*

Simon Nelson is Senior Vice President, Fund Management, responsible for the European funds of Prologis. Mr. Nelson has been based in continental Europe since 1992. He joined Prologis in 2001, with initial responsibility for third-party acquisitions in Southern Europe. In 2003, his role was extended across continental Europe. In 2008, he took over the European fund management role, with responsibility for the asset management, acquisitions and valuations activities.

Prior to joining Prologis, Mr. Nelson was partner and director of the investment department at DTZ in Paris, with responsibility for the investment advisory activity across all commercial property sectors in France. He had direct involvement in various land and building transactions on behalf of Prologis as the company started building its European exposure.

Mr. Nelson is a member of the Royal Institute of Chartered Surveyors and the Société Française des Surveyors, where he was Titulaire in 2003, 2007 and 2012. He holds a Master of Arts, with honours, in French and Italian from the University of Edinburgh and a Master of Science in property management from the University of East London.

#### *Gerrit Jan Meerkerk*

Gerrit Jan Meerkerk is Manager and Conducting Officer for the Management Company. He also oversees Luxembourg regulation matters and depositary relationships.

Previous responsibilities at Prologis were the European lead in Prologis’ Integrated Global Platform project, European fund controller and finance director for Northern Europe.

Mr. Meerkerk joined Prologis in September 2000. Prior to joining Prologis, he was an interim manager for Arthur Andersen in The Netherlands and subsequently for KPN. Overall Mr. Meerkerk has 27 years’ experience of which 20 have been spent in the real estate industry.

He completed his studies in Rotterdam and is based in Luxembourg.

*Antoaneta Todorova*

Antoaneta Todorova is senior vice president, fund management and is responsible for managing the Fund.

Ms. Todorova joined Prologis in 2012 as a Senior Property Accountant. In 2013, Ms. Todorova joined the Fund Management team. She was the portfolio manager for the legacy PEPF II fund and played a pivotal role in Project Combination, the combination of Prologis' two pan-European logistics funds, that ultimately led to the formation of PELF. Ms. Todorova continued to hold the portfolio manager role for PELF since 2017. Prior to joining Prologis, Ms. Todorova worked as a Senior Fund Accountant at Citco Fund Services (Europe) B.V. based in Amsterdam, responsible for financial statements preparation for various funds of hedge funds.

Ms. Todorova holds a Bachelor's double degree in international business and management from Hogeschool Inholland (Diemen, the Netherlands) and from IPAG Ecole Superior de Commerce (Nice, France). Ms. Todorova passed level I of the CFA examination in 2010 and holds a Lean Six Sigma Green Belt certification. She holds an MBA and was awarded a Dean's Honours List with Distinction recognition from Rotterdam School of Management, Erasmus University (the Netherlands).

*Sébastien Degrandi*

Mr. Degrandi joined Prologis in January 2014. He is Vice President and leads the Fund Reporting Department of the European funds. Sébastien has several years of experience in the fund industry, starting his career in State Street Bank as fund controller for three years and then becoming Assistant Vice President in the Real Estate department of Brown Brothers Harriman bank for six years. Mr. Degrandi has a master's degree in Finance and Auditing from the Toulouse Business School.

*Joanne Davies*

Ms. Davies first joined Prologis in 2002. Joanne is in charge of Risk Management and Fund Administration (including know your customer and anti-money laundering supervision). Prior to joining Prologis, Ms. Davies trained and qualified as a Chartered Accountant with KPMG in the United Kingdom. Subsequently, Ms. Davies moved to a Quality Assurance position within the Fund Accounting group of Chase Manhattan Bank, before relocating to Luxembourg.

Ms. Davies holds a Bachelor of Science, with honours, in economics from Loughborough University, United Kingdom.

## **Advisory Council**

The Advisory Council comprises eight members, being the four largest unaffiliated unitholders, three rotating members and Prologis. The term of office of each rotating member shall be three years with the initial rotating members being appointed for a one year term for one of them, a two year term for another and a three year term for the last one, for the purposes of ensuring that rotating members will serve for three year staggered terms. The Advisory Council members shall be appointed by the Management Company in accordance with the Management Regulations in order to create a representative and productive forum, and in the case of rotating member appointments, subject to confirmation by the unitholders pursuant to the Management Regulations. Representatives of the Management Company may participate in meetings of the Advisory Council but shall however have no voting right.

The Advisory Council is required to approve the proposed decisions of the Management Company prior to such decisions being finally adopted by the Management Company in respect of certain aspects that are detailed in the Management Regulations, including, but not limited to, material changes to the Fund's investment guidelines attached to the Management Regulations ("**Investment Guidelines**"), acquisitions of assets that are exceptions to the Investment Guidelines, changes to the Fund's frequency of appraisals, Prologis Related Party

(as defined in the Management Regulations) transactions, any new offerings of Fund units above or below the issuance net asset value, any decision to determine that the activities of a unitholder are detrimental to the Fund and that such unitholder is therefore not eligible to be on the Advisory Council, acquisition or disposal of assets from the Fund for more than the greater of (i) 5 per cent. of its gross value in any six-month period or (ii) €500,000,000, annual operating budget and change of control. The affirmative vote of a simple majority of Advisory Council members is required for the approval of any of the matters set out in the Management Regulations or any other decision or determination by the Advisory Council made pursuant to the Management Regulations.

Apart from the functions prescribed in the Management Regulations, the Advisory Council is available for consultation by the Management Company and may make suggestions and requests to the Management Company. However, other than decisions relating to any of the matters set out in the Management Regulations, the Management Company is neither bound by such suggestions or requests nor obliged to take direction from the Advisory Council.

### **The Investment Managers**

The Management Company (on its own behalf and not on behalf of the Fund), Prologis and the investment managers named therein (the “**Investment Managers**”) entered into the investment management agreement dated 1 October 2017 (the “**Investment Management Agreement**”). The Investment Management Agreement governs the terms by which the Investment Managers will provide certain management services in relation to the properties held by the Fund.

Under the Investment Management Agreement, the Investment Managers, subject to the general supervision, approval and responsibility of the Management Company, and compliance with the investment objective and strategy and Investment Guidelines, carry out asset management and property management functions in relation to the day-to-day administration of the Fund’s Portfolio for the Management Company and advise the Management Company on possible additions to or disposals from the Portfolio.

An Investment Manager has, *inter alia*, the following general functions, subject to the approval and supervision of the Management Company:

- to provide information to the Management Company to enable it to give proper instructions to the Fund’s custodian;
- to carry out supplementary real estate management services and such other supplementary services as may be agreed between the Investment Manager and the Management Company;
- to arrange the property management of each property either directly or by appointing suitable third party property managers of repute with experience of managing properties and monitoring the activities of such managers;
- to arrange for independent valuations in accordance with principles specified by the Investment Manager, to be made by an Independent Appraiser for the purpose of determining the value of properties owned by the Fund;
- to ensure timely rent collections from customers and monitoring receipt of rent;
- to monitor, inspect and maintain the properties and ensure compliance by the customer of its obligations;
- to conduct all appropriate negotiations in relation to surrenders of tenancies, rent reviews, granting of new tenancies, renewals of existing tenancies and any amendment or waiver of any of the terms of the leases;



- to prepare and submit the appropriate tax returns in relation to the properties to the relevant tax authorities;
- to manage the obligations and requirements of the relevant insurance policies and manage any insurance claims process;
- to manage the obtaining of any necessary valuations, planning permissions, etc.;
- to prepare financial statements, reports, etc. in compliance with financial covenants with respect to secured financings;
- to perform all general, registrar and company administration services and keeping all records as appropriate; and
- to arrange for any contracted-out services to be provided as and when appropriate.

The Investment Management Agreement is terminable by the Management Company in respect of any Investment Manager or all of them at any time i) upon 60 days' notice to the Investment Managers; ii) immediately upon notice to the Investment Managers if the relevant Investment Manager (a) goes into liquidation, (b) commits a material breach of the Investment Management Agreement (which is not timely cured), (c) fails to perform its obligations to any material extent for a continuous six-month period under force majeure circumstances, (d) if the Fund is restructured or (e) if the relevant Investment Manager ceases to be controlled by Prologis. The Investment Management Agreement is terminable by each Investment Manager for itself i) upon 60 days' notice to the Management Company and ii) immediately upon notice to the Management Company for reasons similar to (a), (b) and (d) in the preceding sentence. The Investment Management Agreement will terminate automatically if the Management Company is no longer the management company of the Fund. The appointment of a specific Investment Manager will terminate automatically if it shall carry on business which would cause the Fund to pay taxes which it would not otherwise be liable to pay.

If a customer moves from a logistics facility owned by the Fund to another property owned by Prologis or any Prologis Related Party (as defined in the Management Regulations) (prior to the relevant lease expiration date), the Investment Manager will cause the Fund to be made whole by assuming or procuring assumption by another entity of the obligations under the terminated lease.

## **Investment Objective and Strategy**

The Fund's investment objective is to combine attractive current income with long-term capital growth by investing in and operating logistics real estate assets in key European markets (including the United Kingdom and other European Union member states, and excluding Russia, Turkey and Ukraine). The Fund's investment strategy is focused on European industrial properties in major metropolitan areas and distribution hubs where it is believed that opportunities exist to acquire investment properties on an advantageous basis. The Fund's investments will be actively managed taking into account real estate cycles and market fundamentals. The Fund may acquire, own, manage, develop and hold for investment and ultimately dispose of or otherwise invest in or engage in activities related to investment in logistics facilities, subject to the Investment Guidelines. The Fund may also with the prior approval of the Advisory Council, pursuant to an Acquisition Framework Agreement, acquire logistics facilities from Prologis or its affiliates. The Fund may acquire a portfolio of which up to 20 per cent. of such portfolio's assets are non-industrial assets, provided that a disposition plan for these non-conforming assets is identified at acquisition. The Fund may also tear down and redevelop existing assets. As part of Prologis' "One Portfolio Policy", Prologis and/or Prologis, L.P. and/or any of their respective affiliates ("**Prologis Parties**") follow an allocation policy for allocating properties between funds managed by Prologis Parties. The One Portfolio Policy is intended to permit Prologis to operate all logistics facilities under its direct or indirect management on an ownership-blind basis regardless of whether a logistics facility is owned by

Prologis, co-owned by Prologis and third-party partners through separate account joint ventures or funds, or owned by third parties for which Prologis provides asset management or portfolio management services.

Logistics facilities may be sold during the life of the Fund where such sale is considered by the Management Company to be in the best interests of the Fund and appropriate, having regard to the investment objective and strategy. On a sale of any logistics facility, the Management Company shall seek to obtain the best overall terms and conditions (including, but not limited to, price) reasonably obtainable for such logistics facility.

### **Country Maximum**

The Fund may not acquire (without Advisory Council approval) any logistics facility if as a result of such acquisition, the market value of the aggregate logistics facilities owned by the Fund in any one country is greater than 30 per cent. of the total expected size of the Fund's portfolio on the last day of the relevant calendar year (the "**Country Maximum**").

For such period during which the Country Maximum has been reached for a particular country, the Management Company shall not be permitted to accept or acquire any asset located in such country without requisite Advisory Council approval.

## DESCRIPTION OF THE ISSUER

### Overview

Prologis International Funding II S.A., a Luxembourg public limited liability company (*société anonyme*), was established as a special purpose vehicle for the purpose of providing any form of financing directly or indirectly to the Guarantor and its subsidiaries and the issuance of stock, bonds, debentures, notes and other securities of any kind to the above effect. The Issuer is a wholly-owned subsidiary of the Guarantor and has no subsidiaries or other equity participation in any undertaking. The Issuer has no business operations other than the issuance of debt securities and the lending of the proceeds to the Fund (or other entities within the Group). See “Risk Factors—Risk Factors Relating to the Notes—The Issuer is a special purpose financing entity with no direct operations”.

The Issuer was incorporated on 11 August 2011 for an unlimited duration and its deed of incorporation was published in the Mémorial C, Recueil des Sociétés on 25 October 2011. The registered office of the Issuer is located at 34-38, Avenue de la Liberté, L-1930 Luxembourg and is registered with the Luxembourg Register of Commerce and Companies under number B-163.039.

According to the laws of Luxembourg, in a company limited by shares such as the Issuer, the liability of each member in respect of the shares it holds in the Issuer is limited to the amount from time to time unpaid on such member’s shares.

The Issuer’s share capital, as of the date of incorporation, was EUR 2,000,000 divided into 2,000 shares, each with a nominal value of EUR 1,000, each of which is fully paid up. The Issuer’s share capital was reduced to EUR 32,000 pursuant to a decision of the shareholders on 9 December 2011, which was published in the Mémorial C, Recueil des Sociétés on 17 February 2012.

The Issuer’s financial year begins on 1 January and ends on 31 December each year.

KPMG Luxembourg, Société coopérative, a co-operative company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-149.133, was appointed to act as *Réviseur d’Entreprises Agréé* (Independent Auditor) of the Issuer. KPMG Luxembourg, Société coopérative is a member of the Luxembourg body of registered auditors (*Institut des Réviseurs d’Entreprises*) and authorised by the CSSF.

### Management

The Issuer is managed by its board of directors who are appointed by the shareholders. The directors of the Issuer are:

- Mr Gerrit Jan Meerkerk, born on 7 June 1971 in Sliedrecht, The Netherlands, residing professionally at 34-38, Avenue de la Liberté, L-1930 Luxembourg;
- Mr Sébastien Degrandi, born on 13 November 1978 in Paris, France, residing professionally at 34-38, Avenue de la Liberté, L-1930 Luxembourg; and
- Mr Simon Nelson, born on 30 March 1965 in London, United Kingdom, residing professionally at 17, Gustav Mahlerplein, NL-1082 MS Amsterdam.

## TAXATION

### LUXEMBOURG TAXATION

The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. The comments below do not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular Noteholder, and do not purport to include tax considerations that arise from rules of general application or that are generally assumed to be known to Noteholders. It is not intended to be, nor should it be construed to be, legal or tax advice. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax, income tax, net wealth tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

#### **Taxation of the holders of the Notes**

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

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

In accordance with the law of 23 December 2005, as amended (the “**Relibi Law**”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent, if any. Accordingly, payments of interest under Notes coming within the scope of the Relibi Law will be subject to withholding tax at a rate of 20 per cent.

##### ***Luxembourg tax residency of the Noteholders***

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

##### ***Income Taxation on Principal, Interest, Gains on Sales or Redemption***

###### ***(a) Taxation of Luxembourg non-residents***

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg with which the holding of the Notes is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or capital gains realised upon disposal or repayment of the Notes.

###### ***(b) Taxation of Luxembourg residents***

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax (see above “**Withholding tax**”) or to the self-applied tax, if applicable. Indeed, in accordance with the Relibi Law, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg or a Member State of the European Economic Area other than an EU Member State. The withholding tax or self-applied tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis. If applicable, the 20 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon the sale, redemption or exchange of the Notes, accrued but unpaid interest will be subject to the 20 per cent. withholding tax or the self-applied tax, if applicable. Individual Luxembourg resident Noteholders receiving the interest as business income must include the portion of the price corresponding to this interest in their taxable income. The 20 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate Noteholders, or non-resident Noteholders which have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders which are companies benefiting from a special tax regime (such as (a) family wealth management companies subject to the amended law of 11 May 2007, (b) undertakings for collective investment subject to the amended law of 17 December 2010, (c) specialised investment funds subject to the amended law of 13 February 2007, or (d) reserved alternative investment funds governed by the law of 23 July 2016, provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

### **Net Wealth tax**

Luxembourg net wealth tax will not be levied on the Notes held by a corporate Noteholder, unless (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by (i) the law of 17 December 2010 on undertakings for collective investment; (ii) the law of 13 February 2007 on specialised investment funds; (iii) the amended law of 22 March 2004 on securitisation; (iv) the amended law of 15 June 2004 on the investment company in risk capital; (v) the amended law of 11 May 2007 on family estate management companies; or (vi) by the law of 23 July 2016 on reserved alternative investment or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

However, a securitisation company subject to the amended law of 22 March 2004 and a company subject to the amended law of 15 June 2004 on venture capital vehicles are, as from 1 January 2016, subject to a minimum net wealth tax, as well as, reserved alternative investment fund subject to the law of 23 July 2016, provided it

is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies.

#### ***Other taxes***

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes, unless the documents relating to the Notes are voluntarily registered in Luxembourg or appended to a document that requires mandatory registration in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Individual Noteholders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes. Where an individual Noteholder is a resident of Luxembourg for tax purposes at the time of death, the Notes will be included in his taxable estate for inheritance tax assessment purposes.

No Luxembourg gift tax is levied upon a gift or donation of the Notes, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

#### **COMMON REPORTING STANDARD**

The Organisation for Economic Co-operation and Development has developed a new global standard for the annual automatic exchange of financial information between tax authorities (the “**CRS**”). The CRS has been implemented in Luxembourg via the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU (the “**CRS Law**”). The regulation may impose obligations on the Issuer and the Noteholders, if the Issuer is actually regarded as a reporting Financial Institution under the CRS Law, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the Noteholders), tax identification number and CRS classification of the Noteholders in order to fulfil its own legal obligations.

Each prospective investor and each Noteholder should consult its own tax advisers regarding the requirements under CRS with respect to its own situation as well as the determination of its tax residence.

Each Noteholder and each transferee of a Note shall furnish (including by way of updates) to the Issuer, or any third party designated by the Issuer (a “**Designated Third Party**”), in such form and at such time as is reasonably requested by the Issuer (including by way of electronic certification) any information, representations, waivers and forms relating to the Noteholders (or the Noteholders' direct or indirect owners or account holders) as shall reasonably be requested by the Issuer or the Designated Third Party to assist it in complying with the relevant CRS requirements.

As mentioned above, self-certification forms would need to be provided by some of the Noteholders. In this respect, the self-certification forms can be provided in any form but in order for them to be valid it must be (i) signed by the relevant Noteholder itself (where an individual) or a person authorised to sign on behalf of the Noteholder (where an entity as defined by the CRS Law), (ii) dated and (iii) include:

- where the Noteholder is an individual: its name, residence address, jurisdiction(s) of residence for tax purposes, tax identification number(s) and its date of birth; or

- where the Noteholder is an entity (as defined by the CRS Law): its name, address, jurisdiction(s) of residence for tax purposes and tax identification number(s).

Concurrently, if the relevant Noteholder is regarded as a passive non-financial entity under the CRS Law, separate individual self-certification forms would be needed for each of their Controlling Persons.

In this context, the term Controlling Person corresponds to the term “beneficial owner” as elaborated under recommendation 10 of the Financial Action Task Force recommendations dated February 2012 (the “**Recommendation**”) and translated accordingly into Luxembourg Anti-Money Laundering regulation dated 12 November 2004, as amended. According to the Recommendation, a controlling ownership interest depends on the ownership structure of the entity. It may be based on a threshold, e.g. any person owning more than a certain percentage of the company (e.g. 25 per cent.). In case of a legal person/partnership (and equivalent arrangement), may be regarded as the Controlling Person any natural person who exercises control through direct or indirect ownership of the capital or profits of the legal person/partnership (and equivalent arrangement), voting rights in the legal person/partnership (and equivalent arrangement). If there are no natural person(s) who exercise control of the entity by ownership or other means, then the Controlling Person will be the natural person(s) who otherwise exercises control over the management of the entity (e.g. the senior managing official of the entity).

The Issuer or the Designated Third Party may disclose information regarding any Noteholder (including any information provided by the Noteholders pursuant to this section) to any person to whom information is required or requested to be disclosed by any taxing authority or other governmental agency including transfers to jurisdictions which do not have strict data protection or similar laws, to enable the Issuer to comply with any applicable law or regulation or agreement with a governmental authority.

By subscribing for the Notes, each Noteholder irrevocably waives all rights it may have under applicable bank secrecy, data protection and similar legislation that would otherwise prohibit any such disclosure and warrants that each person whose information it provides (or has provided) to the Issuer or the Designated Third Party has been given such information, and has given such consent, as may be necessary to permit the collection, processing, disclosure, transfer and reporting of their information as set out in this Section and this paragraph.

## **U.S. FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a “foreign financial institution” 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. A number of jurisdictions (including Luxembourg) 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. 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 the 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. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 28 April 2021 (the “**Dealer Agreement**”) between the Issuer, the Guarantor, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

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

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

### Selling Restrictions

#### United States

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

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer or sell the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting 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.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

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

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.



## **United Kingdom**

Each Dealer has represented and agreed that:

1. in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons: whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) by the Issuer;
2. 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 or the Guarantor; and
3. 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.

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

Each Dealer has represented and agreed 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, 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 (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

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

Each Dealer has represented and agreed 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 UK. For the purposes of this provision, 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.

## **Luxembourg**

The Notes shall not be offered to the public in or from Luxembourg and each Dealer has represented and agreed that it will not offer the Notes or cause the offering of the Notes or contribute the offering of the Notes to the public in or from Luxembourg, unless:

- (i) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "CSSF") pursuant to part II of the Luxembourg law dated 16 July 2019 on prospectuses for securities, which applies Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") (the "**Luxembourg Prospectus Law**"), if Luxembourg is the home Member State as defined under the Prospectus Regulation; or
- (ii) if Luxembourg is not the home Member State as defined under the Prospectus Regulation, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Regulation and with a copy of that prospectus; or
- (iii) the offer of Notes benefits from an exemption from, or constitutes a transaction not subject to, the requirement to publish a prospectus or similar document under the Prospectus Regulation and the Luxembourg Prospectus Law.

In particular, this offer has not been and may not be announced to the public and offering material may not be made available to the public.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not 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 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:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;
- (b) 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
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Switzerland**

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Notes to trading on any 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 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.

## **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 “Financial Instruments and Exchange Act”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **General**

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

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

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms.

## FORM OF FINAL TERMS

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

**[MIFID II product governance / Professional investors and eligible counterparties only target market –** Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance / Professional investors and eligible counterparties only target market –** Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as 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.]

**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 [MiFID II/Directive 2014/65/EU (as amended, “**MiFID II**”)]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU 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 EU 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 [EUWA]/[European Union (Withdrawal) Act 2018 (“**EUWA**”)]; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation

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

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are]/[are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded]/[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 Recommendation on Investment Products.)<sup>\*</sup>

### **Final Terms dated [●]**

**Prologis International Funding II S.A.**

Société anonyme

Registered office: 34-38, Avenue de la Liberté

L-1930 Luxembourg

R.C.S. Luxembourg B 163 039

Legal Entity Identifier: 213800JNRWW2C9DWI388

Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**] (the “**Notes**”)

Guaranteed by Prologis European Logistics Fund, FCP-FIS

**under the EUR 5,000,000,000**

**Euro Medium Term Note Programme**

### **Part A – Contractual Terms**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated [●] [and the supplement(s) to it dated [●]] (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the stock exchange’s website.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the supplement(s) to it dated [●]] [which are incorporated by reference in the Base Prospectus dated [current date]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [●] [and the supplement(s) to it dated [●]], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplement(s) to it dated [●]]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus [and the supplement(s) dated [●]]. The Base Prospectus has been published on the stock exchange’s website.]

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<sup>\*</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

1	(i) Issuer:	Prologis International Funding II S.A.
	(ii) Guarantor:	Prologis Management II S.à r.l. acting in its own name and on behalf of Prologis European Logistics Fund, FCP-FIS
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 purposes with the [●] on [[●]/the Issue Date [which is expected to occur on or about [●]]].]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes:	[●]
	[(i)] Series:	[●]
	[(ii) Tranche:	[●]]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] ( <i>if applicable</i> )]
6	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
8	Maturity Date:	[●]
9	Interest Basis:	[●] per cent. Fixed Rate] [+/- [●] per cent. Floating Rate] [Zero Coupon] [Index-linked Interest] (further particulars specified 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. [Index-linked Redemption] [Dual Currency] [Instalment Redemption]
11	Change of Interest Basis:	[Applicable/Not Applicable] [●]
12	Put/Call Options:	[Investor Put] [Issuer Call] [Issuer Par Call] [(further particulars specified below)]
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior

- (iii) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [●] [and [●], respectively]

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

- 14 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (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 [adjusted in accordance with [●]/not adjusted]
  - (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
  - (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
  - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / *include any other option from the Conditions*]
  - (vi) Determination Dates: [●]
  - (vii) Ratings Step-up/Step-down: [Applicable/Not Applicable]
  - Step-up/Step-down Margin: [●] per cent. per annum
- 15 **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●]
  - (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below]
  - (iii) Interest Period Date: [Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
  - (iv) First Interest Payment Date: [●]
  - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day]
  - (vi) Business Centre(s): [●]
  - (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
  - (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent): [●]
  - (ix) Screen Rate Determination:
    - Reference Rate: [●][Compounded Daily €STR]
    - Relevant Financial Centre: [●]



	– Interest Determination Dates:	[●][If €STR insert: The [second]/[●] TARGET Settlement Day falling after the last day of the relevant Observation Period]
	– Relevant Time	[●]
	– Relevant Screen Page:	[●]
	[- Observation Method:	[Lag]/Shift]/[Not Applicable]
	[- €STR Lag Period (p):	[●]/[Five TARGET Settlement Days][Not Applicable]]
	[- €STR Shift Period (p):	[●]/[Five TARGET Settlement Days][Not Applicable]] [Specify €STR Lag Period or €STR Shift Period where €STR is the Reference Rate. Specify “p” TARGET Settlement Days for €STR where “p” shall not be less than five without the prior agreement of the Calculation Agent]
	[- Reference Banks:	[●]]
	(x) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	– ISDA Definitions:	[2006/[●]]
	(xi) [Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )
	(xii) Margin(s):	[+/-][●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[●] per cent. per annum
	(xv) Day Count Fraction:	[●]
	(xvi) Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	– Step-up/Step-down Margin:	[●] per cent. per annum]
16	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable]
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) [Day Count Fraction [in relation to Early Redemption Amounts]:	[[30/360][Actual/360][Actual/365]][●]]
17	<b>Index-Linked Interest Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Index/Formula:	[give or annex details]
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest	[●]

	Amount(s) (if not the Issuing and Paying Agent):	
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[•]
	(iv) Interest Period(s):	[•]
	(v) Specified Interest Payment Dates:	[•]
	(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
	(vii) Business Centre(s):	[•]
	(viii) Minimum Rate of Interest:	[•] per cent. per annum
	(ix) Maximum Rate of Interest:	[•] per cent. per annum
	(x) Day Count Fraction:	[•]
18	<b>Dual Currency Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[give details]
	(ii) Party, if any, responsible for calculation the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[•]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[•]
<b>PROVISIONS RELATING TO REDEMPTION</b>		
19	Notice periods for Condition 7(c):	Minimum period: [•] days Maximum period: [•] days
20	Notice periods for Condition 7(f):	Minimum period: [•] days Maximum period: [•] days
21	<b>Call Option</b>	[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] [Make-Whole Amount] [in the case of the Optional Redemption Date(s) falling

		[on [●]/in the period from and including [date] to but excluding [date][the Par Call Period Commencement Date]]
	[(A) Reference Bond: (Only applicable to Make-Whole Amount redemption)	[●]]
	[(B) Redemption Margin: (Only applicable to Make-Whole Amount redemption)	[[●] per cent.]]
	[(C) Relevant Make-Whole Screen Page: (Only applicable to Make-Whole Amount redemption)	[●]]
	(iii) If redeemable in part:	[●]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
22	<b>Put Option</b>	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any of calculation of such amounts:	[●] per Calculation Amount
	(iii) Notice period:	[●]
23	<b>Issuer Par Call</b>	[Applicable/Not Applicable]
	(i) Par Call Period:	From and including the Par Call Period Commencement Date to but excluding [date][the Maturity Date]
	(ii) Par Call Period Commencement Date:	[●]
	(iii) Notice period:	[●]
24	<b>Final Redemption Amount of each Note:</b>	[Par/[●]] per Calculation Amount
25	<b>Early Redemption Amount</b>	[Par/[●]] per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same:	[[●] per Calculation Amount]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |    |  |   |
|----|--|---|
| 26 | Form of Notes:   | Regulation S Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] [to hold under the new safekeeping structure] |
| 27 | Financial Centre(s):   | [Not Applicable/[●]]  |
| 28 | Details relating to Instalment Notes<br>Amount of each instalment, date on which each payment is to be made: | [Not applicable/ <i>give details</i> ]<br>[●]/[●]   |

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**Prologis International Funding II S.A.**

Duly represented by: .....

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**Prologis Management II S.à r.l.,** acting in its own name and on behalf of

**Prologis European Logistics Fund, FCP-FIS**

Duly represented by: .....

## Part B – Other Information

### 1 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and listing on the Official List of the Luxembourg Stock Exchange with effect from [●]. [The Issuer has also applied for the Notes to be displayed on the Luxembourg Green Exchange.]] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:
- [S&P: [●]]
- [Moody's: [●]]
- [[Other]: [●]]
- [[Insert the legal name of the relevant credit rating agency entity] is established in the [European Economic Area] and is registered under Regulation (EC) No 1060/2009, as amended.]

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

“Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.” *(Amend as appropriate if there are other interests)*

### 4 [REASONS FOR THE OFFER]

- Reasons for the offer [●]/[To [finance/refinance] Eligible Green Projects as more particularly described [under “Use of Proceeds” in the Base Prospectus] [[and] below].
- [Further details to be included if required]]*

### 5 [Fixed Rate Notes only – YIELD]

- 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 Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer, and if the index is not composed by the Issuer, need to*

*include details of where the information about the index can be obtained. Where the underlying is not an index, need to include equivalent information. [(When completing this paragraph, 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.)]* The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] ] [does not intend to provide post-issuance information].

**7 [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.][(When completing this paragraph, 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.)]*

**8 OPERATIONAL INFORMATION**

- |   |   |
|---|---|
| (i) ISIN:   | [•]   |
| (ii) Common Code:   | [•]   |
| (iii) FISN:   | [Not Applicable/[•]], 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   |
| (iv) CFI Code:  | [Not Applicable/[•]], 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   |
| (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): | [Not Applicable/[•]]  |
| (vi) Delivery:  | Delivery [against/free of] payment  |
| (vii) [Intended to be held in a manner which would allow Eurosystem eligibility:]   | <p>[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]/</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem</p> |

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

(viii)[Deemed delivery of clearing system notices for the purposes of Condition [●]]:

[Any notice delivered to [Noteholders] through the clearing systems will be deemed to have been given on the [second][business] day after the day on which it was given to [Euroclear Bank SA/NV and Clearstream Banking, S.A.]

## 9 **DISTRIBUTION**

(i) US Selling Restrictions:

[Reg. S Compliance Category 2; TEFRA not applicable]

(ii) If syndicated, names of Managers:

[Not Applicable/[●]]

(iii) If non-syndicated, name of relevant Dealer:

[Not Applicable/[●]]

(iv) Additional Selling Restrictions:

[●]

(v) Stabilising Manager:

[●]

## GENERAL INFORMATION

- (1) It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Euro MTF will be admitted separately as and when issued, subject only to the issue of one or more Certificates in respect of each Tranche. If any Green Bonds are to be issued under the Programme and listed on the Official List, the Issuer may also apply for such Green Bonds to be displayed on the LGX. Prior to official listing and admission to trading, however, dealings will be permitted by the Luxembourg Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.
- (2) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF and to be listed on the Official List of the Luxembourg Stock Exchange for a period of 12 months from the date of this Base Prospectus. The Luxembourg Stock Exchange's Euro MTF is not a regulated market for the purposes of MiFID II.
- (3) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Luxembourg in connection with the update of the Programme and the Guarantee. The update of the Programme was authorised by circular resolutions taken by all directors of the Issuer dated 7 April 2021 and the giving of the Guarantee by the Guarantor was authorised by circular resolutions taken by all the managers of the Management Company dated 7 April 2021.
- (4) There has been no significant change in the financial or trading position of the Issuer, the Guarantor or the Group, and no material adverse change in the prospects of the Issuer, the Guarantor or the Group, in each case since 31 December 2020.

Neither the Issuer nor the Guarantor is, or has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Guarantor.

- (5) Notes have been accepted for clearance and settlement through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (6) There are no material contracts entered into other than in the ordinary course of the Issuer's or Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet its obligations to noteholders in respect of the Notes being issued.
- (7) Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.



- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (9) For so long as Notes may be issued pursuant to this Base Prospectus and/or any Note remains outstanding, the following documents will be available, during usual business hours and free of charge on any weekday (Saturdays and Luxembourg bank and public holidays excepted), for inspection (and, in the case of items (iv), (v), (vi), (vii) and (viii), obtainable free of charge) at the office of the Issuer in Luxembourg:
  - (i) the Trust Deed (which includes the form of the Global Certificates and the Certificates);
  - (ii) the Agency Agreement;
  - (iii) the Memorandum and Articles of Association of the Issuer and the Guarantor;
  - (iv) the published audited consolidated annual financial statements of the Fund for the years ended 31 December 2019 and 31 December 2020, and any future audited consolidated annual financial statements of the Fund and unaudited consolidated quarterly financial information in the relevant year of the Fund, the audited annual accounts of the Issuer for the years ended 31 December 2019 and 31 December 2020 and any future audited annual accounts of the Issuer (the Issuer does not publish interim accounts);
  - (v) each Final Terms (save that Final Terms relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);
  - (vi) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus;
  - (vii) a copy of any Drawdown Prospectus published since the date of this Base Prospectus; and
  - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

This Base Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the Euro MTF will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- (10) KPMG Luxembourg, Société coopérative, a co-operative company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-149.133 acting as Independent Auditor (*Réviseurs d'Entreprises Agréé*) and being a member of the *Institut des Réviseurs d'Entreprises* have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Fund for the years ended 31 December 2019 and 31 December 2020 and the annual accounts of the Issuer for the years ended 31 December 2019 and 31 December 2020.
- (11) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and/or their affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative

securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor and/or the Issuer's or the Guarantor's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and/or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**REGISTERED OFFICE OF THE ISSUER****Prologis International Funding II S.A.**

34-38, Avenue de la Liberté,  
L-1930 Luxembourg,  
Luxembourg

**REGISTERED OFFICE OF THE GUARANTOR****Prologis European Logistics Fund, FCP-FIS**

34-38, Avenue de la Liberté,  
L-1930 Luxembourg,  
Luxembourg

**ARRANGERS****BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

**ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**NatWest Markets Plc**

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London EC2M 4AA  
United Kingdom

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

Ciudad BBVA – C/ Saucedo, 28  
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Spain

**BofA Securities Europe SA**

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France

**BNP Paribas**

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75009 Paris  
France

**CaixaBank, S.A.**

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**Crédit Agricole Corporate and Investment Bank**

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92547 Montrouge Cedex  
France

**Deutsche Bank Aktiengesellschaft**

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60329 Frankfurt am Main  
Germany

**HSBC Continental Europe**

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75116 Paris  
France

**ING Bank N.V.**

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1102 BD Amsterdam  
The Netherlands

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**NatWest Markets N.V.**

Claude Debussylaan 94  
1082 MD Amsterdam  
The Netherlands

**NatWest Markets Plc**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**ISSUING AND PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**LUXEMBOURG LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**AUDITORS IN RESPECT OF THE ISSUER AND THE GUARANTOR**

**KPMG Luxembourg, Société coopérative**  
39, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISERS**

**TO THE ISSUER AND THE GUARANTOR**

*in respect of English law*

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United Kingdom

*in respect of Luxembourg law*

**Linklaters LLP**  
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35, Avenue John F. Kennedy  
L-1855 Luxembourg

**TO THE DEALERS**

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**Clifford Chance LLP**  
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London E14 5JJ  
United Kingdom

*In respect of Luxembourg law*

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**TO THE TRUSTEE**

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