CITIGROUP INC. RATES BASE PROSPECTUS SUPPLEMENT (No.1) dated 1 August 2023;
CGMHI RATES BASE PROSPECTUS SUPPLEMENT (No.1) dated 1 August 2023; and
CGMFL RATES BASE PROSPECTUS SUPPLEMENT (No.1) dated 1 August 2023

CITIGROUP INC.
(incorporated in Delaware)

and

CITIGROUP GLOBAL MARKETS HOLDINGS INC.
(a corporation duly incorporated and existing under the laws of the state of New York)

and

CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.
(incorporated as a corporate partnership limited by shares (*société en commandite par actions)* under Luxembourg law, with registered office at 31 - Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg (*Registre de commerce et des sociétés*, Luxembourg) under number B 169.199)

each an issuer under the
Citi Global Medium Term Note Programme

Notes issued by Citigroup Global Markets Holdings Inc. only will be unconditionally and irrevocably guaranteed by
CITIGROUP INC.
(incorporated in Delaware)

Notes issued by Citigroup Global Markets Funding Luxembourg S.C.A only will be unconditionally and irrevocably guaranteed by
CITIGROUP GLOBAL MARKETS LIMITED
(incorporated in England and Wales)

Citigroup Inc. Rates Base Prospectus Supplement (No.1)

This base prospectus supplement ("**Citigroup Inc. Rates Base Prospectus Supplement (No.1)**") constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**") and is supplemental to, and must be read in conjunction with, the Rates Base Prospectus dated 7 July 2023 ("**Citigroup Inc. Rates Base Prospectus**"), prepared by Citigroup Inc. with respect to the Citi Global Medium Term Note Programme (the "**Programme**").

CGMHI Rates Base Prospectus Supplement (No.1)

This base prospectus supplement ("**CGMHI Rates Base Prospectus Supplement (No.1)**") also constitutes a supplement for the purposes of Article 23 of the EU Prospectus Regulation and is supplemental to, and must be read in conjunction with, the Rates Base Prospectus dated 7 July 2023 (the "**CGMHI Rates Base Prospectus**"), prepared by Citigroup Global Markets Holdings Inc. ("**CGMHI**") and Citigroup Inc. in its capacity as the CGMHI Guarantor with respect to the Programme.

CGMFL Rates Base Prospectus Supplement (No.1)

This base prospectus supplement ("**CGMFL Rates Base Prospectus Supplement (No.1)**" and, together with the Citigroup Inc. Rates Base Prospectus Supplement (No.1) and the CGMHI Rates Base Prospectus Supplement

(No.1), the "**Supplement**") also constitutes a supplement for the purposes of Article 23 of the EU Prospectus Regulation and is supplemental to, and must be read in conjunction with, the Rates Base Prospectus dated 7 July 2023 (the "**CGMFL Rates Base Prospectus**"), prepared by Citigroup Global Markets Funding Luxembourg S.C.A. ("**CGMFL**") and Citigroup Global Markets Limited in its capacity as the CGMFL Guarantor with respect to the Programme.

Approvals

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the EU Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered an endorsement of the Issuer or the Guarantor, or of the quality of the Notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the approval of the Citigroup Inc. Rates Base Prospectus Supplement (No.1), the CGMHI Rates Base Prospectus Supplement (No.1) and the CGMFL Rates Base Prospectus Supplement (No.1) as Base Listing Particulars Supplements (the "**Citigroup Inc. Rates Base Listing Particulars Supplement** (**No.1**)", the "**CGMHI Rates Base Listing Particulars Supplement** (**No.1**)" and the "**CGMFL Rates Base Listing Particulars Supplement** (**No.1**)", respectively, and together, the "**Base Listing Particulars Supplement**"). Save where expressly provided or the context otherwise requires, where Notes are to be admitted to trading on the Global Exchange Market references herein to "Supplement", "Citigroup Inc. Rates Base Prospectus Supplement (No.1)", "CGMHI Rates Base Prospectus Supplement (No.1)" and "CGMFL Rates Base Prospectus Supplement (No.1)" shall be construed to be to, respectively, "Base Listing Particulars Supplement", "Citigroup Inc. Rates Base Listing Particulars Supplement (No.1)", "CGMHI Rates Base Listing Particulars Supplement (No.1)" and "CGMFL Rates Base Listing Particulars Supplement (No.1)".

Responsibility Statements

Citigroup Inc.: Citigroup Inc. accepts responsibility for the information contained in this Supplement (excluding the paragraphs set out under the headings "*Information relating to the CGMHI Rates Base Prospectus*" and "*Information relating to the CGMFL Rates Base Prospectus*" below (together, "**Citigroup Inc. Excluded Information**")). To the best of the knowledge of Citigroup Inc., the information contained in this Supplement (excluding the Citigroup Inc. Excluded Information) is in accordance with the facts and does not omit anything likely to affect the import of such information.

CGMHI: CGMHI accepts responsibility for the information contained in this Supplement (excluding the paragraphs set out under the headings "*Information relating to the Citigroup Inc. Rates Base Prospectus*" and "*Information relating to the CGMFL Rates Base Prospectus*" below (together, "**CGMHI Excluded Information**")). To the best of the knowledge of CGMHI, the information contained in this Supplement (excluding the CGMHI Excluded Information) is in accordance with the facts and does not omit anything likely to affect the import of such information.

CGMHI Guarantor: The CGMHI Guarantor accepts responsibility for the information contained in this Supplement (excluding the paragraphs set out under the headings "*Information relating to the Citigroup Inc. Rates Base Prospectus*" and "*Information relating to the CGMFL Rates Base Prospectus*" below (together, "**CGMHI Guarantor Excluded Information**")). To the best of the knowledge of the CGMHI Guarantor, the information contained in this Supplement (excluding the CGMHI Guarantor Excluded Information) is in accordance with the facts and does not omit anything likely to affect the import of such information.

CGMFL: CGMFL accepts responsibility for the information contained in this Supplement (excluding the paragraphs set out under the headings "*Information relating to the Citigroup Inc. Rates Base Prospectus*" and "*Information relating to the CGMHI Rates Base Prospectus*" below (together, "**CGMFL Excluded**

Information")). To the best of the knowledge of CGMFL, the information contained in this Supplement (excluding the CGMFL Excluded Information) is in accordance with the facts and does not omit anything likely to affect the import of such information.

CGMFL Guarantor: The CGMFL Guarantor accepts responsibility for the information contained in this Supplement (excluding the paragraphs set out under the headings "*Information relating to the Citigroup Inc. Rates Base Prospectus*" and "*Information relating to the CGMHI Rates Base Prospectus*" below (together, "**CGMFL Guarantor Excluded Information**")). To the best of the knowledge of the CGMFL Guarantor, the information contained in this Supplement (excluding the CGMFL Guarantor Excluded Information) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Defined Terms

Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

INFORMATION RELATING TO THE CITIGROUP INC. RATES BASE PROSPECTUS

Publication of the 2023 Q2 Form 8-K of Citigroup Inc. on 14 July 2023

On 14 July 2023, Citigroup Inc. filed a Current Report on Form 8-K (the "**Citigroup Inc. 2023 Q2 Form 8-K**") with the Securities and Exchange Commission of the United States (the "**SEC**") in connection with the publication of its Quarterly Financial Data Supplement for the quarter ended 30 June 2023. A copy of the Citigroup Inc. 2023 Q2 Form 8-K has been filed with the Central Bank, Euronext Dublin and the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and has been published on the website of Euronext Dublin (https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202307/404300f9-1f2a-439c-9a92-3297f14cd47c.pdf). Citigroup Inc. is an Issuer under the Programme. By virtue of this Supplement, the Citigroup Inc. 2023 Q2 Form 8-K is incorporated by reference in, and forms part of, the Citigroup Inc. Rates Base Prospectus.

The following information appears on the page(s) of the Citigroup Inc. 2023 Q2 Form 8-K as set out below:

		Page(s)
(a)	Press Release, dated 14 July 2023, issued by Citigroup Inc.	Exhibit Number 99.1 on pages 4-15
(b)	Citigroup Inc. Quarterly Financial Data Supplement for the quarter ended 30 June 2023.	Exhibit Number 99.2 on pages 16-34

Any information not specified in the cross-reference list above but included in the Citigroup Inc. 2023 Q2 Form 8-K is not incorporated by reference and is either covered elsewhere in the Base Prospectus or is not relevant for investors.

Amendments to Taxation

The information relating to the Taxation of Notes set out in Section G.8 on pages 297 to 377 (inclusive) of the Citigroup Inc. Rates Base Prospectus entitled "Taxation of Notes" shall be amended as set out in the Schedule to this Supplement.

General

Save as disclosed in this Supplement (including any documents incorporated by reference herein), there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Citigroup Inc. Rates Base Prospectus since the publication of the Citigroup Inc. Rates Base Prospectus.

Copies of the Citigroup Inc. Rates Base Prospectus and this Supplement will be obtainable free of charge in electronic form, for so long as the Programme remains in effect or any Notes remain outstanding, at the specified office of the Fiscal Agent and each of the other Paying Agents and all documents incorporated by reference in the Citigroup Inc. Rates Base Prospectus will be available on the website specified for each such document in the Citigroup Inc. Rates Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Citigroup Inc. Rates Base Prospectus by this Supplement and (b) any statement in the Citigroup Inc. Rates Base Prospectus or otherwise incorporated by reference into the Citigroup Inc. Rates Base Prospectus, the statements in (a) above will prevail.

Withdrawal rights

In accordance with Article 23 of the EU Prospectus Regulation, investors who have already agreed to purchase or subscribe for securities pursuant to the Citigroup Inc. Rates Base Prospectus before this Supplement is published, and for whom any of the information in this Supplement relates to the issue of the relevant securities (within the

meaning of Article 23(4) of the EU Prospectus Regulation), have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy to which this Supplement relates arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. Investors may contact the relevant distributor of such securities in connection therewith should they wish to exercise such right of withdrawal. The final date of such right of withdrawal is 3 August 2023.

INFORMATION RELATING TO THE CGMHI RATES BASE PROSPECTUS

Publication of the 2023 Q2 Form 8-K of Citigroup Inc. on 14 July 2023

On 14 July 2023, Citigroup Inc. filed a Current Report on Form 8-K (the "**Citigroup Inc. 2023 Q2 Form 8-K**") with the Securities and Exchange Commission of the United States (the "**SEC**") in connection with the publication of its Quarterly Financial Data Supplement for the quarter ended 30 June 2023. A copy of the Citigroup Inc. 2023 Q2 Form 8-K has been filed with the Central Bank, Euronext Dublin and the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and has been published on the website of Euronext Dublin (https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202307/404300f9-1f2a-439c-9a92-3297f14cd47c.pdf). Citigroup Inc. is CGMHI Guarantor under the Programme. By virtue of this Supplement, the Citigroup Inc. 2023 Q2 Form 8-K is incorporated by reference in, and forms part of, the CGMHI Rates Base Prospectus.

The following information appears on the page(s) of the Citigroup Inc. 2023 Q2 Form 8-K as set out below:

		Page(s)
(a)	Press Release, dated 14 July 2023, issued by Citigroup Inc.	Exhibit Number 99.1 on pages 4-15
(b)	Citigroup Inc. Quarterly Financial Data Supplement for the quarter ended 30 June 2023.	Exhibit Number 99.2 on pages 16-34

Any information not specified in the cross-reference list above but included in the Citigroup Inc. 2023 Q2 Form 8-K is not incorporated by reference and is either covered elsewhere in the Base Prospectus or is not relevant for investors.

Amendments to Taxation

The information relating to the Taxation of Notes set out in Section G.8 on pages 297 to 377 (inclusive) of the CGMHI Rates Base Prospectus entitled "Taxation of Notes" shall be amended as set out in the Schedule to this Supplement.

General

Save as disclosed in this Supplement (including any documents incorporated by reference herein), there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the CGMHI Rates Base Prospectus since the publication of the CGMHI Rates Base Prospectus.

Copies of the CGMHI Rates Base Prospectus and this Supplement will be obtainable free of charge in electronic form, for so long as the Programme remains in effect or any Notes remain outstanding, at the specified office of the Fiscal Agent and each of the other Paying Agents and all documents incorporated by reference in the CGMHI Rates Base Prospectus will be available on the website specified for each such document in the CGMHI Rates Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the CGMHI Rates Base Prospectus by this Supplement and (b) any statement in the CGMHI Rates Base Prospectus or otherwise incorporated by reference into the CGMHI Rates Base Prospectus, the statements in (a) above will prevail.

Withdrawal rights

In accordance with Article 23 of the EU Prospectus Regulation, investors who have already agreed to purchase or subscribe for securities pursuant to the CGMHI Rates Base Prospectus before this Supplement is published, and for whom any of the information in this Supplement relates to the issue of the relevant securities (within the meaning of Article 23(4) of the EU Prospectus Regulation), have the right, exercisable within two working days

after the publication of this Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy to which this Supplement relates arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. Investors may contact the relevant distributor of such securities in connection therewith should they wish to exercise such right of withdrawal. The final date of such right of withdrawal is 3 August 2023.

INFORMATION RELATING TO THE CGMFL RATES BASE PROSPECTUS

Publication of the 2023 Q2 Form 8-K of Citigroup Inc. on 14 July 2023

On 14 July 2023, Citigroup Inc. filed a Current Report on Form 8-K (the "**Citigroup Inc. 2023 Q2 Form 8-K**") with the Securities and Exchange Commission of the United States (the "**SEC**") in connection with the publication of its Quarterly Financial Data Supplement for the quarter ended 30 June 2023. A copy of the Citigroup Inc. 2023 Q2 Form 8-K has been filed with the Central Bank, Euronext Dublin and the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and has been published on the website of Euronext Dublin (https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202307/404300f9-1f2a-439c-9a92-3297f14cd47c.pdf). Citigroup Inc. is the indirect parent company of CGMFL. By virtue of this Supplement, the Citigroup Inc. 2023 Q2 Form 8-K is incorporated by reference in, and forms part of, the CGMFL Rates Base Prospectus.

The following information appears on the page(s) of the Citigroup Inc. 2023 Q2 Form 8-K as set out below:

		Page(s)
(a)	Press Release, dated 14 July 2023, issued by Citigroup Inc.	Exhibit Number 99.1 on pages 4-15
(b)	Citigroup Inc. Quarterly Financial Data Supplement for the quarter ended 30 June 2023.	Exhibit Number 99.2 on pages 16-34

Any information not specified in the cross-reference list above but included in the Citigroup Inc. 2023 Q2 Form 8-K is not incorporated by reference and is either covered elsewhere in the Base Prospectus or is not relevant for investors.

Amendments to Taxation

The information relating to the Taxation of Notes set out in Section G.8 on pages 297 to 377 (inclusive) of the CGMFL Rates Base Prospectus entitled "Taxation of Notes" shall be amended as set out in the Schedule to this Supplement.

General

Save as disclosed in this Supplement (including any documents incorporated by reference herein), there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the CGMFL Rates Base Prospectus since the publication of the CGMFL Rates Base Prospectus.

Copies of the CGMFL Rates Base Prospectus, the CGMFL Rates Base Prospectus and this Supplement will be obtainable free of charge in electronic form, for so long as the Programme remains in effect or any Notes remain outstanding, at the specified office of the Fiscal Agent and each of the other Paying Agents and all documents incorporated by reference in the CGMFL Rates Base Prospectus will be available on the website specified for each such document in the CGMFL Rates Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the CGMFL Rates Base Prospectus by this Supplement and (b) any statement in the CGMFL Rates Base Prospectus or otherwise incorporated by reference into the CGMFL Rates Base Prospectus, the statements in (a) above will prevail.

Withdrawal rights

In accordance with Article 23 of the EU Prospectus Regulation, investors who have already agreed to purchase or subscribe for securities pursuant to the CGMFL Rates Base Prospectus before this Supplement is published, and for whom any of the information in this Supplement relates to the issue of the relevant securities (within the

meaning of Article 23(4) of the EU Prospectus Regulation), have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy to which this Supplement relates arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. Investors may contact the relevant distributor of such securities in connection therewith should they wish to exercise such right of withdrawal. The final date of such right of withdrawal is 3 August 2023.

SCHEDULE

AMENDMENTS TO TAXATION OF NOTES

The Taxation of Notes set out in Section G.8 of the Base Prospectus ("*Taxation of Notes*") on pages297 to 377 of the Base Prospectus is amended as follows:

(i) the sub-section entitled "Interest on Notes" under the section entitled "United Kingdom Taxation" on pages 304 to 305 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

"**Interest on Notes**

Payments of interest on the Notes that do not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax. If interest paid on the Notes does have a United Kingdom source, then payments may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

Payments of interest on the Notes may be made without deduction or withholding on account of United Kingdom income tax PROVIDED THAT the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the main market or the Euro MTF market of the Luxembourg Stock Exchange. Euronext Dublin is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the regulated market or the Global Exchange Market of Euronext Dublin. The Italian Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Italy in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Electronic Bond Market (MOT) of the Italian Stock Exchange. The Frankfurt Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Germany in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the regulated Amtlicher or Geregelter markets of the Frankfurt Stock Exchange. Provided, therefore that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be "admitted to trading on a multilateral trading facility" operated by a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 that is regulated in the UK or the EEA. The Vienna MTF is a multilateral trading facility for this purpose. It is operated by the Vienna Stock Exchange which is a recognised stock exchange that is regulated in the EEA. The Freiverkehr is a multilateral trading facility for this purpose. It is operated by the Frankfurt Stock Exchange which is a recognised stock exchange that is regulated in the EEA. Provided, therefore, that the Notes carry a right to interest and are and remain admitted to trading on a multilateral trading facility operated by a recognised stock exchange that is regulated in the EEA, interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

Payments of interest on the Notes may be made without deduction or withholding on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate

(currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

An amount may also be required to be withheld from payments on the Notes that have a United Kingdom source and are not interest, but are nevertheless treated as annual payments or manufactured payments for United Kingdom tax purposes, on account of United Kingdom income tax at the basic rate. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay annual payments to the Noteholder without deduction of tax (or for annual payments to be paid with tax deducted at the rate provided for in the relevant double tax treaty).";

(ii) the section entitled "German Taxation" on pages 324 to 329 shall be deleted in its entirety and replaced with the following:

"**GERMAN TAXATION**

The following is a general discussion of certain German tax consequences of the acquisition, ownership and the sale, assignment or redemption of Notes and the receipt of interest thereon. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche, the following section only provides some very generic information on the possible tax treatment and has to be read in conjunction with the more specific information on the taxation of each Series or Tranche of Notes as provided in the applicable Issue Terms. Furthermore, the taxation of the different types of Notes may differ from each other. The following summary only describes the tax treatment of Notes in general and certain particularities with respect to individual types of Notes. Where the term "certificates" is used in the following summary it refers – according to a German understanding of the term – to certain types of Notes linked to an underlying.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the acquisition, the ownership and the sale, assignment or redemption of Notes and the receipt of interest thereon, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens or may otherwise be liable to tax. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective holders of the relevant Notes.

Tax Residents

Private Investors

Interest/Capital gains

Interest payable on Notes to persons holding such Notes as private assets (**Private Investors**) who are tax residents of Germany (i.e. persons whose residence or habitual abode is located in Germany) qualifies as investment income (*Einkünfte aus Kapitalvermögen*) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and is, in general, taxed at a separate flat tax rate of 25 per cent. according to Sec. 32d para. 1 German Income Tax Act (*Abgeltungsteuer*, in the following also referred to as **flat tax**), plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax. The German flat tax regime is currently under review of the German Federal Constitutional Court (*BVerfG*) after the Lower Saxony Finance Court in Hanover held that the withholding tax on capital gains violated the principle of equal

treatment and was therefore unconstitutional (Submission order dated 18 March 2022 (docket no. 7 K 120/21).

Capital gains from the sale, assignment or redemption of Notes, including the original issue discount and interest having accrued up to the disposition of a Note and credited separately (**Accrued Interest** *(Stückzinsen)*), if any, qualify – irrespective of any holding period – as investment income pursuant to Sec. 20 para. 2 German Income Tax Act and are also generally taxed at the flat tax rate of 25 per cent., plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the acquisition price of the relevant Notes. Where the relevant Notes are issued in a currency other than Euro the sale, assignment or redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively. If the Issuer(s) exercises(s) the right to substitute the Issuer(s) of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new Issuer(s). Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to interest payments or capital gains under the Notes are – except for a standard lump sum (*Sparer-Pauschbetrag*) of Euro 1,000 (Euro 2,000 for jointly assessed Noteholders) – in principle not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of Notes can only be set-off against other investment income including capital gains. If the set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods only and can be set-off against investment income including capital gains generated in these future assessment periods. The offsetting of losses incurred by a Private Investor is subject to several restrictions. Losses incurred with respect to the Notes can only be offset against investment income of the Private Investor realised in the same or the following years. According to new legislation losses from capital claims of private investors can now be offset against income derived from capital investments up to an amount of EUR20,000.00 p.a. Further, loss from Notes which qualify as derivative transactions (*Termingeschäfte*) may only be applied against profits from other derivative transactions, and only up to an amount of EUR20,000.00 in a given year. Losses exceeding any of these thresholds can be carried forward. The Federal Fiscal Court (*Bundesfinanzhof*) considers loss offsetting restrictions for losses on the sale of shares to be unconstitutional and has submitted the question by decision of 17 November 2020 (docket no. VIII R 11/18) to the German Federal Constitutional Court (*BVerfG*) for a decision on constitutionality.

Particularities apply with respect to so-called full risk certificates with several payment dates. According to the decree of the German Federal Ministry of Finance (*Bundesfinanzministerium*) dated 19 May 2022 (IV C 1 – S 2252 19/10003 :009) (as last amended by decree dated 20 December 2022 (IV C 1 - S 2252/19/10003 :011)), all payments to the investor under such full risk certificates that are made prior to the final maturity date shall qualify as taxable income from an "other capital receivable" (*sonstige Kapitalforderung*) pursuant to Sec. 20 para 1 no. 7 German Income Tax Act, unless the offering terms and conditions stipulate that such payments shall be redemption payments and the parties act accordingly. If there is no final redemption payment, the final maturity date shall not constitute a sale-like event in the meaning of Sec. 20 para. 2 German Income Tax Act. Therefore, capital losses, if any, shall not be deductible; however, based on case law a non-payment on a security due to certain thresholds being breached or an early termination of a security for this reason without any further payment shall be treated like a disposal resulting in the acquisition costs of such security being treated as a tax-deductible loss. Although this decree only refers to certain types of certificates, the German tax authorities apply the above described principles to other kinds of certificates as well.

However, according to the decrees dated 23 January 2017 (IV C 1 – S 2252/08/10004:018) and 12 April 2018 (IV CI-5 2252/08/10004:021) the German Federal Ministry of Finance now accepts losses in connection with the expiration of option rights (including options with knock out character) and respective warrants as well as certain derivative transactions which may also affect other financial instruments.

Further, the German Federal Ministry of Finance in its decree dated 19 May 2022 (IV C 1 – S 2252/19/10003 :009, marginal number 61)) (as amended) has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall be deductible for tax purposes. It is not clear whether the position of the German tax authorities may affect securities which are linked to a reference value in case such value decreases.

Withholding

If Notes are held in custody with or administered by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank ("**Disbursing Agent**"), the flat tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and the excess of the proceeds from the sale, assignment or redemption (after the deduction of expenses directly and factually related to the sale, assignment or redemption) over the acquisition costs for the relevant Notes (if applicable converted into Euro terms on the basis of the foreign exchange rates as of the acquisition date and the sale, assignment or redemption date respectively). Church tax is collected by way of withholding as a standard procedure unless the Private Investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

The Disbursing Agent will provide for the set-off of losses against investment income including capital gains from other securities. If, in the absence of sufficient investment income derived through the same Disbursing Agent, a set-off is not possible, the holder of Notes may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current fiscal year for a certification of losses (*Verlustbescheinigung*) in order to set-off such losses against investment income derived through other institutions in the holder's personal income tax return.

If custody has changed since the acquisition and the acquisition data is not proved as required by Sec. 43a para. 2 German Income Tax Act or not permitted to be proved, the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 per cent. of the proceeds from the sale, assignment or redemption of the relevant Notes.

In the course of the tax withholding provided for by the Disbursing Agent foreign taxes may be credited in accordance with the German Income Tax Act.

If Notes are not kept in a custodial account with a Disbursing Agent, the flat tax will - by way of withholding - apply on interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the relevant Note to which it appertains) to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*), if any. In this case proceeds from the sale, assignment or redemption of the relevant Notes will also be subject to the withholding of the flat tax.

In general, no flat tax will be levied if the holder of a Note filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of current Euro 1,000 (Euro 2,000 for jointly assessed holders)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the holder of a Note has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent tax office.

For Private Investors, the withheld flat tax is, in general, definitive. Exceptions apply e.g., if and to the extent the actual investment income exceeds the amount which was determined as the basis for the withholding of the flat tax by the Disbursing Agent. In such case, the exceeding amount of investment income must be included in the Private Investor's income tax return and will be subject to the flat tax in the course of the assessment procedure. According to the decree of the German Federal Ministry of Finance dated 19 May 2022 (IV C 1 – S 2252/19/10003:009) (as last amended by decree dated 20 December 2022 (IV C 1 - S 2252/19/10003 :011) marginal numbers 143.183), however, any exceeding amount of not more than Euro500 per assessment period will not be claimed on grounds of equity, PROVIDED THAT no other reasons for an assessment according to Sec. 32d para. 3 German Income Tax Act exist. Further, Private Investors may request that their total investment income, together with their other income, is subject to taxation at their personal, progressive income tax rate rather than the flat tax rate, if this results in a lower tax liability (*Günstigerprüfung*). According to Sec. 32d para. 2 no. 1 German Income Tax Act the flat tax rate is also not available in situations where an abuse of the flat tax rate is assumed (e.g. "back-to-back" financing). In order to prove such investment income and the withheld flat tax thereon, the investor may request from the Disbursing Agent a respective certificate in officially required form.

Investment income not subject to the withholding flat tax (e.g. if there is no Disbursing Agent) must be included in the personal income tax return and will be subject to the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate or the investment income is not subject to the flat tax rate according to Sec. 32d para. 2 no. 1 German Income Tax Act. Foreign taxes on investment income may be credited in accordance with the German Income Tax Act.

Business Investors

Interest payable on Notes to persons holding the relevant Notes as business assets ("**Business Investors**") who are tax residents of Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) and capital gains from the sale, assignment or redemption of Notes, including the original issue discount and Accrued Interest, if any, are subject to income tax at the Business Investor's personal, progressive income tax rate (plus currently 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax), or, in case of corporate entities, to corporate income tax at a uniform 15 per cent. tax rate (plus 5.5 per cent. solidarity surcharge thereon). Such interest payments and capital gains may also be subject to trade tax if the relevant Notes form part of the property of a German trade or business. Losses from the sale, assignment or redemption of Notes are, in general, recognised for tax purposes; this may be different if certain (in particular index linked) Notes qualify as derivative transactions.

Withholding tax, if any, including solidarity surcharge thereon, is credited as a prepayment against the Business Investor's personal, progressive or corporate income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to further requirements, no withholding deduction will apply on capital gains from the sale, assignment or redemption of Notes if (i) such Notes are held by a corporation, association or estate in terms of Sec. 43 para. 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from such Notes qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to Sec. 43 para. 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Where notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account as income.

Foreign taxes may be credited in accordance with the German Income Tax Act. Alternatively, foreign taxes may also be deducted from the tax base for German income tax purposes.

Non-residents

Interest payable on Notes and capital gains, including Accrued Interest, if any, are not subject to German taxation, unless (i) the relevant Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of the relevant Notes; (ii) the investment income otherwise constitutes German-source income; or (iii) the relevant Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the sale, assignment or redemption of the relevant Notes are paid by a Disbursing Agent upon presentation of a coupon to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*), if any. In the cases (i), (ii) and (iii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Insofar as the prerequisites for a limited tax liability are not met in the case of non resident who has capital income, no withholding tax is to be withheld by the Disbursing Agent for this income even if the relevant Notes are held in custody with a Disbursing Agent (cf. margin number 313 of the decree dated 19 May 2022 (IV C 1 – S 2252 19/10003:009) (as last amended by decree dated 20 December 2022 (IV C 1 - S 2252/19/10003 :011)). However, where the investment income is subject to German taxation as set forth in the preceding paragraph and the relevant Notes are held in a custodial account with a Disbursing Agent or in case of a *Tafelgeschäft*, withholding tax is levied as explained above under " *Tax Residents*". The withholding tax may be refunded based upon German national tax law or an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany if, in the case of inheritance tax, neither the decedent nor the beneficiary or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery, execution or conversion of Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. Germany and other EU Member States intend to introduce a financial transaction tax (see below). However, it is unclear if and in what form such tax will be actually introduced. In case such tax is introduced, the acquisition and disposal of Notes (in the secondary market) could be subject to a tax of at least 0.1 per cent. of the acquisition or disposal price.

EU Residents

The EU Council Directive 2003/48/EC on the taxation of savings income has been repealed as of 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). However, the Council of the European Union has also adopted Directive 2014/107/EU (the "**Amending Cooperation Directive**"), amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council as of 1 January 2016 (1 January 2017 in the case of Austria). Germany has implemented the Amending Cooperation Directive by means of a Financial Account Information Act (*Finanzkonten-Informationsaustauschgesetz*, FK*Aust*G) according to which it will provide information on financial accounts to EU Member States and certain other states as of 1 January 2016.

Solidarity surcharge

Please note that the solidarity surcharge is partially abolished as of the assessment period 2021 for certain individuals (Law on the return of the solidarity surcharge 1995 of 10 December 2019 - Federal Law Gazette 2019 I pg. 2115). The solidarity surcharge shall, however, continue to apply

for investment income and, thus, on withholding taxes levied. In case the individual income tax burden for a non-business Holders of Notes tax resident in Germany is lower than 25 per cent. such Holder can apply for his/her investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded (see above).";

(iii) the section entitled "Dutch Taxation" on pages 343 to 346 shall be deleted in its entirety and replaced with the following:

"DUTCH TAXATION

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

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

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

(a) investment institutions (fiscale beleggingsinstellingen);

(b) pension funds, exempt investment institutions (vrijgestelde beleggingsinstellingen) or other entities that are not subject to or exempt from Dutch corporate income tax;

(c) holders of Notes holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in the Issuer(s) and holders of Notes of whom a certain related person holds a substantial interest in the Issuer(s). Generally speaking, a substantial interest in the Issuer(s)arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the Issuer(s)or 5 per cent. or more of the issued capital of a certain class of shares of the Issuer(s), (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer(s);

(d) persons to whom the Notes and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);

(e) entities which are a resident of Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and

(f) individuals to whom the Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

For the purpose of the Dutch tax consequences described herein, it is assumed that the Issuer(s) are neither resident of the Netherlands nor deemed to be resident of the Netherlands for Dutch tax purposes nor have a permanent establishment in the Netherlands to which the Notes are attributed.

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

This summary does not describe the consequences of the exchange or the conversion of the Notes.

Dutch Withholding Tax

All payments made by the Issuer(s) under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25.8 per cent.).

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

(a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is determined based on the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*) (EUR57,000 in 2023). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The individual’s deemed return is calculated by multiplying the individual’s yield basis with a 'deemed return percentage' (*effectief rendementspercentage*), which percentage depends on the actual composition of the yield basis, with separate deemed return percentages for savings (*banktegoeden*), other investments (*overige bezittingen*) and debts (*schulden*). As of 1 January 2023, the percentage for other investments, which include the Notes, is set at 6.17% per cent.. The deemed return on savings and investments is taxed at a rate of 32%. per cent.

Non-residents of the Netherlands

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

(a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Notes are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8 per cent.

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

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

Gift and Inheritance tax

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

(a) the holder of the Notes is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

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

Value Added Tax

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

Other Taxes and Duties

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

(iv) the section entitled "Net wealth tax" under the heading "Norwegian Taxation" on page 347 shall be deleted in its entirety and replaced with the following:

"Net wealth tax

Norwegian Noteholders organised as limited liability companies and similar entities are not subject to net wealth taxation in Norway.

Norwegian Noteholders that are natural persons are subject to net wealth taxation in Norway. Notes are included as part of the taxable base for this purpose. The value for assessment purposes for listed notes is the quoted value on 1 January in the year of assessment. Unlisted bonds are generally valued at their estimated value on 1 January in the assessment year. The

maximum aggregate rate of net wealth tax (both state and municipality net wealth tax) is currently 1 per cent of net wealth exceeding NOK1,700,000. For net wealth exceeding NOK20,000,000, the marginal net wealth tax rate is 1.1 per cent.";

(v) the section entitled "Polish Taxation" on pages 348 to 358 shall be deleted in its entirety and replaced with the following:

"**POLISH TAXATION**

General Information

The following is a discussion of certain Polish tax considerations relevant to an investor resident in Poland or which is otherwise subject to Polish taxation. This statement should not be deemed to be tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Base Prospectus, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment, as described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their individual circumstances. Prospective purchasers of Notes are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of Notes.

*The reference to "**interest**" as well as to any other terms in the paragraphs below means "interest" or any other term, respectively, as understood in Polish tax law.*

For the purpose of this Section:

"*Affiliated Entities*" shall mean:

(i) entities of which one entity Exercises a Significant Influence on at least one other entity; or

(ii) entities on which a Significant Influence is Exercised by:

(A) the same other entity or

(B) the spouse or a relative by consanguinity or affinity up to the second degree of a natural person exercising a significant influence on at least one entity, or

(iii) a partnership without legal personality and its partners (partner), or

(iv) limited partnerships and limited joint-stock partnership with their registered office or management in the territory of the Republic of Poland and its general partner; or

(v) specific general partnerships with their registered office or management in the territory of the Republic of Poland and its partner; or

(vi) a taxable person and their foreign establishment, and in the case of a tax capital group – a company being its part and its foreign establishment.

(each of being a manifestation of an existence an "*Affiliation*")

"*Exercising a Significant Influence*" shall mean:

(i) holding directly or indirectly at least 25 per cent. of:

(A) shares in the capital or

(B) voting rights in the supervisory, decision-making or managing bodies, or

(C) shares in or rights to participate in the profits, losses or the property or their expectative, including participation units and investment certificates, or

(ii) the actual ability of a natural person to influence key economic decisions taken by a legal person or an organisational unit without legal personality, or

(iii) being the spouse or a relative by consanguinity or by affinity up to the second degree.

Taxation of a Polish tax resident individual

Under Art. 3.1 of the Personal Income Tax Act dated 26 July 1991 (the "**PIT Act**"), natural persons, if residing in the Republic of Poland, are liable for tax on their total income (revenue) irrespective of the location of the sources of revenue (unlimited obligation to pay tax).

Under Art. 3.1a of the PIT Act, a Polish tax resident individual is a natural person who (i) has his/her centre of personal or business interests located in Poland or (ii) stays in Poland for longer than 183 days in a year, unless any relevant tax treaty dictates otherwise.

(a) *Withholding Tax on Interest Income*

According to Article 30a.7 of the PIT Act, interest income, including discount, derived by a Polish tax resident individual does not cumulate with general income subject to the progressive tax rate but under Art. 30a.1.2 of the PIT Act is subject to 19 per cent. flat rate tax.

Under Art. 30a.9 of the PIT Act, withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Particular double tax treaties can provide other methods of withholding tax settlements.

Under Article 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the Polish 19 per cent. tax upon any interest payment.

Under Art. 41.4d of the PIT Act, the entities operating securities accounts for individuals, acting as tax remitters, should withhold this interest income if such interest income (revenue) has been earned in Poland and is connected with securities registered in said accounts, and the interest payment to the individual (the taxpayer) is made through said entities; this principle also applies to remitters who are payers of corporate income tax and are subject to limited tax liability in Poland, to the extent they conduct their business through a foreign establishment and it is to that establishment's operations that the Notes account is linked.

There are no regulations defining in which cases income earned (revenue) by a Polish tax resident should be considered income (revenue) earned in Poland. However, we can expect those cases to be analogous to those of non-residents. Pursuant to Art. 3.2b of the PIT Act, income (revenues) earned in the Republic of Poland by non-residents shall include in particular income (revenues) from:

1. work performed in the Republic of Poland based on a service relationship, employment relationship, outwork system and co-operative employment relationship irrespective of the place where remuneration is paid;

2. activity performed in person in the Republic of Poland irrespective of the place where remuneration is paid;

3. economic activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland;

4. immovable property located in the Republic of Poland or rights to such property, including from its disposal in whole or in part, or from disposal of any rights to such property;

5. securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;

6. the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, participation in an investment fund, a collective investment undertaking, or other legal entity and rights of similar character or from receivables being a consequence of holding those shares, rights and obligations, participation or rights, if at least 50 per cent. of the value of assets of this company, partnership, investment fund, collective investment undertaking or legal entity is constituted, directly or indirectly, by immovable properties located in the Republic of Poland, or rights to such immovable properties;

7. the transfer of ownership of shares, all rights and obligations, participation or similar rights in a real estate company (as defined in the PIT Act);

8. the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organisational units without legal personality, having their place of residence, registered office, or management board in the Republic of Poland, irrespective of the place of concluding and performing the agreement; and

9. unrealised gains as referred to in the exit tax regulations.

The above list is not exhaustive; therefore, the tax authorities may also consider that income (revenues) not listed above is sourced in Poland.

Given the above, each situation should be analysed to determine whether interest earned by a Polish tax resident individual from the Notes is considered to be income sourced in Poland and whether the entity operating the securities account for the individual will withhold the tax. Since the Issuer is not a Polish entity, as a rule, interest from the Notes should not be considered as earned in the territory of Poland, unless specific situation occurs (eg the Notes are admitted to public trading in Poland).

Although this is not clearly regulated in Polish tax law, according to the established practice, foreign entities do not act as Polish withholding tax remitters (save when such foreign entities operate by way of a branch that constitutes a tax establishment in Poland). Therefore, it should not be expected that the Issuer will collect the withholding tax.

According to Article 45.3b and Art. 45.1 of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year.

Separate, specific rules apply to interest income on securities held in Polish omnibus accounts (within the meaning of the provisions of the Act on Trading in Financial Instruments, hereinafter "**Omnibus Accounts**"). Under Art. 41.10 of the PIT Act, insofar as securities registered in Omnibus Accounts are concerned, the entities operating Omnibus Accounts through which the amounts due are paid are liable to withhold the flat-rate income tax on interest income. The tax is charged on the day of placing the amounts due at the disposal of the Omnibus Account holder. This rule also applies to remitters who are payers of corporate income tax and are subject to

limited tax liability in Poland, to the extent they conduct their business through a foreign establishment and it is to that establishment's operations that the securities account is linked.

Additionally, under Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities (including the Notes referred to herein) registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter (under Art. 41.10 of the PIT Act the entity operating the Omnibus Account) from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder.

Under Art. 45.3c of the PIT Act, taxpayers are obliged to disclose the amount of interest (discount) on securities (including the Notes referred to herein) in the annual tax return if the Notes were registered in Omnibus Account and the taxpayer's identity was not revealed to the tax remitter.

Under Art. 30a.9 of the PIT Act, withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

(b) *Income from the Notes other than interest*

Income other than interest, including income from transfer of Notes against a consideration, derived by a Polish tax resident individual from financial instruments, such as the Notes, held as non-business assets, qualify as capital gains according to Article 17 of the PIT Act. Such income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19 per cent. flat rate tax. Under Art. 30b.2. of the PIT Act the income from disposal of securities is calculated as the difference between the sum of revenues from a transfer of securities against a consideration and tax deductible costs, calculated on the basis of the relevant provisions of the PIT Act under Art. 30b.2. of the PIT Act. Based on Art. 17.2 and Art. 19.1 of the PIT Act, if the price expressed in the contract without a valid reason significantly deviates from the market value, the amount of income is determined by the tax authority or fiscal control authority in the amount of the market value.

The taxpayer itself is obliged to settle the tax on the transfer of securities (including the Notes) against a consideration. Taxpayers should prepare their annual tax return by the end of April of the year following the tax year in which the income was earned. No tax or tax advances are withheld by the person making the payments

Furthermore, capital gains are subject to a 4 per cent. solidarity levy calculated on the surplus of various incomes above PLN 1 million in total. The levy must be calculated and settled by the individuals themselves.

If an individual holds the Notes as a business asset, in principle, income other than interest such as income from transfer of Notes against a consideration, should be treated as income from business activities and should be subject to tax in the same way as other business income. The tax, at 19 per cent. flat rate or the 12 per cent. to 32 per cent. progressive tax rate depending on the choice and meeting of certain conditions, should be settled by the individuals themselves.

Furthermore, business income is subject to a 4 per cent. solidarity levy calculated on the surplus of various incomes above PLN 1 million in total. The levy must be calculated and settled by the individuals themselves.

Taxation of a Polish tax resident corporate income taxpayer

Under Art. 3.1 of the Corporate Income Tax Act dated 15 February 1992 (the **CIT Act**) the entire income of taxpayers who have their registered office or management in Poland is subject to tax obligation in Poland, irrespective of where the income is earned.

According to Art. 3.1a of the CIT Act, a taxpayer has a place of management in the territory of the Republic of Poland, inter alia, when the current affairs of this taxpayer are conducted in an organised and continuous manner on the territory of the Republic of Poland, based in particular on:

(i) an agreement, decision, court ruling or other act regulating the establishment or functioning of the taxpayer; or

(ii) powers of attorney; or

(iii) Affliations.

Income (revenue) from the Notes, both on account of interest/discount and other income, including transfer of securities against a consideration, earned by a Polish tax resident corporate income taxpayer whose entire income is subject to tax liability in Poland, is subject to income tax following the same general principles as those which apply to any other income received from business activity within the same source of income. As a rule, for Polish income tax purposes, interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. Income from a transfer of securities against a consideration is in principle their value expressed in the price specified in the contract. According to Art. 14 of the CIT Act, if the price expressed in the contract, without a valid reason, significantly deviates from the market value, the revenue amount is determined by the tax authority in the amount of the market value. In the case of income from the transfer of securities against a consideration, tax deductible costs are generally recognised when the corresponding revenue has been achieved. The taxpayer itself (without the remitter's participation) settles income tax on interest/discount and on the transfer of securities against a consideration, which is settled along with other income from the taxpayer's business activity within the same source of income.

Regarding the proper source of revenue, in principle, the income (revenue) from the Notes, including their transfer against a consideration, is combined with revenues from capital gains (Art. 7b.1 of the CIT Act). In the case of insurers, banks and some other entities (financial institutions), this revenue is included in revenues other than revenues from capital gains (Art. 7b (2) of the CIT Act).

The appropriate tax rate is the same as the tax rate applicable to business activity, i.e. 19 per cent. for a regular corporate income taxpayer or 9 per cent. for small and new taxpayers, taking into consideration the appropriate source of income (the lower rate does not apply to incomes classified as capital incomes – Article 7b of the CIT Act).

Although, in principle, no Polish withholding tax should apply on interest payable to Polish corporate income taxpayers, under specific rules applying to interest income on securities held in Omnibus Accounts, under Art. 26.2a of the CIT Act, for income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 20 per cent flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. If such tax is withheld for a Polish tax resident corporate income taxpayer, to receive a refund of such tax, the entity should contact its tax advisor.

Any withholding tax incurred outside Poland (including countries which have not concluded any tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than the tax calculated in accordance with the applicable domestic tax rate, can be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

Notes held by a non-Polish tax resident (natural person or corporation)

Under Art. 3.2a of the PIT Act, natural persons, if they do not reside in Poland, are liable to pay tax only on income (revenue) earned in Poland (limited obligation to pay tax).

Under Art. 3.2 of the CIT Act, in the case of taxpayers who do not have their registered office or management in Poland, only the income they earn in Poland is subject to tax obligation in Poland.

Non-Polish residents are subject to Polish income tax only with respect to their income earned in Poland. Under Art. 3.3 of the CIT Act, income (revenues) earned in the Republic of Poland by non-residents shall include in particular income (revenues) from:

1. all types of activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland;

2. immovable property located in the Republic of Poland or rights to such property, including from its disposal in whole or in part, or from the disposal of any rights to such property;

3. securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;

4. the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, participation in an investment fund or a collective investment undertaking, or other legal entity and rights of similar character or from receivables being a consequence of holding those shares, rights and obligations, participation or rights, if at least 50 per cent. of the value of assets of this company, partnership, investment fund, collective investment undertaking or legal entity is constituted, directly or indirectly, by immovable properties located in the Republic of Poland, or rights to such immovable properties;

5. the transfer of ownership of shares, all rights and obligations, participation or similar rights in a real estate company (as defined in the CIT Act);

6. the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organisational units without legal personality, having their place of residence, registered office, or management board in the Republic of Poland, irrespective of the place of concluding or performing the agreement; and

7. unrealised gains referred to in the exit tax regulations.

Similar provisions are included in Art. 3.2b of the PIT Act.

It should be noted that the list of incomes (revenues) gained in Poland, as provided in Art. 3.3. of the CIT Act and Art. 3.2b of the PIT Act is not exhaustive, therefore, other income (revenues) may also be considered as earned in Poland.

Given the above, each situation should be analysed to determine whether interest earned by a Polish tax resident from the Notes is considered to be income sourced in Poland. However, since the Issuer is not a Polish entity, income from the Notes should not be considered as earned in Poland and no Polish withholding tax should apply, unless specific circumstances occur, eg the Notes are admitted to public trading in Poland.

If income from the Notes is considered as sourced in Poland, the following applies:

(a) *Special exemption for notes meeting special conditions*

Under Art. 17.1.50c of the CIT Act, tax-free income is income earned by a CIT taxpayer subject to limited tax liability in Poland in respect of interest or a discount on notes:

(i) having a maturity of at least one year;

(ii) admitted to trading on a regulated market or introduced into an alternative trading system within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments, in the territory of Poland or in the territory of a state that is a party to a double tax convention concluded with Poland which regulates the taxation of income from dividends, interest and royalties;

unless the taxpayer is an Affiliated Entity, within the meaning of the transfer pricing law, of the Issuer of such notes, and holds, directly or indirectly, together with other Affiliated Entities, more than 10 per cent of the nominal value of those notes.

Under Art. 26.1aa-1ac of the CIT Act, remitters are not obliged to withhold tax on interest or discount in respect of the notes meeting the above requirements.

Analogous provisions apply to personal income tax (Art. 21.1.130c and Art. 41.24-26 of the PIT Act).

(b) *Failure to meet the conditions for a special exemption*

In the absence of the exemption referred to above, the following rules apply.

In the case of taxpayers subject to limited tax liability in Poland, the interest (discount) on the Notes earned in the Polish territory is taxed as a general rule at a flat rate of 20 per cent. in the case of corporate income tax payers (Art. 21.1.1 of the CIT Act) or 19 per cent. in the case of natural persons (Art. 30a.1.2 of the PIT Act).

Under Art. 26.1 of the CIT Act, interest payers, other than individuals not acting within the scope of their business activity, should withhold this tax and a similar provisions are provided in Art. 41.4 of the PIT Act. Under Art. 26.2c.1 of the CIT Act, the entities operating securities accounts and Omnibus Accounts for taxpayers, acting as tax remitters, should withhold this interest income if such interest income (revenue) was earned in Poland and is connected with securities registered in said accounts, and the interest payment to the taxpayer is made through said entities. Although it is considered that foreign entities do not act as Polish tax remitters, according to the discussed provision, this obligation applies to non-residents to the extent they operate a permanent establishment in Poland and the account, on which securities are registered, is linked to the activity of this permanent establishment. Similar provisions concerning interest payments to individuals are provided in Art. 41.4d of the PIT Act.

The described rules of taxation may be modified by the relevant provisions of double tax treaties concluded by Poland, based on which a reduced tax rate or income tax exemption may apply to income (revenue) obtained from interest/discount (Art. 21.2 of the CIT Act, Art. 30a.2 of the PIT Act). To benefit from the tax rate or income tax exemption under the tax treaty, the taxpayer should present a valid certificate of its tax residence. As a rule, the tax residence certificate is considered valid for twelve consecutive months from its date of issue. Tax remitters may require additional documentation in order to be able to apply double tax treaty benefits described above, such as the confirmation of the recipient's beneficial owner status towards the interest payments.

Moreover, many tax treaties provide protection only for beneficial owners. Pursuant to Art. 4a.29 of the CIT Act and, respectively, Art. 5a.33d of the PIT Act, beneficial owner means an entity meeting all of the following conditions:

(a) it receives the amount due for its own benefit, which includes deciding independently about its purpose, and bears the economic risk associated with the loss of that receivable or part of it;

(b) it is not an intermediary, representative, trustee, or another entity legally or actually obliged to transfer the receivable in whole or in part to another entity; and

(c) it conducts actual business activity in the country of its registration, if the receivables are obtained in connection with the conducted business activity, whereas when assessing whether the entity conducts actual business activity, the nature and scale of such activity in the scope of received receivables are taken into account.

Although the definition of the beneficial owner does not refer to and Art. 24a.18 of the CIT Act and Art. 30f. 20 of the PIT Act those are the only places in the income tax legislation where actual business activity is defined. Therefore, it cannot be ruled out that factors listed there will be taken into account by the tax authorities in determining beneficial ownership status. Those factors include:

(i) the business activity carried out by the taxpayer is performed through an existing enterprise that actually performs activities constituting an economic activity; in particular, it possesses premises, qualified personnel and equipment used for performing business activity;

(ii) the taxpayer does not create artificial arrangement without a connection with any business activity;

(iii) the taxpayer's actual premises, its personnel or equipment correspond to the scope of its actual business activity;

(iv) the agreements concluded by the taxpayer are realistic in economic terms, they have economic justification and they are not noticeably contrary to the general business interest of the taxpayer;

(v) the taxpayer carries out its business functions independently, using its own resources, including managers who are present in the country of taxpayer's tax residency.

The majority of double tax treaties concluded by Poland provide for an exemption from income tax on capital gains, including income from the sale of notes obtained in Poland by a tax resident of a given country.

Separate, specific rules apply to interest income on securities held in Omnibus Accounts. Also, in cases where Polish withholding tax should not apply on interest payable to non-Polish tax residents (natural persons or corporate income taxpayers), under specific rules applicable to interest income on securities held in Omnibus Accounts there is a risk that such tax would be withheld. Under Art. 26.2a of the CIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 20 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. Under Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. If such tax is withheld for non-Polish tax resident taxpayers, to receive a refund of such tax, the entity should contact its tax advisor.

If a person or an entity subject to limited tax liability in Poland acts through a foreign establishment in Poland to which income is related, as a matter of principle provisions of law should apply that are analogous to taxpayers subject to unlimited tax liability in Poland, with some necessary additional requirements (e.g. the requirement to present the interest payer with

a certificate of tax residence along with a declaration that the interest is related to the establishment's activities).

Pay & Refund

In addition to the rules set out above, in the event of failure to meet the conditions for a special exemption, the following regime applies.

(a) *Corporate income tax*

Under Art. 26.2e of the CIT Act, if the total amount paid out between Affiliated Entities on account of the items listed in Art. 21.1.1 of the CIT Act (including interest / discount on notes) and Art. 22.1 of the CIT Act to the same taxpayer exceeds PLN 2,000,000 in the tax year of the payer, payers are, as a general rule, required to withhold, on the day of payment, a flat-rate income tax at the basic rate (20 per cent. in the case of interest/discount on notes) from the excess over that amount, without being able not to withhold that tax on the basis of an appropriate double tax treaty, and also without taking into account exemptions or rates resulting from special regulations or double tax treaties (hereinafter the "**Pay & Refund**").

Under Art. 26.2i and 26.2j of the CIT Act, if the payer's tax year is longer or shorter than 12 months, the amount to which the Pay & Refund applies is calculated by multiplying 1/12 of PLN 2,000,000 and the number of months that have begun in the tax year in which the payment was made; if the calculation of that amount is not possible by reference to the payer's tax year, the Pay & Refund shall apply accordingly to the payer's current financial year and, in its absence, with respect to the payer's other period with features specific to the financial year, not longer however than 23 consecutive months.

Based on Art. 26.2ca of the CIT Act, the entities making payments through securities accounts or Omnibus Accounts are obliged to provide the entities maintaining these accounts, at least 7 days before the payment is made, with information about the existence of Affiliations between them and the taxpayer and about exceeding the amount of PLN 2,000,000. Entities providing this information are required to update it before making the payment in the event of a change in the circumstances covered by the information.

Under Art. 26.2k of the CIT Act, if the payment was made in a foreign currency, to determine whether the amount to which the Pay & Refund applies was exceeded, the amounts paid are converted into PLN at the average exchange rate published by the National Bank of Poland on the last business day preceding the payment day.

Under Art. 26.2l of the CIT Act, if it is not possible to determine the amount paid to the same taxpayer, it is presumed that it exceeded the amount from which the Pay & Refund applies.

Under Art. 26.7a of the CIT Act, the Pay & Refund does not apply if the payer has declared that:

(i) it holds the documents required by the tax law for the application of the tax rate or tax exemption or non-taxation under special regulations or double tax treaties;

(ii) after the verification of the conditions to apply an exemption or reduced withholding tax rate resulting from special regulations or double tax treaties, it is not aware of any grounds for the assumption that there are circumstances that exclude the possibility of applying the tax rate or tax exemption or non-taxation under special regulations or double tax treaties, in particular it is not aware of the existence of circumstances preventing the fulfilment of certain conditions referred to in other regulations, including the fact that the interest/discount recipient is their beneficial owner and, if the interest/discount is obtained in connection with the business activity conducted by the taxpayer, that in the country of tax residence the taxpayer carries on the actual business activity.

The above is to be declared by the head of the unit within the meaning of the Accounting Act or a designated member of such head being a collegiate body (ege.g. the Issuer's management board). The declaration cannot be made by proxy. The declaration is to be made by in electronic form not later than on the last day of the second month following the month in which the threshold specified above was exceeded, however, the performance of this obligation after the payment is made does not release the payer from the obligation to exercise due diligence before the payment is made. (Art. 26.7b and 26.7c of the CIT Act).

In the case of withholding tax being a result of the Pay & Refund, if double tax treaties or special regulations provide for a tax exemption or reduced tax rate, the taxpayer or tax remitter (if the taxpayer has paid tax with its own funds and has borne the economic burden of such tax, eg as a result of a gross-up clause) may apply for a refund of that tax by submitting the relevant documents and declarations. When recognizing that the refund is justified, the tax authorities shall carry it out within six months.

Pay & Refund does not apply in the case of the special exemption applicable to Notes meeting certain conditions referred to in the section *Special exemption for Notes meeting special conditions* above.

(b) *Personal income tax*

Analogous provisions apply to personal income tax, including Art. 41.12 of the PIT Act which provides for an analogous Pay & Refund.

Withholding taxation of certain payments made to tax havens

Based on Art. 26.1m of the CIT Act, if a tax remitter makes a payment on account of certain capital profits (e.g. revenues from financial instruments, including interest and capital gains) to a corporate entity resident for tax purposes in a tax haven, such tax remitter is obliged to withhold tax at 19 per cent. rate calculated from the amount being paid out.

The list of the tax havens is included in the Regulation of the Minister of Finance from 28 March 2019 on identifying the countries and territories applying harmful tax competition for corporate taxation purposes.";

(vi) the section entitled "Portuguese Taxation" on pages 358 to 361 shall be deleted in its entirety and replaced with the following:

"**PORTUGUESE TAXATION**

The following is a summary of the current Portuguese tax treatment at the date hereof in relation to certain aspects of payments of principal and income in respect of Notes. The statements do not deal with other Portuguese tax aspects regarding Notes and relate only to the position of persons who are the final and effective beneficial owners of Notes. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

The reference to "investment income" and "capital gains" in the paragraphs below means "investment income" and "capital gains" as understood in Portuguese tax law. The statements below do not take any account of any different definitions of "investment income" or "capital gains" which may prevail under any other law or which may be created by the Conditions of the Notes or any related documentation.

Economic benefits derived from interest, accrued interest, amortisation, reimbursement premiums and other types of remuneration arising from the Notes are designated as investment income (*rendimentos de capital*) for Portuguese tax purposes.

Gains obtained with the repayment of Notes are qualified as capital gains (*mais-valias*) for Portuguese tax purposes.

Holder's General Taxation Rules

Investment income and capital gains obtained from the disposal of Notes issued by non-resident entities and obtained by Holders resident for tax purposes in Portugal is generally subject to the Portuguese standard taxation rules foreseen for investment income and capital gains from foreign source.

Payments of principal on Notes are not subject to Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any income component.

Investment Income

Under current Portuguese law, investment income payments in respect of Notes due by non-resident entities and made to Portuguese tax resident companies are not subject to Portuguese withholding tax, being included in their taxable income and are subject to a Portuguese corporate income tax at a rate of (i) 21 per cent. or (ii) if the taxpayer is a small or medium enterprise or a small and mid-capitalization enterprise (Small Mid Cap) as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to €50,000 and 21 per cent. on profits in excess thereof, to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. over the Portuguese corporate Noteholders' taxable profits, where applicable. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a state surcharge (*derrama estadual*) of (i) 3 per cent. on the part of the taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits exceeding €7,500,000 up to €35,000,000, and (iii) 9 per cent. on the part of the taxable profits that exceeds €35,000,000.

As regards to investment income on Notes due by non-resident entities and made to Portuguese tax resident individuals, they are subject to personal income tax which shall be withheld at the current final withholding rate of 28 per cent. if there is a Portuguese resident paying agent, unless the individual elects to include it in his taxable income, subject to tax at the current progressive rates of up to 48 per cent. An additional surcharge (*taxa adicional de solidariedade*) will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000, and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding Euro 250,000.

Investment income Notes due by non-resident entities and made to Portuguese tax resident individuals not paid through a Portuguese resident paying agent, are not subject to withholding tax, being instead subject to an autonomous taxation at a rate of 28 per cent. unless the individual elects to include it in his taxable income, subject to tax at the current progressive rates of up to 48 per cent. An additional surcharge (*taxa adicional de solidariedade*) will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000, and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the general tax rates applicable to such beneficial owner(s) will apply.

None of the relevant Non-Portuguese Issuer(s) and Guarantor as the case may be, are responsible for withholding at source any amount in respect of Portuguese withholding tax, whenever applicable, on interest payments arising from the Notes.

Capital Gains

Under current Portuguese law, capital gains obtained by Portuguese tax resident companies on the disposal of Notes issued by non-resident entities are included in their taxable income and are subject to corporate income tax rate at a rate of (i) 21 per cent. or (ii) if the taxpayer is a small or medium enterprise or a small and mid-capitalization enterprise (Small Mid Cap) as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to €50,000 and 21 per cent. on profits in excess thereof, to which is added a municipal surcharge of up to 1.5 per cent. over the Portuguese corporate Noteholders' taxable profits, where applicable. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a state surcharge (*derrama estadual*) of (i) 3 per cent. on the part of the taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits exceeding €7,500,000 up to €35,000,000, And (iii) 9 per cent. on the part of the taxable profits that exceeds €35,000,000.

Capital gains obtained by individuals who are resident in Portugal for tax purposes on the disposal of Notes are subject to a special tax rate of 28 per cent., levied on the positive difference between the capital gains and capital losses of each year unless the individual opts to include the income in his taxable income, subject to tax at the current progressive rates of up to 48 per cent. An additional surcharge (*taxa adicional de solidariedade*) will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000, and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000.

The positive balance between capital gains and capital losses arising from the transfer for consideration of shares and other securities is mandatorily accumulated and taxed at progressive rates if the assets have been held for less than 365 days and the taxable income of the taxpayer, including the balance of the capital gains and capital losses, amounts to or exceeds EUR78,834.

No Portuguese withholding tax applies on capital gains.

Administrative cooperation in the field of taxation

The EU Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts in accordance with the Global Standard released by the Organization for Economic Co-operation and Development in July 2014 (the "Common Reporting Standard").

Portugal has implemented Directive 2011/16/EU through Decree-Law 61/2013, of 10 May, as amended by Decree-Law 64/2016, of 11 October 2016, Law no. 98/2017, of 24 August 2017, Law no. 17/2019, of 14 February and Law no. 24-D/2022, of 30 December 2022.

The EU Council Directive 2014/107/EU of 9 December 2014 regarding the mandatory automatic exchange of information in the field of taxation was transposed into the Portuguese Law through the Decree-Law no. 64/2016, of 11 October. Under such law, the Issuer will be required to collect information regarding certain accountholders and report such information to Portuguese Tax Authorities – which, in turn, will report such information to the relevant Tax Authorities of EU Member States or third States which have signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information for the Common Reporting Standard.

Under the EU Council Directive 2014/107/EU, of 9 December 2014, financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State,

after having applied the due diligence rules foreseen in the Directive. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

In view of the regime enacted by Decree-Law no. 64/2016, of 11 October, which was amended by Law no. 98/2017, of 24 August and Law no. 17/2019 of 14 February 2019, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations arising thereof and the applicable forms were approved by Ministerial Order (Portaria) no. 302-B/2016, of 2 December 2016, as amended by Ministerial Order (Portaria) no. 282/2018, of 19 October 2018, Ministerial Order (Portaria) no. 302-C/2016, of 2 December 2016, Ministerial Order (Portaria) no. 302-D/2016, of 2 December 2016, as amended by Ministerial Order no. 255/2017, of 14 August and by Ministerial Order (Portaria) no. 58/2018, of 27 February 2018 and Ministerial Order (Portaria) no. 302-E/2016, of 2 December 2016. The exchange of information shall be made by 31 May of each year comprising the information gathered respecting the previous year.

FATCA

Portugal has implemented, through Law 82-B/2014, of 31 December 2014 and Decree Law 64/2016, of 11 of October 2016, the legislation based on the reciprocal exchange of information with the United States of America on financial accounts subject to disclosure in order to comply with Sections 1471 through 1474 of FATCA. In this regard, the United States of America and Portugal have signed on 6 August 2015 an intergovernmental agreement (**IGA**). The IGA entered into force on 10 August 2016, and through Decree-Law no. 64/2016, of 11 October 2016, which was amended by Law no. 98/2017, of 24 August 2017, and Law no. 17/2019 of 14 February 2019, the Portuguese government approved the complementary regulation required to comply with FATCA. Under this legislation the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese tax authorities, which, in turn, will report such information to the IRS. The exchange of information shall be made by 31 May of each year comprising the information gathered respecting the previous year.";

(vii) the section entitled "South Africa Taxation" on pages 361 to 364 shall be deleted in its entirety and replaced with the following:

"**SOUTH AFRICA TAXATION**

The following is a general description of the taxation in South Africa of Notes according to the South African tax laws in force at the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following general description does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

The following is a non-exhaustive summary of the South African tax consequences of the acquisition, ownership and disposition of the Notes by South African tax residents and non-residents who are beneficial owners of the Notes.

Income Tax on the Note

Under current taxation law effective in South Africa a "**resident**" (as defined in section 1 of the South African Income Tax Act, 1962 (the "**Income Tax Act**")) is subject to income tax on their worldwide income and a person who is not tax resident in South Africa is subject to tax on income from a South African source. Subject to available deductions, allowances and

exemptions, any amount (including income in the form of interest) received by or accruing to a South African tax resident in respect of the Notes will be subject to income tax.

However, because the Notes may constitute a wide variety of instruments subject to different terms, it may be possible for an amount earned pursuant to the Notes to be capital in nature and not "interest" or revenue in nature, and therefore subject to capital gains tax instead of income tax. The terms of the instrument, and the statutory and/or common law rules and principles that determine whether an amount is "interest" or revenue, or capital in nature, will need to be considered.

South African tax non-resident persons are subject to amounts tax on all income derived from a South African source (subject to domestic exemptions, such as those for interest income mentioned below, or relief in terms of applicable double taxation agreements). Depending on the nature of the amount, different domestic rules regarding the determination of the source of the income will be applicable. (Regarding the treatment of amounts earned by non-residents of South Africa that are capital in nature, see "*Capital Gains Tax*" below).

Interest income is derived from a South African source if it is incurred by a South African tax resident (unless the interest is attributable to a foreign permanent establishment of that resident) or if it is derived from the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of "**interest-bearing arrangement**". The Issuers are not tax resident in South Africa. Accordingly, unless the amounts raised by the Issuers from issuing the Notes are utilised or applied in South Africa by the Issuers or any person, any interest paid to any non-resident holders of the Notes will not be deemed to be from a South African source and will not be subject to South African income tax. If the interest earned by a Noteholder is from a South African source, it will be subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act.

Under section 10(1)(h) of the Income Tax Act, any amount of interest that is received or accrued (during any year of assessment) by or to any person that is not a resident of South Africa is exempt from income tax, unless:

(a) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that person; or

(b) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

If a Noteholder that is not a tax resident of South Africa does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, an exemption from or reduction of any South African tax liability may be available under an applicable double taxation agreement. Furthermore, certain entities may be exempt from income tax. Noteholders are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation agreement.

The taxation of interest income is generally governed by section 24J of the Income Tax Act, which applies to interest bearing arrangements. Interest income which accrues (or is deemed to accrue) to a holder of Notes in accordance with section 24J of the Income Tax Act, is deemed to accrue on a day to-day basis until that Noteholder disposes of the Notes or until maturity. This day-to-day basis accrual is determined by calculating the yield to maturity (as defined in section 24J of the Income Tax Act) and applying this rate to the capital involved for the relevant tax period. Any premium or discount is also treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act (see above).

In terms of Section 24JB of the Income Tax Act, specific provisions deal with the taxation of "financial assets" and "financial liabilities" of "covered persons" (for example, financial institution registered in terms of section 1 of the South African Financial Markets Act, 2012, the South African Reserve Bank or a registered banking institution (including companies forming part of a banking group), but excluding long term and short term insurance institutions who determine their taxable income in respect of certain financial instruments by including in or deducting from their income. If Section 24JB applies to the Notes, the tax treatment of the acquisition, holding and/or disposal of the Notes will differ from what is set out in this section. Holders of Notes should seek advice from their own professional advisers as to whether these provisions may apply to them.

Notes Transfer Act

The issue, sale or redemption of the Notes, other than depositary receipts, are not subject to any transfer taxes, as they do not constitute "**securities**" for the purposes of the South African Securities Transfer Tax Act, 2007.

Value Added Tax

No value-added tax ("**VAT**") is payable on the issue or transfer of South African Notes. The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is exempt from VAT in terms of section 12(a) of VAT Act. Commissions, fees or similar charges raised by a South African VAT vendor for the supply of "financial services" will be subject to VAT at the standard rate (currently 15 per cent. at the date of initial issuance of the Notes), except where the recipient is a non-resident.

The taxable supply of services by a registered vendor rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at a zero rate in terms of section 11(2) (l) of the VAT Act.

Capital gains tax

Capital gains and losses on the disposal of Notes made by South African residents are subject to capital gains tax, to the extent that a resident Noteholder disposes of Notes other than on a speculative basis or as part of a scheme of profit-making.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a tax resident of South Africa unless the Notes disposed of are effectively connected with a permanent establishment of that non-resident in South Africa during the relevant year of assessment. The tax treatment will be subject to the provisions of any applicable tax treaty. Any relief under an applicable double taxation agreement may be subject to the application of the MLI.

A sale of the Notes by a South Africa tax resident holder may result in a capital gain or loss if the Notes were held as capital assets or a revenue gain or loss if the Notes were held as trading stock. Any such capital gain or revenue gain will be subject to capital gains tax or income tax, respectively, in the holder's hands. The gain or loss is determined in accordance with the provisions of the Income Tax Act and any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, an "*adjusted gain on transfer or redemption of an instrument*", or an "*adjusted loss on transfer or redemption of an instrument*", as contemplated in section 24J of the Income Tax Act, must be calculated. Any such adjusted gain or adjusted loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the adjusted gain or adjusted loss will take into account, inter alia, all interest which has already been deemed to accrue to the Noteholder over the term that the instrument. Under section 24J(4A) of the Income Tax Act, where an adjusted loss on transfer or redemption of an instrument realised by a holder of a Note includes

any amount representing interest that has previously been included in the income of the holder, that amount will qualify as a deduction from the income of the holder during the year of assessment in which the transfer or redemption takes place and will not give rise to a capital loss.

To the extent that a Noteholder constitutes a "**covered person**" (as defined in section 24JB of the Income Tax Act) and section 24JB applies to the Notes, the Noteholder will be taxed in accordance with the provisions of section 24JB of the Act and the capital gains tax provisions would not apply.

Taxation of Foreign Exchange Gains and Losses

The Notes may be denominated in a currency other than ZAR ("**Foreign Currency Notes**"). A South African tax resident who holds Foreign Currency Notes and who is (1) a company; (2) a trust carrying on a trade; or (3) a natural person who holds the Notes as trading stock will be required to account for foreign exchange gains and losses on translation and realisation of the Notes in accordance with the provisions of section 24I of the Income Tax Act. Such persons will be required to include in their taxable income any translations and realisations exchange gains and losses on the Notes.

No taxable foreign exchange gains or losses will arise for such persons where the Notes are attributable to a permanent establishment outside of South Africa and the functional currency of that permanent establishment is denominated in a foreign currency.

No foreign exchange gains or losses on translation and realisation of the Notes in accordance with the provisions of section 24I of the Income Tax Act will arise for non-resident holders of the Notes, unless such Notes are attributable to a South African permanent establishment of such non-resident holder.

Persons holding the Notes as capital assets will be required to take currency fluctuations into account in determining the capital gain or loss in respect of the disposal of the Notes in accordance with the provisions of the Eighth Schedule of the Income Tax Act.

Withholding Tax

A final withholding tax on interest the rate of 15 per cent. is levied on interest payments made to a non-resident of South Africa in circumstances where such interest is regarded as having been received or accrued from a source within South Africa.

Section 50A to 50H of the Income Tax Act imposes a withholding tax on South African sourced interest paid to or for the benefit of a foreign person at a rate of 15 per cent. of the amount of interest. However, South African sourced interest that is paid to or for the benefit of a foreign person by any bank registered in terms of the South African Banks Act, 1990 ("**Banks Act**") or that is listed on a recognised exchange, is exempt from interest withholding tax. Interest is regarded as being from a South African source if the interest is attributable to an amount incurred by a South African tax resident person (unless attributable to a foreign permanent establishment) or is received or accrues in respect of the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any interest-bearing arrangement.

Withholding Tax on Guarantee Payments

The applicability of the interest withholding tax is limited to the payment of "interest" which is defined in the Income Tax Act to include "interest and similar finance charges". In the event that the Guarantor makes a payment in respect of the Guarantee, under current South African tax law such payments under the guarantee will not be subject to South African withholding tax. However, payments made in respect of default interest on any guarantee payments may be subject to a final withholding tax on interest levied at a rate of 15 per cent. (which rate may be reduced if a double tax agreement applies and certain formalities are complied with).

Definition of Interest

The references to "interest" above mean "interest" as understood in South African tax law. The

statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by additional terms and conditions of the South African Notes or any related documentation."; and

(viii) the section entitled "Spanish Taxation" on pages 364 to 369 shall be deleted in its entirety and replaced with the following:

"**SPANISH TAXATION**

*The following is a summary of the main Spanish tax implications deriving from the ownership, transfer, redemption or reimbursement of the Notes referred to in this Base Prospectus by individuals or legal persons who are resident in Spain for tax purposes and by Spanish Non-Resident Income Tax ("**NRIT**") taxpayers acting, with respect to the Notes, through a permanent establishment in Spain.*

This summary is based on the Spanish law in force as of the date of approval of this Base Prospectus and on the administrative interpretations thereof, and therefore is subject to any changes in such laws and interpretations thereof occurring after that date, including changes having retroactive effect. In particular, this description is based on the provisions established in the Individual Income Tax Law (the "**IIT Law**") (Law 35/2006, of 28 November 2006, as amended), the Corporate Income Tax Law (the "**CIT Law**") (Law 27/2014, of 27 November 2014, as amended) and in the Consolidated Text of the NRIT Law (the "**NRIT Law**") (approved by Royal Legislative Decree 5/2004, of 5 March 2004, as amended) and does not take into consideration any special regime applied by individuals or legal persons (such as financial entities, exempt entities, cooperatives, individuals who acquire the Notes by reason of employment, pension funds, collective investment in transferrable securities or look-through entities).

In *addition*, the following section does not cover those tax laws in force in the Spanish Basque provinces and Navarra as well as the particularities in force in the Spanish autonomous communities (comunidades autónomas), or the special rules applicable to transactions among related persons for Spanish tax purposes.

Accordingly, this summary is for general information only and does not purport to be a tax advice, thus prospective investors in the Notes should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and disposition of the Notes, including the effect of tax laws of any other jurisdiction, based on their particular circumstances. Also prospective investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Prospective investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

For *the* purposes of our analysis, we have assumed that the relevant Issuer(s) is/are, in the case of Citigroup Inc. and CGMHI, a company resident for tax purposes in the United States and for the purposes of the Convention between the Kingdom of Spain and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on 22 February 1990, as amended in October 2019, and entitled to its benefits, and, in the case of CGMFL, is resident for tax purposes in Luxembourg and for the purposes of the Convention between the Kingdom of Spain and the Grand Duchy of Luxembourg for the avoidance of Double Taxation with respect to Taxes on Income and on Capital and the Prevention of Fiscal Fraud and Evasion signed on 4 August 1987, as amended in May 2010, and entitled to its benefits, that the Issuers do not act with respect to the Notes through a permanent establishment in Spain, that the proceeds of the Notes are not used in Spain by the Issuer(s), and that the investors in the Notes are resident in Spain for tax purposes or NRIT taxpayers acting, with respect to such Notes, through a permanent establishment in Spain.

Spanish tax resident individuals

(a) Individual Income Tax ("**IIT**") (Impuesto sobre la Renta de las Personas Físicas)

The Spanish IIT is regulated by the IIT Law and supplemented by the IIT Regulations approved by Royal Decree 439/2007, of 30 March 2007, as amended (the "**IIT Regulations**").

The Notes are deemed securities (*activos financieros*), in accordance with the definition set forth in Article 91 of the IIT Regulations and its interpretation by the Spanish tax authorities, and hence the rules provided with regard to securities must be taken into consideration.

According to Article 25.2 of the IIT Law and its interpretation by the Spanish tax authorities, interest as well as income arising on the transfer, redemption or reimbursement of the Notes obtained by individuals who are resident in Spain for tax purposes will be deemed income from movable property and therefore will be included in the investor's IIT savings taxable base and taxed, together with the other savings income obtained by such investor in that same tax year, at a flat tax rate of 19 per cent. on the first EUR6,000, 21 per cent. for taxable income between EUR6,000.01 to EUR50,000, 23 per cent. for taxable income between EUR50,000.01 and EUR200,000, 27 per cent. for taxable income between EUR200,000.01 to EUR300,000 and 28 per cent. for taxable income in excess of EUR300,000.

As a general rule, income earned by Spanish resident individuals under the Notes should qualify as interest payments. In general, interest payments obtained by Spanish resident individuals should be subject to withholding tax at a 19 per cent. rate on account of IIT (creditable against final tax liability).

Notwithstanding the above, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of IIT on payments made to Spanish resident individuals, interest payments under the Notes should be only subject to withholding tax in Spain in case they are deposited in a depositary entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derived from the Notes, provided that such income had not been previously subject to withholding tax in Spain.

However, when the Notes (i) are represented in book-entry form; (ii) are admitted to trading on a Spanish secondary stock exchange; and (iii) generate explicit yield, holders can benefit from a withholding tax exemption in respect of the income arising from the transfer or reimbursement of the Notes, save in respect of income derived from accounts entered into with financial institutions, provided that such accounts are based on financial instruments, such as the Notes. However, under certain circumstances, when a transfer of the Notes has occurred within the 30-day period immediately preceding any relevant coupon payment date such holders may not be eligible for such withholding tax exemption.

Holders of Notes shall compute the gross interest obtained in the taxable base of the tax period in which it is due, including amounts withheld, if any. Income arising on the transfer, redemption or reimbursement of Notes will be calculated as the difference between (i) the transfer, redemption or reimbursement value of such Notes (deducting the additional costs and expenses incurred in the transfer, if they are duly justified) and (ii) their acquisition or subscription value (adding the additional costs and expenses incurred in the acquisition, if they are duly justified).

Should a holder of Notes acquire homogeneous securities within the two-month period prior or subsequent to the transfer of such Notes, negative income that may derive from such transfer cannot be included in his or her IIT taxable base until the homogeneous securities are transferred.

The net taxable income related to interest derived from the Notes shall be determined by deducting the management and deposit expenses from the gross income, excluding those pertaining to discretionary or individual portfolio management.

Additionally, tax credits for the avoidance of international double taxation in accordance with the IIT Law or any applicable convention for the avoidance of double taxation entered into by Spain may apply in respect of taxes paid abroad, if any, on income deriving from Notes.

(b) Net Wealth Tax (**Net Wealth Tax**) (*Impuesto sobre el Patrimonio*)

Only individual holders of Notes would be subject to the Net Wealth Tax as legal persons are not taxable persons under Net Wealth Tax.

Relevant taxpayers will be individuals who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised, and non-Spanish resident individuals owning assets or rights which are located or could be exercised in Spain whose net wealth is higher than EUR700,000, as this amount is considered as exempt from Net Wealth Tax.

Taxpayers should include in their Net Wealth Tax self-assessment the Notes (assuming they qualify as debt instruments) for the following amounts:

(i) if they are listed in an official market, the average negotiation value of the fourth quarter; and

(ii) in other case, its nominal value (including redemption premiums).

The value of the Notes together with the rest of the taxpayer's wealth, once reduced by the deductible in rem liens and encumbrances which reduce the rights and assets values and the personal debts of the taxpayer, shall be taxed at a tax rate between 0.2 to 3.5 per cent.

Finally, please note that the Spanish regions are entitled to modify (i) the threshold of net wealth exempt from taxation; (ii) the tax rates; and (iii) the tax benefits and exemptions to be applied in their territory.

(c) Inheritance and Gift Tax ("**IGT**") (*Impuesto sobre Sucesiones y Donaciones*)

Individuals resident in Spain for tax purposes who acquire Notes by inheritance or gift will be subject to the Spanish IGT in accordance with the IGT Law (*Ley 29/1987, de 18 de diciembre, del Impuesto sobre Sucesiones y Donaciones*), without prejudice to the specific legislation applicable in each autonomous region. The effective tax rate, after applying all relevant factors, ranges from 0 per cent. to 81.6 per cent. depending on several factors such as pre-existing heritage of the heir or donee, or the kinship with the deceased or the donor. Additionally, it should be taken into consideration that IGT management has been transferred to the Spanish Autonomous Regions therefore, a detailed analysis in each specific case should be carried out to analyse the applicable regional legislation since there might be differences in respect of the final taxation under IGT depending on the region in which an investor resides.

Please bear in mind that, in case the Notes are deemed to be exercisable in Spain, non-resident individuals who acquire Notes by inheritance or gift may also be subject to the Spanish IGT.

Tax credits for the avoidance of international double taxation may apply in respect of similar taxes paid abroad, if any, in respect of Notes.

Legal persons resident in Spain for tax purposes are not subject to IGT, thus the income that they may obtain from gift or inheritance, as the case may be, will be subject to Spanish Corporate Income Tax ("**CIT**") on the market value of Notes received, provided that the legal persons obtaining such income are Spanish CIT taxpayers.

(d) Temporary Solidarity Tax on Large Fortunes ("STLF") (*Impuesto temporal de solidaridad de las grandes fortunas*).

STLF is a NWT's complementary tax which is levied on individuals holding a world-wide net wealth of EUR3,000,000.

The value of the Notes together with the rest of the taxpayer's net wealth (exceeding EUR3,000,000) shall be taxed at a tax rate between 1.7 and 3.5 per cent..

Individuals whose tax residence is located in Spain will be entitled to a EUR700,000 rebate to their taxable base (i.e. STLF will be triggered for a net wealth exceeding EUR3,700,000) and to deduct taxes paid abroad with certain limitations.

STLF quota together with the NWT and the IIT quotas, shall not surpass 60 per cent. of the IIT taxable base. If said summation exceeds said threshold, the STLF quota could be reduced up to 80 per cent.. After applying said limitations, it could be deducted from the final STLF Tax quota: (i) any taxes paid abroad following the NWT relevant provisions and without prejudice of the dispositions contained in any double tax treaty or international appliable legislation and (ii) the NWT quota effectively paid.

As STLF has been conceived as a temporary tax it will only accrue on 31 December of 2022 and of 2023 but could be extended to subsequent tax years if deemed appropriate.

Spanish legal persons subject to Corporate Income Tax ("CIT") (*Impuesto sobre Sociedades*)

Interest and income arising on the transfer, redemption or reimbursement of Notes obtained by legal entities resident for tax purposes in Spain and regarded as CIT taxpayers shall be computed as taxable income of the tax period of its accrual, in accordance with the rules contained in the CIT Law and supplemented by the CIT regulations, approved by Royal Decree 634/2015, of 10 July 2015 (the "**CIT Regulations**").

The general CIT rate for Spanish CIT taxpayers is currently 25 per cent. However, certain CIT taxpayers, such as banks and investment funds, may be subject to higher or lower CIT rates.

Taxpayers with an annual net turnover higher than EUR 20 million or who are taxed jointly under a CIT group will be subject to a minimum 15 per cent. effective CIT rate of the adjusted taxable base (additional requirements or limitations may apply depending on the nature and circumstances of a given taxpayer). Please note that the CIT Law allows further reduction of this minimum taxation threshold by offsetting, among others, international double tax credits if any are available.

Tax credits for the avoidance of international double taxation in accordance with the CIT Law or any applicable convention for the avoidance of double taxation entered into by Spain may apply in respect of taxes paid abroad, if any, on income deriving from Notes.

As a general rule, interest payments and income upon transfer or redemption under the Notes shall be subject to withholding tax at 19 per cent. rate on account of CIT (creditable against final tax liability).

Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, interest payments and income upon transfer or redemption under the Notes should be only subject to withholding tax in Spain in case they are deposited in a depositary entity resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derived from the Notes, provided that such income had not been previously subject to withholding tax in Spain.

However, when (i) the Notes are represented in book-entry form and are admitted to trading on a Spanish secondary stock exchange or on the Spanish Alternative Fixed Income Market (MARF); or (ii) the notes are listed on a market in an OECD member state; holders who are corporate income taxpayers can benefit from a withholding tax exemption in respect of interest payments and income arising from the transfer or redemption of the Notes, exception made of

income derived from accounts entered into with financial entities, provided that such accounts are based on financial instruments, such as Notes.

Spanish Financial Transaction Tax (FTT)

The acquisition of shares of a Spanish listed company trading on a regulated market in Spain, any other Member State of the European Union, or on a market in a third country if the market is considered to be equivalent, with a market capitalization greater than 1,000 million euros (Qualifying Shares) and the acquisition of certificates of deposit representing Qualifying Shares (Qualifying Certificates), such as American depositary receipts, regardless of the type of market or trading centre where the trades are executed (regulated market, multilateral trading facility, systematic internaliser; or OTC transactions), are subject, save for certain exceptions, to Spanish FTT at a 0.2 per cent. of the corresponding acquisition price (excluding the costs and expenses associated to such transaction).

In addition to the above, the acquisition of Qualifying Shares and Qualifying Certificates under the execution or settlement of convertible or exchangeable bonds or debentures, of derivatives, as well as of any financial instrument, or of certain financial contracts, are also subject to the Spanish FTT.

Non-resident investors subject to NRIT (Impuesto sobre la Renta de no Residentes)

Based on the fact that none of the Issuers are resident in Spain for tax purposes, that the payments of the Notes are not effectively allocated to a permanent establishment in Spain of the Issuers and that the proceeds of the Notes are not used in Spain by the Issuers, no Spanish NRIT should, in principle, be levied on investors that are not resident in Spain for tax purposes, unless they are acting with respect to Notes through a Spanish permanent establishment.

Pursuant to some specific guidelines issued by the Spanish tax authorities, income relating to bonds issued by a non-Spanish tax resident issuer could be regarded as remunerating the use of funds in Spain (and thus, be subject to Spanish NRIT) depending on the specific activity of the issuer and the effective use of funds in Spain and, in particular (pursuant to these guidelines), if a non-Spanish resident special purpose vehicle issuing the notes is incorporated by a Spanish group in order to seek finance for the benefit of such Spanish group.

In addition to the above, and in accordance to binding ruling V0185-20 of 27 January 2020, certain securities (such as financial derivatives) may be classified, for the purposes of the relevant double tax treaty, as business profits or other income and, as mentioned above, should not be considered, in general terms, as Spanish-source income, subject to the provisions of any relevant double tax treaty.

According to the general principles of the Spanish NRIT Law, Spanish permanent establishments of non-Spanish tax resident persons are taxed under the NRIT Law in a similar manner to Spanish CIT taxpayers, although some specific rules may apply. Due to the complexity of this matter, non-Spanish tax resident investors acting in Spain, with respect to Notes, through a permanent establishment are strongly urged to seek appropriate advice in respect of their own tax position in this regard.

Spanish withholding tax

Where a financial institution (either resident in Spain for tax purposes or acting through a permanent establishment in Spain) (a) acts as depositary of Notes, (b) manages the collection of any income under Notes, (c) intervenes in their transfer or (d) carries out the redemption or reimbursement of the Notes, on behalf of Noteholders either (i) resident in Spain for tax purposes or (ii) holding the Notes through a permanent establishment located in Spain, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the relevant Notes. The current withholding tax rate in Spain is 19 per cent. Amounts withheld in Spain, if any, can be credited against the final Spanish IIT, CIT or NRIT liability, as applicable to the Noteholder.

In addition to the above, the acquisition of Qualifying Shares and Qualifying Certificates under the execution or settlement of convertible or exchangeable bonds or debentures, of derivatives, as well as of any financial instrument, or of certain financial contracts, are also subject to the Spanish FTT.

Other Spanish taxes (indirect taxation)

The acquisition, transfer, redemption and reimbursement of Notes will be exempt from indirect taxes in Spain, i.e. exempt from or not subject to Transfer Tax and Stamp Duty, as the case may be, in accordance with the Consolidated Text of such tax approved by Royal Legislative Decree 1/1993, of 21 September 1993, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December 1992, regulating such tax.".