

Final Terms dated 15 February 2016

Arcade Finance p.l.c.

(incorporated with limited liability in Ireland with registered number 435310)

SERIES NO: 2016-229 EUR 35,700,000 LIFE MIP UNIVERSAL SELECTION 90 SHORT TERM 4 NOTES DUE  
2018  
(THE "NOTES")

issued pursuant to the  
EUR 40,000,000,000 Programme for the issue of Notes  
of Arcade Finance p.l.c.

arranged by

KBC Bank NV

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer.

No such prospectus has been, or will be, published by the Issuer or the Dealer in connection with any offer of the Notes.

Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

## PART A CONTRACTUAL TERMS

Except where the context otherwise requires and save where otherwise defined in these Final Terms, terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 March 2015 issued by Arcade Finance p.l.c. (the "Issuer") in connection with its EUR40,000,000,000 Programme for the issue of Notes (the "Base Prospectus"). This document, including its Appendix, constitutes the Final Terms of the Notes described herein for the purposes of the Terms and Conditions of the Notes as set out in the Base Prospectus and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer and copies may be obtained from the registered office of the Issuer. These Final Terms do not comprise final terms for the purposes, or within the meaning, of either the Prospectus (Directive 2003/71/EC) Regulations 2005 as amended of Ireland or Commission Regulation (EC) No 809/2004 of 29 April 2004 as amended.

|     |   |  |
|-----|---|--|
| 1.  | (i) Series Number:  | 2016-229   |
|     | (ii) Tranche Number:  | 1  |
| 2.  | Status of Notes:  | Senior   |
| 3.  | Specified Currency or Currencies:   | EUR  |
| 4.  | Principal Amount:   |  |
|     | (i) Series:   | EUR 35,700,000   |
|     | (ii) Tranche:   | EUR 35,700,000   |
| 5.  | Issue Price:  | 100 per cent. of the Principal Amount  |
| 6.  | Specified Denominations:  | EUR 1,000  |
| 7.  | Issue Date:   | 15 February 2016   |
| 8.  | Maturity Date:  | 24 August 2018   |
| 9.  | Redemption/Payment Basis:   | See paragraph 15 below   |
| 10. | Put/Call Options:   | Issuer Call  |
| 11. | Tax Gross-Up:   | Condition 22(b) applicable   |
| 12. | Method of Distribution:   | Non-syndicated   |
| 13. | Provisions Relating to Interest (if any) Payable:   | Not Applicable   |
| 14. | Issuer Call:  |  |
|     | (i) Optional Redemption Date(s):  | On expiry of the notice period   |
|     | (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount: | Such amount(s) determined by the Calculation Agent which shall represent the fair market value of each Note on the date of redemption  |
| 15. | Final Redemption Amount of each Note:   | The Final Redemption Amount in respect of each Note shall be calculated as follows:<br><br>Specified Denomination * (1+Rate of Return),<br><br>where "Rate of Return" has the meaning given to it in the form of Equity Swap Confirmation set out as Appendix 1 hereto |
| 16. | Early Redemption Amount of each Note payable on   | Such amount(s) determined by the Calculation Agent which shall represent   |

redemption for taxation reasons or on event of default or on an illegality:

the fair market value of each Note on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent in consultation with the Portfolio Manager. For the purposes hereof:

- (i) the references to “together (if appropriate) with interest accrued, if any, to (but excluding) the date of redemption” shall be deemed to be deleted from each of Condition 7(b) and Condition 7(h); and
- (ii) the references to “together with accrued interest (if any) thereon” shall be deemed to be deleted from Condition 14.

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

17. Form of Notes:

Bearer

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only in the circumstances set out under “Summary of Provisions relating to the Notes while in Global Form” in the Base Prospectus.

18. Series Collateral:

The Series Collateral (within the meaning of Condition 4(a)) shall comprise:

initially (i) a deposit (to be maintained in a sub-account of the Series Cash Account) with KBC Bank NV in an amount expected to equal approximately 9.5% of the net proceeds of the issue of the Notes and (ii) a structured deposit with KBC Bank NV in an amount expected to equal approximately 90% of the net proceeds of the issue of the Notes (and to be maintained in a sub-account of the Series Cash Account) and (iii) the remainder (if any) as a deposit in the Series Cash Account,

and thereafter such Eligible Assets as are purchased by the Issuer, or by KBC Asset Management NV as Portfolio Manager on its behalf, subject to the

restrictions set out in the Conditions.

For these purposes:

**"Eligible Assets"** means Cash Deposits, Eligible Debt Securities, Derivative Instruments, and Mutual Funds selected by the Portfolio Manager.

**"Cash Deposits"** means deposits and/or term deposits and/or structured deposits held with a financial institution which is a member of the group of companies of which KBC Group NV is the ultimate parent company.

**"Eligible Debt Securities"** means any of:

- (i) Short Term Debt Securities: commercial paper and/or debt securities having a maturity of one-year or less and having a minimum short term credit rating of A2 or P2 or F2 (or, if not rated, having a short term credit risk profile equivalent to, or better than, in the opinion of the Portfolio Manager, a short term credit rating of investment grade); or
- (ii) Long Term Debt Securities: debt securities with a maturity greater than one year having a minimum long term credit rating of investment grade (or, if not rated, having a long term credit risk profile equivalent to, or better than, in the opinion of the Portfolio Manager, a long term credit rating of investment grade).

**"Derivative Instrument"** means a derivative contract, listed or OTC with any financial institution having a minimum long term credit rating of at least investment grade and **"Derivative Instruments"** shall be construed accordingly.

**"Mutual Funds"** means any mutual fund which is established to invest in securities and/or deposits and/or derivative transactions that meet the applicable criteria of Derivative Instruments above.

19. Security (order of priorities):

All monies received by the Trustee under the Trust Deed applicable to the Notes and the Series Pledge Agreement applicable to the Notes in connection

with the realisation or enforcement of the Series Security constituted by such Trust Deed and such Series Pledge Agreement shall be applied by it in the following order of priorities:

Counterparty Priority

In addition, all monies received by the Trustee in respect of the Notes other than in connection with the realisation or enforcement of the Series Security will be held by the Trustee on trust to apply them in accordance with Counterparty Priority and clause 8.1 of the Master Trust Deed shall, with respect to the Notes, be deemed amended accordingly.

20. Swap Agreement:

Under an ISDA Master Agreement dated as of 19 November 2007 the Issuer and KBC Bank NV will, with respect to the Notes and on the Issue Date, enter into the following swap transaction(s):

one or more equity swap transactions (each an "Equity Swap Transaction"), each such Equity Swap Transaction to be evidenced by a confirmation (each an "Equity Swap Confirmation") in the form set out as Appendix 1 hereto

Signed on behalf of the Issuer



Arcade Finance p.l.c.  
Duly Authorised Signatory

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

- (i) Listing: None
- (ii) Admission to trading: None

### 2. RATINGS:

The Notes to be issued have not been rated

### 3. OPERATIONAL INFORMATION

ISIN Code: XS1334769970  
Common Code: 133476997  
Delivery: Matching free of payment

### 4. GENERAL

Tradeable Amount: EUR 1,000

### 5. ISSUER CORPORATE AUTHORISATIONS

The issue of the Notes was approved at a meeting of the directors of the Issuer held on 15 December 2015.

### 6. USE OF PROCEEDS

The proceeds of the issue of the Notes (less EUR 25) will be applied by the Portfolio Manager on behalf of the Issuer in acquiring the Series Collateral. EUR 25 will be retained by the Issuer from the proceeds of the issue of the Notes as a profit margin and will not comprise part of the Series Collateral

## Appendix 1

### Form of Equity Swap Confirmation

#### LETTER OF AGREEMENT

FROM : KBC Bank N.V. (Party A)  
TO : Arcade Finance p.l.c. (Party B)  
REFERENCE OF STRUCTURE : Arcade Finance Plc ARCADE RING 229 - Life MI+ Universal Selection  
90 Short Term-4 (LIUST4K)

Dear Sirs,

The purpose of this letter of agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below, and supersedes all or any prior written or oral agreements in relation to the Transaction.

The definitions and provisions contained in the 2006 ISDA Definitions (the "Swap Definitions") and the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions", together with the Swap Definitions, the "Definitions") as published by the International Swaps and Derivatives Association Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between either set of Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement in place as of the Date of Agreement, as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the particular Transaction to which this Confirmation relates are as follows:

#### **GENERAL TERMS**

|                       |   |
|-----------------------|---|
| Effective Date        | 15 February 2016  |
| Termination Date      | The third Business Day following the Final Valuation Date   |
| Final Valuation Date  | The last Scheduled Trading Day of July 2018   |
| Business Day          | TARGET Settlement Day   |
| Exchange              | As specified in Basket  |
| Scheduled Trading Day | For each Share(i), any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading sessions.<br><br><b>Not necessarily common:</b> Each Share(i) will be treated independently of all other Shares in the Basket when determining Scheduled Trading Day for such Share(i). For avoidance of doubt, it need not be a Scheduled Trading Day for any or all other Shares in the Basket when determining whether a day is a Scheduled Trading Day for Share(i).   |
| Calculation Agent     | Party A shall be the Calculation Agent. All determinations and calculations by the Calculation Agent shall be subject to agreement by Party B. If unable to agree, another mutually acceptable Calculation Agent (the "Substitute Calculation Agent"), will be appointed by agreement between the parties within three (3) Business Days, to make the relevant determinations and calculations. If either party determines that the parties cannot agree on a Substitute Calculation Agent, then each of the parties shall select, within one (1) Business Day, an internationally recognised, leading independent market-maker or dealer in the relevant market, and such independent market-makers or dealers shall select a third party being of a similar standing in the relevant market, who shall be deemed to be the Substitute Calculation Agent. The determinations and calculations of the Substitute Calculation Agent shall be binding upon the parties in the absence of manifest error. The costs of the Substitute Calculation Agent shall be borne equally by the parties. |

## **EQUITY AMOUNTS PAYABLE BY PARTY A**

|                              |   |
|------------------------------|---|
| Equity Amount Payer          | Party A   |
| Equity Amount Receiver       | Party B   |
| Equity Notional Amount       | The Notional Amount   |
| Cash Settlement Payment Date | Termination Date  |
| Settlement Currency          | EUR   |
| Cash Settlement              | Applicable  |
| Type of Return               | Price Return  |
| Valuation Time               | For all Shares, the official close of trading on the Exchange that is last to close (for avoidance of doubt: the Relevant Price (i) for the Shares traded on the Milan Stock Exchange will be the Prezzo di Riferimento)  |
| Relevant Price,              | For each Share (i), except for the Shares on the Milan Stock Exchange, the price of such Share at the official close of trading on the Exchange on the relevant Averaging Date and for the Shares traded on the Milan Stock Exchange the Prezzo di Riferimento (as defined in the 'Regolamento dei mercati organizzati e gestiti da Borsa Italiana S.p.A.' and in the 'Istruzioni al Regolamento dei mercati organizzati e gestiti da Borsa Italiana S.p.A.' as amended and supplemented from time to time (collectively the 'Exchange Rules')) on the relevant Averaging Date. |
| Averaging Date Disruption    | Modified Postponement   |
| Number of Baskets            | 1   |
| Basket                       | A basket of Shares (each a 'Share(i)', together the 'Shares') having the following Issuers, the following Bloomberg Codes, traded on the following Exchanges (city-MIC), having the following Related Exchanges and having the following Initial Weighting Coefficients:  |

| (i) | Issuer                           | Bloomberg Code  | Exchange         | Related Exchange    | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|---------------------|--------------------------------|
| 1   | ALLIANZ SE                       | ALV GY Equity   | FRANKFURT - XETR | EUREX               | 2.0000%                        |
| 2   | AMERICAN ELECTRIC POWER          | AEP UN Equity   | NEW YORK - XNYS  | All Exchanges       | 2.0000%                        |
| 3   | AT&T INC                         | T UN Equity     | NEW YORK - XNYS  | All Exchanges       | 2.0000%                        |
| 4   | BALOISE HOLDING AG               | BALN VX Equity  | ZURICH - XVTX    | EUREX               | 2.0000%                        |
| 5   | CAN IMPERIAL BK OF COMMERCE (CT) | CM CT Equity    | TORONTO - XTSE   | All Exchanges       | 2.0000%                        |
| 6   | CLP HOLDINGS LTD                 | 2 HK Equity     | HONG KONG - XHKG | All Exchanges       | 5.0000%                        |
| 7   | EDF                              | EDF FP Equity   | PARIS - XPAR     | NYSE LIFFE (Paris)  | 2.0000%                        |
| 8   | ENAGAS SA                        | ENG SQ Equity   | MADRID - XMCE    | MEFF                | 2.0000%                        |
| 9   | FORTUM OYJ                       | FUM1V FH Equity | HELSINKI - XHEL  | Nasdaq OMX          | 2.0000%                        |
| 10  | HCP INC                          | HCP UN Equity   | NEW YORK - XNYS  | All Exchanges       | 3.0000%                        |
| 11  | LEGAL & GENERAL GROUP PLC        | LGEN LN Equity  | LONDON - XLON    | NYSE LIFFE (London) | 2.0000%                        |
| 12  | MUENCHENER RUECKVER AG-REG       | MUV2 GY Equity  | FRANKFURT - XETR | EUREX               | 2.0000%                        |
| 13  | NATIONAL BANK OF CANADA          | NA CT Equity    | TORONTO - XTSE   | All Exchanges       | 2.0000%                        |
| 14  | NORDEA BANK AB                   | NDA SS Equity   | STOCKHOLM - XSTO | Nasdaq OMX          | 2.0000%                        |
| 15  | PHILIP MORRIS INTERNATIONAL      | PM UN Equity    | NEW YORK - XNYS  | All Exchanges       | 5.0000%                        |
| 16  | PPL CORP                         | PPL UN Equity   | NEW YORK -       | All                 | 2.0000%                        |



|    |                                  |                 |                  |                     |         |
|----|----------------------------------|-----------------|------------------|---------------------|---------|
| 17 | ROGERS COMMUNICATIONS INC-B      | RCI/B CT Equity | TORONTO - XTSE   | All Exchanges       | 8.0000% |
| 18 | ROYAL DUTCH SHELL PLC-A (LONDON) | RDSA LN Equity  | LONDON - XLON    | NYSE LIFFE (London) | 2.0000% |
| 19 | SAMPO OYJ-A SHS                  | SAMAS FH Equity | HELSINKI - XHEL  | Nasdaq OMX          | 2.0000% |
| 20 | SGS SA-REG                       | SGSN VX Equity  | ZURICH - XVTX    | EUREX               | 8.0000% |
| 21 | SKANDINAVISKA ENSKILDA BAN-A     | SEBA SS Equity  | STOCKHOLM - XSTO | Nasdaq OMX          | 2.0000% |
| 22 | SOUTHERN CO                      | SO UN Equity    | NEW YORK - XNYS  | All Exchanges       | 8.0000% |
| 23 | SUNCORP GROUP                    | SUN AT Equity   | SYDNEY - XASX    | ASX                 | 2.0000% |
| 24 | SWISSCOM AG-REG                  | SCMN VX Equity  | ZURICH - XVTX    | EUREX               | 8.0000% |
| 25 | SWISS RE AG                      | SREN VX Equity  | ZURICH - XVTX    | EUREX               | 8.0000% |
| 26 | TELEFONICA SA (SQ)               | TEF SQ Equity   | MADRID - XMCE    | MEFF                | 5.0000% |
| 27 | TELUS CORP (CT)                  | T CT Equity     | TORONTO - XTSE   | All Exchanges       | 2.0000% |
| 28 | TORONTO-DOMINION BANK (CT)       | TD CT Equity    | TORONTO - XTSE   | All Exchanges       | 2.0000% |
| 29 | TOTAL SA                         | FP FP Equity    | PARIS - XPAR     | NYSE LIFFE          | 2.0000% |
| 30 | VERIZON COMMUNICATIONS INC       | VZ UN Equity    | NEW YORK - XNYS  | All Exchanges       | 2.0000% |

Equity Amount

An amount in EUR determined by the Calculation Agent as of the Valuation Time on the Final Valuation Date in accordance with the following formula:

**Equity Notional Amount \* Rate of Return**

The Rate of Return, expressed as a percentage, will be rounded 2 places to the right of the decimal point

Rate of Return

**Max[0,Min(CapUp,PPUp \* Return)]**

+

**Max[FloorDown,Min(0,PPDown \* Return)]**

Note:

whenever negative, the absolute value of the Equity Amount shall be payable by Party B.

Return

$$\sum_{i=1}^n w_i \frac{\text{Final Price}_i}{\text{Initial Price}_i} - 1$$

where

$w_i$  = For each Share(i) the Initial Weighting Coefficient as specified in the table above;

$n = 30$ , the number of Shares

$w_i / \text{Initial Price}_i$  is also referred to as the sharemultiplier for Share(i)

|                            |  |
|----------------------------|--|
| <b>PPUp</b>                | <b>100 %</b>   |
| <b>PPDown</b>              | <b>100 %</b>   |
| <b>CapUp</b>               | <b>35 %</b>  |
| <b>FloorDown</b>           | <b>-10 %</b>   |
| Initial Price <sub>i</sub> | For each Share(i), the arithmetic mean of the Relevant Price, of such Share on the Initial Averaging Dates   |
| Final Price <sub>i</sub>   | For each Share(i), the arithmetic mean of the Relevant Price <sub>i</sub> of such Share on the Final Averaging Dates   |
| Valuation Dates            | <ul style="list-style-type: none"> <li>• The 10<sup>th</sup> Scheduled Trading Day following and including 15 February 2016 (the 'Initial Valuation Date')</li> <li>• The last Scheduled Trading Day of July 2018 (the 'Final Valuation Date')</li> </ul>  |
| Averaging Dates            | <ul style="list-style-type: none"> <li>• In relation to the Initial Valuation Date, the 9 Scheduled Trading Days preceding that Initial Valuation Date and that Initial Valuation Date (the 'Initial Averaging Dates')</li> <li>• In relation to the Final Valuation Date, the last Scheduled Trading Day of each month commencing February 2018 up to and including July 2018 (i.e. 6 observations, the 'Final Averaging Dates')</li> </ul> |

## **SPECIAL FEATURES**

For the calculation of the fixings, all Relevant Prices are fully taken into account (without rounding). Any average level, as calculated on an Averaging Date or a Valuation Date, will be rounded 4 places to the right of the decimal point. All share multipliers will be rounded 10 places to the right of the decimal point.

## **ADJUSTMENTS AND EXTRAORDINARY EVENTS AFFECTING THE SHARES**

### **General**

#### **Prior Information**

Calculation Agent shall inform Party B prior to making any adjustment to the Basket.

#### **Method of Adjustment**

Calculation Agent Adjustment, subject to the provisions contained in the definition of Calculation Agent.

### **Special Rules**

#### **Qualification Rule**

Shares qualify as Qualifying Shares if

- \* they are quoted on a stock exchange or quotation system and
- \* the Calculation Agent determines in a commercially reasonable manner, that as at the date on which they become part of the Basket and at any date thereafter on which they are part of the Basket it is expected that such shares will qualify as common or ordinary shares based on criteria including but not limited to liquidity, market capitalisation and expected dividends.

#### **Weighting Rule**

If following a Merger Event, Alternative Obligation is applied, the weighting of the New Shares shall be equal to the sum of the weightings of all Shares in the Basket involved in the Merger Event.

#### **Cancellation and Payment Rule**

If none of the New Shares resulting from a Merger Event qualify as Qualifying Shares, or if a Disqualification, Nationalization or Insolvency occurs with respect to the Shares of any Issuer, the following Cancellation and Payment Rule shall apply with respect to such Shares ('Affected Shares').

The Calculation Agent shall determine the Relevant Price with respect to the Affected Shares for each Averaging Date following the date on which the Removal Price  $t$  is determined as follows :

$$[\text{Removal Level} * (1 + \text{Rate})^{\text{Relevant Day Count Fraction}}]$$

where:

'Removal Level' means the Relevant Price of the Affected Shares at the Valuation Time on a date, selected by the Calculation Agent, which precedes the date on which such Affected Shares are subject to a Disqualification, Nationalization, Insolvency or Merger Event of which none of the new shares resulting from a Merger Event qualify as Qualifying Shares, as the case may be.

'Rate' means the interpolated zero coupon mid-rate (Bloomberg : FWCV) in the Relevant Currency, expressed as a rate per annum on a Relevant Day Count Fraction basis, equal to the period from and including the date as of which the Removal Level is to be determined to and including the Valuation Date.

'Relevant Currency' means the currency of the Affected Shares as indicated in the respective Bloomberg identifier if such currency is freely deliverable as determined by the Calculation Agent; or the Settlement Currency otherwise. 'Relevant Day Count Fraction' means the applicable Day Count Fraction in relation to the Relevant Currency as applicable per Bloomberg page FWCV.

For the purposes of determining the Relevant Day Count Fraction, the corresponding Calculation Period shall be deemed to be the period from and excluding the date as of which the Removal Level is to be determined to and including the last Valuation Date.

## **Consequences of Merger Events**

*(a) Share-for-Share*

If the New Shares are Qualifying Shares, Alternative Obligation; otherwise, the Cancellation and Payment Rule shall apply.

*(b) Share-for-Other*

The Cancellation and Payment Rule shall apply.

*(c) Share-for-Combined*

Component Adjustment, provided that if the New Shares are Qualifying Shares, the Other Consideration shall be deemed to be reinvested as of the Merger Date in the New Shares.

## **Disqualification, Nationalization, Insolvency**

Section 12.6 (a) (iii) of the Equity Definitions shall be deleted and replaced with the following:

'Disqualification means that the Shares of an Issuer no longer qualify as Qualifying Shares in accordance with the Qualification Rule.'

Section 12.6 (b) of the Equity Definitions shall be replaced by the following wording:

'Either party will, upon becoming aware of the occurrence of a Disqualification, Nationalization or Insolvency, notify the other party of such event.'

The first sentence of Section 12.6 (c) of the Equity Definitions shall be replaced by the following wording:

'For the purpose of determining the consequence of a Disqualification, Nationalization or Insolvency'

Upon the occurrence of a Disqualification, Nationalization or Insolvency, the Cancellation and Payment Rule shall apply with respect to the Affected Shares

## **Additional Disruption Events**

|                                   |                |
|-----------------------------------|----------------|
| a) Change in Law                  | Not applicable |
| b) Failure to Deliver             | Not applicable |
| c) Insolvency Filing              | Not applicable |
| d) Hedging Disruption             | Not applicable |
| e) Increased Cost of Hedging      | Not applicable |
| f) Loss of Stock Borrow           | Not applicable |
| g) Increased Cost of Stock Borrow | Not applicable |

## **Other provisions**

|   |            |
|---|------------|
| a) Non-Reliance   | Applicable |
| b) Agreements and Acknowledgements Regarding Hedging Activities | Applicable |
| c) Additional Acknowledgements                                  | Applicable |

## **FLOATING AMOUNT PAYABLE BY PARTY B**

|                                  |   |
|----------------------------------|---|
| Floating Amount Payer            | Party B   |
| Floating Notional Amount         | The Notional Amount   |
| Payment Dates                    | The 23 <sup>rd</sup> day of each June and December, falling within the Term of this Transaction (However, if such first date is less than or equal to seven (7) calendar days after the Effective Date (included), it will not be a Payment Date and if such last date is less than or equal to seven (7) calendar days before the Termination Date (included), it will not be a Payment Date) and the Termination Date |
| Reset Date                       | The first day of each Calculation Period  |
| Floating Rate Option             | EUR-EURIBOR-Reuters   |
| Designated Maturity last         | 6 months, except that for the first Calculation Period and the Calculation Period Linear Interpolation shall apply.   |
| Floating Rate Day Count Fraction | Actual / 360  |
| Business Day Convention          | Preceding   |
| Spread                           | As defined at the end of this letter of agreement (rounded 2 places to the right of the decimal point)  |

## **PROVISIONS RELATING TO THE VARIATION OF THE NOTIONAL AMOUNT**

- a) Subject to sub-sections (e) and (f) below, Party A shall send to Party B (to the following email addresses: [sfm@kbc.be](mailto:sfm@kbc.be) and [swaps\\_dbm\\_kbcam@kbc.be](mailto:swaps_dbm_kbcam@kbc.be)) on each Delivery Date, a CSV Price File containing Quotation(s). The CSV Price File shall be sent before 10hAM Brussels time on the relevant Delivery Date. Subject to the terms otherwise set out below, Party B may, by acceptance of Party A's Quotation contained within the relevant CSV Price File, increase or decrease the Notional Amount of this Transaction.
- b) Party A's Quotation shall be based on the market conditions, prices and other factors considered relevant to Party A as at the time such Quotations relates to and shall be subject to adjustment (an "Adjustment") at the time Party B requests an increase or decrease in the Notional Amount of this Transaction if (in the determination of Party A) there has been a change to any of those factors.
- c) If Party B on any Delivery Date wishes to accept Party A's Quotation (which shall, for the avoidance of doubt, be subject to any applicable Adjustment) in relation to such Delivery Date then:
  - i. Party B shall notify Party A whether the Notional Amount of this Transaction is to be increased or decreased and the amount of such increase or decrease; and
  - ii. the proposed increase or decrease of the Notional Amount (as the case may be) shall, subject to sub- section (e) below, be executed on the Delivery Date and the Applicable Amount shall be settled between the parties on the Settlement Date (unless another date is agreed between the parties).
  - iii. the Notional Amount as amended will from and after the Delivery Date be used to make all calculations for which the Notional Amount is required.
- d) Should the Notional Amount be reduced to zero, on payment of the respective amounts the Transaction confirmed herein will terminate, and thereafter neither party will have any further or continuing obligations or liabilities hereunder.
- e) If, in the period from, and including, the Delivery Date to, and including, the time at which Party A fully executes the relevant increase or decrease (as applicable) of the Notional Amount, there occurs or exists a Quotation Disruption Event, the Delivery Date will be postponed to the next following Brussels Business Day which is not a Quotation Disrupted Day. If on the Quotation Date a Quotation Disruption Event occurs or exists, this Quotation Date will be postponed to the next following Brussels Business

Day which is not a Quotation Disrupted Day.

- f) Party A shall not be obliged to provide a CSV Price File, any Quotation, any Adjustment, or to execute any increase or decrease in the Notional Amount (even if it has previously provided a Quotation which has been accepted by Party B in accordance with this provision) if an Event of Default, Potential Event of Default, or Termination Event has occurred in respect of Party B.

### **Definitions for the purpose of this paragraph:**

**Additional Information** means

- the delta, gamma, theta, rho and vega of the option;
- the spot price of the underlying (if applicable);
- the price of the option as a percentage of the Notional Amount;
- the price of the floating leg as a percentage of the Notional Amount;
- the applicable swap rate;
- the volatility of the underlying (if applicable);
- the dividend yield of the underlying (if applicable).

**Adjustment** has the meaning described in sub-section (b) of this paragraph.

**Applicable Amount** means, one of the following:

- a) If the Transaction is to be amended to increase the Notional Amount, an amount equal to: (the amount by which the Notional Amount is to be increased) multiplied by (the percentage obtained by adding **40** bp to Party A's Quotation).
- b) If the Transaction is to be amended to decrease the Notional Amount, an amount equal to: (the amount by which the Notional Amount is to be decreased) multiplied by (the percentage obtained by subtracting **40** bp from Party A's Quotation).

**CSV Price File** means a pre-defined file illustrating Party A's Quotation(s) and the Additional Information to be provided by Party A.

**Delivery Date** means the first day after the Quotation Date which is not a Saturday, Sunday or bank or public holiday in both London and Brussels.

**Quotation Disruption Event** means any market event in which Party A determines in good faith and a commercially reasonable manner that it is unable to provide a Quotation, a CSV Price File, any Adjustment, or to execute any increase or decrease of the Notional Amount of this Transaction. Party A shall notify Party B as soon as reasonably practicable of the existence of such an event.

**Quotation Disrupted Day** means any day on which a Quotation Disruption Event exists.

**Settlement Date** means the fifth Brussels Business Day following the relevant Quotation Date.

**Quotation** means a price contained within the CSV Price File, expressed as a percentage of the Notional Amount, determined as at the close of business on the Quotation Date, to increase or decrease the Notional Amount of this Transaction. Each Quotation shall be for multiples of **1000 EUR**. Each Quotation shall be subject to any relevant Adjustment and any reference to Party A offering or Party B accepting a "Quotation" shall incorporate any such Adjustment.

**Quotation Date** means the sixteenth (16) calendar day, subject to adjustment if that day is not a Brussels Business Day in accordance with the Preceding Business Day Convention, and the last Brussels Business Day of each month falling within the Term of this Transaction.

### **ACCOUNT DETAILS :**

Payments to Party **B**:

Account for Payments : To be  
advised For the Account of :

Account No. :

Attention :

Payments to Party **A**:

Account for Payments in EUR :

DIRECT - KBC BANK NV

BRUSSELS SWIFT :

KREDBEBB