

## SUMMARY AND SECURITIES NOTE

### PURPLE PROTECTED ASSET

*(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 11-13 Boulevard de la Foire, L-1528 Luxembourg and registered with the Register of Trade and Companies of Luxembourg under number 186106)*

**Purple Protected Asset acting exclusively through and in respect of**

**Compartment PPA-S39**

**Issue of up to EUR 10,000,000 Collateralised Notes due 2027**

**(the "Notes")**

Purple Protected Asset is a public limited liability company (*société anonyme*) incorporated in the Grand Duchy of Luxembourg and its activities are subject to the Luxembourg law on securitisation dated 22 March 2004 (as may be amended from time to time) (the "**Securitisation Law**"). Purple Protected Asset was incorporated on 3 April 2014 and copies of the articles of association of Purple Protected Asset (the "**Articles**") were lodged with the Register of Trade and Companies of Luxembourg (*Registre de commerce et des sociétés*) on 14 April 2014. Purple Protected Asset has been authorised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as a regulator of the Luxembourg financial sector, as a regulated securitisation company under the Securitisation Law. This authorisation shall not under any circumstances be described in any way whatsoever as a positive assessment made by the CSSF of the quality of the securities issued by Purple Protected Asset.

The registration document (the "**Registration Document**") has been approved by the CSSF on 4 July 2017, which is the Luxembourg competent authority for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") pursuant to article 7(1) of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended (the "**Prospectus Law**") and is valid for a period of twelve months from the date of its approval. The Registration Document was supplemented by a supplement dated 3 August 2017 (the "**Supplement**").

The Registration Document has been prepared for the purpose of providing information with regard to Purple Protected Asset as issuer under one or several issuance programmes for the issuance of series or tranches of notes, bonds or other debt securities, warrants or certificates, and in particular the EUR 5,000,000,000 Purple Asset-Backed Securities Issuance Programme (the "**Programme**") arranged by Natixis (the "**Arranger**").

This document contains the terms and conditions of the Notes to be issued by Purple Protected Asset acting exclusively through and in respect of its compartment PPA-S39 (the "**Issuer**") and a summary dated 18 August 2017 (the "**Summary and Securities Notes**"). Such Summary and Securities Note shall be read in conjunction with the Registration Document. Together, the Summary and Securities Note, the Registration Document and the Supplement shall comprise the prospectus (the "**Prospectus**") for series 1 under the PPA-S39

compartment (the "**Series**"), prepared for the purposes of Article 5.3 of the Prospectus Directive.

Application has been made to the CSSF to approve this document as a prospectus in its capacity as competent authority under the Luxembourg act dated 10 July 2005 on prospectuses for securities (as amended) (the "**Prospectus Act 2005**") which implemented the Prospectus Directive in Luxembourg. By approving the Prospectus, the CSSF shall give no undertaking as to the economic or financial opportuneness of the transaction or the quality and solvency of Purple Protected Asset pursuant to article 7(7) of the Prospectus Law. Applications have been made for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in Belgium, being the Financial Services and Markets Authority (FSMA).

This Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) in accordance with article 16 of the Prospectus Act 2005. Copies of this Prospectus can also be obtained at the registered office of the Issuer and the specified office of the Paying Agent (as defined below), at the address given at the end of this Prospectus.

Any websites included in the Prospectus are for information purposes only and do not form part of this Prospectus.

18 August 2017

**NATIXIS as Dealer and Arranger**

## **Important Notices**

**The Issuer accepts responsibility for all information contained in this document (the "Responsible Person"). To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information, except that:**

**This Prospectus includes in the Annex information relating to the "Solactive Quality of Life Select 40 Index", the sponsor of which is Solactive AG, which has been reproduced on the basis of the information communicated by Solactive AG. The Issuer has not independently verified such information. The Issuer confirms that such information has been accurately reproduced.**

**This Prospectus includes information relating to vdk bank nv which has been reproduced on the basis of the information communicated by vdk bank nv. The Issuer has not independently verified such information. The Issuer confirms that such information has been accurately reproduced.**

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND THE SELLING AND TRANSFER RESTRICTIONS SET FORTH IN THE REGISTRATION DOCUMENT OR THIS SUMMARY AND SECURITIES NOTE (AS THE CASE MAY BE), IN EACH CASE AS DEFINED ABOVE (TOGETHER, THE "ISSUANCE DOCUMENT").**

**ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE")) WHO HOLDS A BEARER NOTE WHICH IS AN OBLIGATION IN BEARER FORM WILL BE SUBJECT TO LIMITATIONS UNDER U.S. FEDERAL INCOME TAX LAW, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE CODE. UNDER SECTIONS 165(J) AND 1287(A) OF THE CODE, ANY SUCH UNITED STATES PERSON WHO HOLDS A BEARER NOTE WHICH IS AN OBLIGATION IN BEARER FORM, WITH CERTAIN EXCEPTIONS, WILL NOT BE ENTITLED TO DEDUCT ANY LOSS ON THE BEARER NOTE AND MUST TREAT AS ORDINARY INCOME ANY GAIN REALISED ON THE SALE OR OTHER DISPOSITION (INCLUDING REDEMPTION) OF SUCH BEARER NOTE.**

Neither the Arranger and Dealer nor the Trustee has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger and Dealer or the Trustee as to the accuracy or completeness of any financial information contained herein,

or any other financial statements or any further information supplied in connection with the Notes or their distribution. The statements made in this paragraph are without prejudice to the contractual responsibilities and obligations of the Issuer in respect of the Notes.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Summary and Securities Note and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the parties referred to herein.

This Summary and Securities Note is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or constituting an invitation or offer by or on behalf of the Issuer that any recipient of this Summary and Securities Note should subscribe for or purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Deposit Counterparty and the Swap Counterparty (each as defined below). Investors should take into account, when making a decision as to whether or not to invest in the Notes, amongst other things, the matters set out in "*Investor Suitability*" and "*Risk Factors*" below.

The delivery of the Summary and Securities Note does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and Dealer and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes.

Neither the Issuer, the Arranger, the Dealer, the Trustee nor any other person represents that this Summary and Securities Note may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, persons into whose possession this Summary and Securities Note or any of the Notes come must inform themselves about, and observe, any such restrictions. In particular, no action has been taken by the Issuer or any other person (save for the seeking of the approval of the Prospectus by the CSSF and the application for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in Belgium) which would permit a public offering of any of the Notes or distribution of the Prospectus in any jurisdiction where action for that purpose is required. Accordingly, none of the Notes may be offered or sold, directly or indirectly, and neither the Prospectus, comprising this Summary and Securities Note, the Registration Document and the Summary, nor any, advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

**If, in respect of any of the Notes, the net proceeds of the enforcement or liquidation of the relevant Underlying Assets applied in accordance with the Conditions (as defined below) are not sufficient to make all payments due in respect of the Notes, no other assets of Purple Protected Asset will be available to meet such shortfall, and the claims of the Noteholders as against the Issuer in respect of any such shortfall shall be extinguished. In all cases, neither the Noteholders nor any person on their behalf shall**

**have the right to petition for the winding-up of the Issuer as a consequence of any shortfall.**

Noteholders, by acquiring the Notes, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Law, the Trust Deed and the relevant Issuance Documents (as defined below) and, in particular, the provisions with respect to limited recourse, non-petition, subordination and priority of payments thereof.

Before making an investment decision, prospective purchasers should inform themselves about, and make a detailed evaluation of, the terms and conditions of the Charged Assets. Neither the Issuer nor any party referred to herein makes any representations as to the financial condition of the Charged Assets. In addition, prospective purchasers should consider the terms and conditions of the Notes and the other related transaction documents described herein.

In addition, prospective purchasers should consider the nature and financial position of the Issuer as well as the terms and conditions of the Notes and the other related transaction documents described herein.

This Summary and Securities Note does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Summary and Securities Note in any jurisdiction where such action is required. The Notes do not have the status of a deposit and do not benefit from any deposit protection scheme.

The Issuer has consented to the use of this Prospectus by vdk bank nv, having its registered office at Sint-Michielsplein, 16, 9000 Gent, Belgium (the "**Authorised Offeror**") in respect of the public offer of the Notes in Belgium during the period from 21 August 2017 (9:00 am) to 6 October 2017 (5:00 pm) (the "**Distribution Period**"). The Authorised Offeror is the only party authorised to use this Prospectus in connection with the offer of the Notes. Accordingly, any offer made by any other party without the consent of the Issuer is unauthorised and the Issuer does not accept any responsibility or liability for the actions of the persons making any such unauthorised offer. **In the event of an offer being made by the Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

Any new material information with respect to the Authorised Offeror unknown at the time of the approval of this Prospectus will be published and can be found at: <https://www.vdk.be/particulieren/beleggen/gestructureerde-notes/Purple-lu-quality-of-life-40-coupon-note-2027>.

With the exception of the information for which the Issuer does not accept responsibility, as set out above, the Issuer accepts responsibility for the content of this Prospectus in relation to any investor who acquires any Notes in an offer made by the Authorised Offeror where the offer is made during the Distribution Period and is in compliance with all other conditions attached to the giving of the consent.

None of the Issuer or the Dealer makes any representation as to the compliance by the Authorised Offeror with any applicable conduct of business rules or other applicable

regulatory or securities law requirements in relation to the offer of the Notes or has any responsibility or liability for the actions of the Authorised Offeror.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM THE AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY THE AUTHORISED OFFEROR WILL BE MADE IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE AUTHORISED OFFEROR WILL PROVIDE SUCH INFORMATION TO THE INVESTOR AT THE TIME OF SUCH OFFER AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

If a Mandatory Redemption Event occurs, the return on an investment in the Notes will be dependent upon, *inter alia*, the value and performance of the Charged Assets.

The Notes are capable of being declared immediately due and payable prior to their due date for redemption following the occurrence of any event of default and in certain other mandatory redemption circumstances. If the Notes are declared due and payable the security therefore may in certain circumstances also become enforceable. On any enforcement of the security or mandatory redemption of the Notes, the Issuer and/or the Trustee will have recourse only to the Underlying Assets, the net proceeds of which may be insufficient to pay all amounts due on redemption to the Noteholders. Any such shortfall shall be borne in accordance with the Priority of Payments specified below and any claims of the Noteholders remaining after realisation of the security and application of the proceeds as aforesaid shall be extinguished. Neither the Trustee nor any Noteholder may take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the Trust Deed or the Notes, as applicable. In particular, neither the Trustee nor any Noteholder shall be entitled to petition or take any other step for the winding up of the Issuer, nor shall either of them have any claim in respect of any such sums over or in respect of any assets of the Issuer which are or purport to be security for any other series of notes. None of the Trustee, the shareholders of the Issuer, the Arranger and Dealer, the Principal Paying Agent or any obligor under any of the Underlying Assets has any obligation to any Noteholders for payment of any amount owing by the Issuer in respect of the Notes.

For a description of certain restrictions on the offer and sale of Notes, see "*Selling Restrictions*".

This Summary and Securities Note has been prepared on the basis that any offer of the Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Summary and Securities Note may only do so in circumstances in which no obligation arises for the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any dealer to publish or supplement a prospectus for such offer.

### **Index Disclaimer**

The Notes are not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Notes. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with the Notes constitutes a recommendation by Solactive AG to invest capital in the Notes nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Notes.



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## SUMMARY

*Summaries are made up of disclosure requirements, referred to as "Elements". These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Since a number of points do not need to be addressed, there may be gaps in the numbering sequence. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a brief description of the point with "not applicable" is included.*

### Section A - Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Standard warning	<p>This summary should be read as an introduction to the prospectus relating to the Notes (the "<b>Prospectus</b>").</p> <p>Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole.</p> <p>Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the European Economic Area where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Consent for use of the Prospectus	<p>The Issuer consents to the use of this Prospectus in connection with a resale or placement of the Notes (the "<b>Public Offer</b>") subject to the following conditions:</p> <p>(i) the consent is only valid during the period from 21 August 2017 (9:00 am) to 6 October 2017 (5:00 pm) (the "<b>Offer Period</b>");</p> <p>(ii) the only person authorised to use this Prospectus to make the Public Offer (the "<b>Offeror</b>") is vdk bank nv (the "<b>Authorised Offeror</b>"); and (iii) the consent only extends to the use of this Prospectus for the purposes of the Public Offer of the Notes in Belgium.</p> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN THE PUBLIC OFFER FROM THE OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY THE OFFEROR</b></p>

		<p><b>WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE OFFEROR WILL PROVIDE SUCH INFORMATION TO THE INVESTOR AT THE TIME OF SUCH OFFER AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.</b></p>
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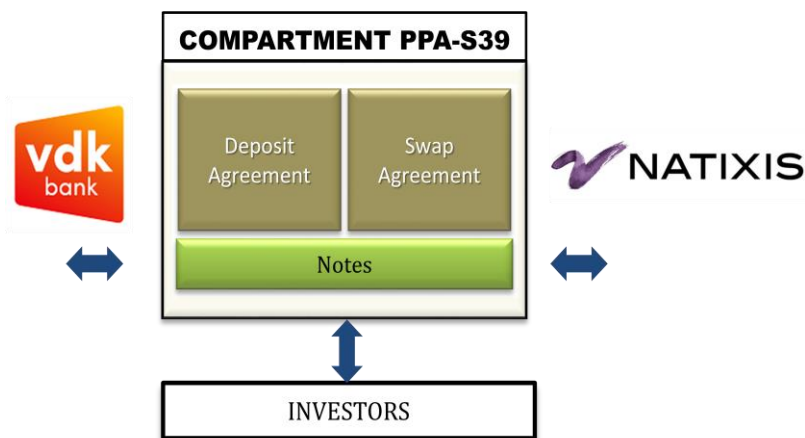
## Section B – Issuer

Element	Description of Element	Disclosure requirement
<b>B.1</b>	Legal and commercial name of the Issuer	The issuer is Purple Protected Asset acting exclusively through and in respect of its compartment PPA-S39 (the " <b>Issuer</b> ").
<b>B.2</b>	Domicile/ legal form/ applicable legislation/ country of incorporation of the Issuer	Purple Protected Asset is a public limited liability company ( <i>société anonyme</i> ) incorporated in the Grand Duchy of Luxembourg (" <b>Luxembourg</b> ") on 3 April 2014. Its activities are subject to the Luxembourg law on securitisation dated 22 March 2004 (" <b>Securitisation Law</b> ") and Purple Protected Asset has been authorised by the <i>Commission de Surveillance du Secteur Financier</i> in its capacity as a regulator of the Luxembourg financial sector, as a regulated securitisation company under the Securitisation Law.
<b>B.16</b>	Control of the Issuer	The shares in Purple Protected Asset are held by Stichting Purple Protected Asset, a foundation ( <i>Stichting</i> ) established under the laws of the Netherlands, having its postal address at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands and registered with the Dutch Chamber of Commerce ( <i>Handelsregister</i> ) under number 58363165.
<b>B.17</b>	Credit ratings assigned to the Issuer or its debt securities	Not applicable. Neither Purple Protected Asset nor the Notes have been assigned credit ratings.
<b>B.20</b>	Special purpose vehicle or entity for the purpose of issuing asset backed securities	Purple Protected Asset was established as a regulated securitisation undertaking under the Securitisation Law, in order to offer securities in accordance with the provisions of such act. Purple Protected Asset has accordingly been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.
<b>B.21</b>	The Issuer's principal activities and global overview of the parties to the	The principal activity (as expressed as the purpose and object of the Purple Protected Asset pursuant to its articles of incorporation) of Purple Protected Asset is to enter into any transactions by which it acquires or assumes, directly or indirectly or through another entity or synthetically, risks relating to receivables, other assets or liabilities of third parties or inherent to all or part of the activities carried out by third parties. The acquisition or assumption of such risks by Purple Protected Asset will be financed by the issuance of

Element	Description of Element	Disclosure requirement																		
	transaction	<p>securities (<i>valeurs mobilières</i>) by itself, the value or return of which depend on the risks acquired or assumed by Purple Protected Asset.</p> <p>Natixis acts as arranger and dealer (the "<b>Dealer</b>"). BNP Paribas Securities Services, Luxembourg Branch acts as issue agent (the "<b>Issue Agent</b>") and principal paying agent (the "<b>Principal Paying Agent</b>"), transfer agent (the "<b>Transfer Agent</b>"), registrar (the "<b>Registrar</b>") and custodian (the "<b>Custodian</b>").</p> <p>BNP Paribas Trust Corporation UK Limited acts as trustee (the "<b>Trustee</b>").</p> <p>Natixis acts as calculation agent (the "<b>Calculation Agent</b>") and swap counterparty (the "<b>Swap Counterparty</b>").</p> <p>vdk bank nv acts as deposit counterparty (the "<b>Deposit Counterparty</b>"), authorised offeror (the "<b>Authorised Offeror</b>") and distributor (the "<b>Distributor</b>") in respect of the Notes.</p>																		
<b>B.22</b>	Specify if the issuer has not commenced operations since the date of its incorporation	Not applicable. Purple Protected Asset has already commenced activities since its incorporation in 2014 and has published audited financial accounts for the years ended 31 December 2014, 31 December 2015, 31 December 2016.																		
<b>B.23</b>	Selected historical key financial information regarding the Issuer	<p>The following table sets out the key financial information of Purple Protected Asset in respect of balance sheet and income as at the date of the interim unaudited financial statements as of 30 June 2016 and 30 June 2017.</p> <table> <tr> <th></th><th>30/06/2017</th><th>30/06/2016</th></tr> <tr> <td>Share Capital</td><td>EUR 31,200.00</td><td>EUR 31,200.00</td></tr> <tr> <td>Legal Reserve</td><td>EUR 3,120.00</td><td>EUR 3,120.00</td></tr> <tr> <td>Result for the first six month of the financial year</td><td>EUR (69,762.68)</td><td>EUR (62,237.76)</td></tr> <tr> <td>Total Assets</td><td>EUR 3,424,150,323.17</td><td>EUR 2,027,463,289.76</td></tr> <tr> <td>Total Liabilities</td><td>EUR</td><td>EUR</td></tr> </table>		30/06/2017	30/06/2016	Share Capital	EUR 31,200.00	EUR 31,200.00	Legal Reserve	EUR 3,120.00	EUR 3,120.00	Result for the first six month of the financial year	EUR (69,762.68)	EUR (62,237.76)	Total Assets	EUR 3,424,150,323.17	EUR 2,027,463,289.76	Total Liabilities	EUR	EUR
	30/06/2017	30/06/2016																		
Share Capital	EUR 31,200.00	EUR 31,200.00																		
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Total Assets	EUR 3,424,150,323.17	EUR 2,027,463,289.76																		
Total Liabilities	EUR	EUR																		

Element	Description of Element	Disclosure requirement		
			3,424,150,323.17	2,027,463,289.76
		<p>The following table sets out the key financial information of Purple Protected Asset in respect of balance sheet and income as at the date of the audited financial statements as of 31 December 2015 and 31 December 2016.</p>		
			<b>31/12/15</b>	<b>31/12/16</b>
		Share Capital	EUR 31,200.00	EUR 31,200.00
		Legal Reserve	EUR 3,120.00	EUR 3,120.00
		Result for the financial year	EUR 45,107.50	EUR (62,237.76)
		Total Assets	EUR 1,022,336,604.21	EUR 2,359,975,916.38
		Total Liabilities	EUR 1,022,336,604.21	EUR 2,359,975,916.38
<b>B.24</b>	Material adverse change affecting the Issuer since the date of its last published audited financial statements	Not applicable. There has been no material adverse change in the financial or trading position of Purple Protected Asset subsequent to 31 December 2016.		
<b>B.25</b>	Description of the underlying assets	<p>The Issuer comprises a pool of "<b>Charged Assets</b>" which will be separate from the pools of Charged Assets relating to any other compartments of Purple Protected Asset.</p> <p>The Charged Assets are the assets on which the Notes are secured and have characteristics that demonstrate capacity to produce funds to service the payments due and payable in respect of the Notes.</p> <p>The Charged Assets will comprise:</p> <ul style="list-style-type: none"> <li>• A deposit agreement, being a contract governed by Belgian</li> </ul>		

Element	Description of Element	Disclosure requirement
		<p>law dated on or around the Issue Date (the "<b>Deposit Agreement</b>"), entered into by the Issuer with vdk bank nv as Deposit Counterparty; and</p> <ul style="list-style-type: none"> <li>An over-the-counter derivative contract transacted between the Issuer and Natixis as Swap Counterparty documented in an ISDA master agreement to be dated on or around the Issue Date (the "<b>Master Agreement</b>") evidenced by a swap confirmation to be dated on or around the Issue Date incorporating by reference certain definitions published by the International Swaps and Derivatives Association, Inc. (being, together with the Master Agreement, the "<b>Swap Agreement</b>");</li> </ul> <p>vdK bank nv was incorporated in the Kingdom of Belgium as a public limited liability company (<i>Naamloze Vennootschap</i>) and is registered with the Register of Legal Entities of Ghent (<i>Rechtspersonenregister (RPR) – Gent</i>) under enterprise number 0400.067.788. vdk bank nv has its registered office located at Sint-Michielsplein, 16, 9000 Gent, Belgium. The telephone number of vdk bank nv is +32 (0)9 267 32 11. vdk bank nv operates under the laws of the Kingdom of Belgium and is regulated by the National Bank of Belgium and the Financial Services and Markets Authority (FSMA) of Belgium. (Number FSMA 020230 A). vdk bank nv, a savings bank founded in 1926, has a network of over 90 bank branches in the Dutch-speaking part of Belgium.</p> <p>Natixis is a French limited liability company (<i>société anonyme à Conseil d'Administration</i>) registered with the <i>Registre du Commerce et des Sociétés de Paris</i> under No. 542 044 524. Natixis is supervised by the European Central Bank and is authorised in France as a credit institution by the <i>Autorité de contrôle prudentiel et de résolution</i>. It is currently governed by the French commercial company regulations, the provisions of the French Monetary and Financial Code and its bylaws. Its corporate existence was fixed by its bylaws for 99 years on 9 November 1994, expiring on 9 November 2093. Natixis shares (ISIN Code: FR0000120685) are listed on the Paris stock exchange Eurolist Paris (compartment A).</p> <p>See Element B.29 for further detail in relation to the expected cash flows under the Deposit Agreement and the Swap Agreement.</p>
<b>B.26</b>	Actively managed pools of assets	Not applicable. The underlying assets comprise the Deposit Agreement and the Swap Agreement and are not intended to be traded or otherwise actively managed by the Issuer.

Element	Description of Element	Disclosure requirement
B.27	Issues of further securities backed by the underlying assets	Not applicable. The Issuer will not issue further securities backed by the Swap Agreement or the Deposit Agreement.
B.28	A description of the structure of the transaction	<p>The Notes issued by the Issuer will be constituted and secured by a principal trust deed dated 4 June 2014 (as further amended from time to time, the "<b>Principal Trust Deed</b>") between, <i>inter alios</i>, Purple Protected Asset and BNP Paribas Trust Corporation UK Limited (the "<b>Trustee</b>") as supplemented by a supplemental trust deed dated or around the Issue Date (the "<b>Supplemental Trust Deed</b>") between the Issuer, the Trustee and the other parties named therein (the Principal Trust Deed and the Supplemental Trust Deed being referred to herein as the "<b>Trust Deed</b>").</p> <p>On or around the Issue Date, the Issuer will hedge its obligations with respect to payment due under the Notes as part of the Final Redemption Amount and the payment of Interest Amounts under the Notes by entering into the Deposit Agreement and the Swap Agreement.</p> <p>A major portion of the proceeds of the issue of the Notes will be paid to the Deposit Counterparty pursuant to the Deposit Agreement, while the remaining portion will be paid to the Swap Counterparty pursuant to the Swap Agreement.</p>
B.29	A description of the cash flows	<p>The diagram set out below gives an overview of the structure and associated cash flows.</p>  <p><b>Deposit Agreement</b></p> <p>The main portion of the issuance proceeds of the Notes will be used by the Issuer to fund its obligations in respect of the Deposit</p>



Element	Description of Element	Disclosure requirement
		<p>Agreement.</p> <p>Under the Deposit Agreement:</p> <p>(i) on the business day following the Issue Date of the Notes, the Issuer will procure the payment to the Deposit Counterparty from a portion of the issuance proceeds of the Notes (the "<b>Deposit</b>") for an amount in EUR which, based on the market conditions and interest rates prevailing on the third Business Day prior to the Issue Date (the "<b>Trade Date</b>"), would enable the Deposit Counterparty to pay to the Issuer two business days before the Maturity Date of the Notes (as defined hereafter) (such date the "<b>Deposit Scheduled Termination Date</b>") an amount equal to 100 per cent. of the aggregate nominal amount of the Notes as determined on the Trade Date (the "<b>Deposit Redemption Amount</b>"); and</p> <p>(ii) on the Deposit Scheduled Termination Date the Deposit Counterparty shall pay to the Issuer the Deposit Redemption Amount.</p> <p>Upon the occurrence of an Event of Default, an Mandatory Redemption Event, or a Monetisation Event (where the Noteholder has elected to receive the Fair Market Value per Note), the Deposit Agreement may terminate prior to the Deposit Scheduled Termination Date and in such instance, the Issuer may receive an amount lower than the scheduled Deposit Redemption Amount.</p> <p><b>Swap Agreement</b></p> <p>The remaining issuance proceeds of the Notes will be used by the Issuer to fund its obligations in respect of the Swap Agreement.</p> <p>Under the Swap Agreement:</p> <p>(i) on the business day following the Issue Date of the Notes, the Issuer will pay to the Swap Counterparty an amount which is equal to the net proceeds of the Notes which are not paid to the Deposit Counterparty pursuant to the Deposit Agreement, and</p> <p>(ii) on or before each interest payment date in respect of the Notes (each an "<b>Interest Payment Date</b>"), the Swap Counterparty will pay to the Issuer a coupon amount, the amount of which is calculated using the performance of the Index (as defined below), and which shall serve to pay the Interest Amount under the Notes, provided that no Early Redemption Event, Event of Default, or Monetisation Event</p>

Element	Description of Element	Disclosure requirement
		(where the Noteholder has elected to receive the Fair Market Value per Note), has occurred.
<b>B.30</b>	Name and description of the originators of the securitised assets	<p>Natixis is a French limited liability company (<i>société anonyme à Conseil d'Administration</i>) registered with the <i>Registre du Commerce et des Sociétés de Paris</i> under No. 542 044 524. Natixis is supervised by the European Central Bank and is authorised in France as a credit institution by the <i>Autorité de contrôle prudentiel et de résolution</i>. It is currently governed by the French commercial company regulations, the provisions of the French Monetary and Financial Code and its bylaws. Its corporate existence was fixed by its bylaws for 99 years on 9 November 1994, expiring on 9 November 2093. Natixis shares (ISIN Code: FR0000120685) are listed on the Paris stock exchange Eurolist Paris (compartment A).</p> <p>Natixis is the counterparty to the Swap Agreement. Natixis is a French limited liability company (<i>société anonyme à Conseil d'Administration</i>) established under French law, and is approved as a bank.</p> <p>vdK bank nv is the counterparty to the Deposit Agreement. The address of vdk bank nv is Sint-Michielsplein, 16, 9000 Gent, Belgium. vdk bank nv is a savings bank founded in 1926, has a network of over 90 bank branches in the Dutch-speaking part of Belgium. Sint-Michielsplein, 16, 9000 Gent, Belgium.</p> <p>Please also see Element B.25 above for a description of Natixis and vdk bank nv.</p>

## Section C - Securities Element Description of Element Disclosure requirement

Element	Description of Element	Disclosure requirement
C.1	Description of Notes/ISIN	<p>The Notes are linked to the Solactive Quality of Life Select 40 Index and are index linked asset backed securities.</p> <p>The ISIN code of the Notes is XS1648299102</p>
C.2	Currency	The currency of the Notes is Euro ("EUR").
C.5	Restrictions on free transferability	The free transfer of the Notes is subject to the selling restrictions of the United States, Belgium, France, the United Kingdom and the European Economic Area generally.
C.8	Rights attached to the Notes, including ranking and limitation of these rights	<p><b><i>Rights attached to the Notes</i></b></p> <p>Please see below with respect to payments due on redemption of the Notes and in respect of interest.</p> <p>The Notes are secured, limited recourse obligations of the Issuer, ranking <i>pari passu</i> and without any preference among themselves.</p> <p><b><i>Interest</i></b></p> <p>The Notes will bear interest at a rate (such rate being the "<b>Interest Rate</b>") equal to:</p> $\text{Min} \left( 3,00\%; \text{Max} \left( 0\%, \frac{1}{t} \times \left( \frac{\text{Index}(t)}{\text{Index}(0)} - 100\% \right) \right) \right)$ <p>Subject to receipt by the Issuer of an aggregate amount equal to the amount of interest payable in respect of each Note from the Swap Counterparty under the Swap Agreement on or prior to the applicable Interest Payment Date, the amount of interest payable in respect of a Note will be equal to the nominal amount of such Note multiplied by the applicable Interest Rate described above (the "<b>Interest Amount</b>"). If the Issuer does not receive an amount equal to the aggregate Interest Amount from the Swap Counterparty on or prior to the applicable Interest Payment Date, the Interest Amount in respect of such Note will be equal to zero.</p> <p>Interest will be payable annually in arrear on "<b>Interest Payment Dates</b>" which are as follows:</p>

Element	Description of Element	Disclosure requirement	
		<b>t</b>  1  2  3  4  5  6  7  8  9  10	<b>Interest Payment Date (t)</b>  19 October 2018  18 October 2019  20 October 2020  21 October 2021  20 October 2022  20 October 2023  18 October 2024  22 October 2025  22 October 2026  13 October 2027
		<p><b>Redemption</b></p> <p>The Notes give Noteholders rights to payment of the Final Redemption Amount as defined below. Unless previously redeemed or purchased and cancelled, provided no Event of Default or no Early Redemption Event or no Monetisation Event (where the Noteholder has elected to receive the Fair Market Value per Note) has occurred, the final redemption amount (the "<b>Final Redemption Amount</b>") payable by the Issuer on the Scheduled Maturity Date in respect of each Note shall be an amount to be determined in accordance with the applicable formula below.</p> <p>Denomination x 100%</p> <p>Where:</p> <p>"<b>Denomination</b>" means EUR 1,000;</p> <p>"<b>Index(0)</b>" means the level of the Index as determined by the Calculation Agent on the Strike Date;</p> <p>"<b>Index(t)</b>" means, in respect of any year identified as "(t)" and numbered 1 to 10, starting in 2018 and ending in 2027, the closing level of the Index on the Exchange as determined by the Calculation Agent on the Observation Date(t) (or if such date is not an Exchange Business Day for the Index, the next following relevant Exchange Business Day);</p> <p>"<b>Index</b>" means the Solactive Quality of Life Select 40 Index (Bloomberg code: SOLQLIFE Index), the description of which is set</p>	

Element	Description of Element	Disclosure requirement																						
		<p>out in the Annex to the Summary and Securities Note, as calculated and published by the Index Sponsor;</p> <p>"<b>MAX</b>" means, if followed by a series of numbers within brackets and separated by semi-colons, the greater of those numbers;</p> <p>"<b>MIN</b>" means, if followed by a series of numbers within brackets and separated by semi-colons, the lesser of those numbers;</p> <p>"<b>Observation Date(t)</b>" means any of the following dates set out in the right column in the table below, in respect of any year identified as "(t)" and numbered 1 to 10, starting in 2018 and ending in 2027:</p> <table><tr><th>t</th><th>Observation Date (t)</th></tr><tr><td>1</td><td>12 October 2018</td></tr><tr><td>2</td><td>11 October 2019</td></tr><tr><td>3</td><td>13 October 2020</td></tr><tr><td>4</td><td>13 October 2021</td></tr><tr><td>5</td><td>13 October 2022</td></tr><tr><td>6</td><td>13 October 2023</td></tr><tr><td>7</td><td>11 October 2024</td></tr><tr><td>8</td><td>13 October 2025</td></tr><tr><td>9</td><td>13 October 2026</td></tr><tr><td>10</td><td>08 October 2027</td></tr></table>	t	Observation Date (t)	1	12 October 2018	2	11 October 2019	3	13 October 2020	4	13 October 2021	5	13 October 2022	6	13 October 2023	7	11 October 2024	8	13 October 2025	9	13 October 2026	10	08 October 2027
t	Observation Date (t)																							
1	12 October 2018																							
2	11 October 2019																							
3	13 October 2020																							
4	13 October 2021																							
5	13 October 2022																							
6	13 October 2023																							
7	11 October 2024																							
8	13 October 2025																							
9	13 October 2026																							
10	08 October 2027																							
		<p><b><i>Early redemption of the Notes</i></b></p> <p>The Notes are subject to early redemption on the occurrence of (i) a Mandatory Redemption Event, and (ii) a Monetisation Event (where the Noteholder has elected to receive the Fair Market Value per Note):</p> <p>Following the occurrence of a Mandatory Redemption Event, (i) the Calculation Agent, on behalf of the Issuer, terminates the Deposit Agreement, it being specified that the liquidation proceeds of the Deposit shall be equal to the amount effectively received by the Issuer from the Deposit Counterparty upon early termination of the Deposit Agreement, (ii) the Calculation Agent, on behalf of the Issuer, terminates the Swap Agreement, and the relevant calculation agent thereunder calculates the Swap Market Value as soon as reasonably possible following the occurrence of the Mandatory</p>																						

Element	Description of Element	Disclosure requirement
		<p>Redemption Event, (iii) the Calculation Agent calculates the Early Redemption Amount of the Notes to be paid to the Noteholders, and (iv) the Issuer pays the Noteholders in accordance with the priority of payments.</p> <p>Following the occurrence of a Monetisation Event, (i) the Issuer or the Calculation Agent acting on its behalf shall forthwith, by written notice, request each Noteholder to choose between a redemption per Note equal to the Fair Market Value or the Monetisation Amount. The Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount unless the Noteholder has elected to receive the Fair Market Value per Note on the date fixed for early redemption of the Notes. If the relevant Noteholder has elected to receive the Fair Market Value per Note: (a) the Calculation Agent, on behalf of the Issuer, terminates the Deposit Agreement, it being specified that the liquidation proceeds of the deposit shall be equal to the amount effectively received by the Issuer from the Deposit Counterparty upon early termination of the Deposit Agreement; (b) the Calculation Agent, on behalf of the Issuer, terminates the Swap Agreement, and the relevant calculation agent thereunder shall calculate the Swap Market Value as soon as reasonably possible following the occurrence of the Monetisation Event; and (c) the Issuer pays the Noteholders in accordance with the priority of payments.</p> <p>Where:</p> <p><b>"Early Redemption Amount"</b> means: (a) the Fair Market Value per Note, in the case the redemption of the Notes is triggered by the occurrence of a Mandatory Redemption Event, and (b) at the option of the Noteholder, the Fair Market Value per Note or the Monetisation Amount per Note, in the case the redemption of the Notes is triggered by the occurrence of a Monetisation Event.</p> <p><b>"Early Closure"</b> means the closure on any Exchange Business Day of any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or, if any, the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or, if any, the Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or, if any, the Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or, if any, the Related Exchange system for execution at the relevant Valuation Time on</p>

Element	Description of Element	Disclosure requirement
		<p>such Exchange Business Day.</p> <p><b>"Exchange"</b> means, in respect of each component security of the Index (each, a <b>"Component Security"</b>), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.</p> <p><b>"Exchange Business Day"</b> means any Scheduled Trading Day on which:</p> <p>(a) the Index Sponsor publishes the level of the Index, and</p> <p>(b) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.</p> <p><b>"Exchange Disruption"</b> means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) securities that comprise 20 per cent. or more of the level of the Index on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) futures or options contracts relating to the Index on the Related Exchange.</p> <p><b>"Change in Law"</b> means, that, on or after the Issue Date:</p> <p>(a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, or any regulation, rule or procedure of any exchange (an <b>"Applicable Regulation"</b>); or</p> <p>(b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),</p> <p>any of the Issuer or the Calculation Agent determines that it has become illegal or contrary to any Applicable Regulation for it or any of its affiliates to continue carrying out its obligations under the Notes or such change has an effect which significantly alters the economics of the Notes as compared to such economics as at the Issue Date.</p> <p><b>"Fair Market Value"</b> means an amount per Note determined by the Calculation Agent, as of the day of the activating event, based on the market conditions prevailing at the date of determination and, for</p>

Element	Description of Element	Disclosure requirement
		<p>any Note, adjusted to account fully for any accrued interest. No expenses or costs of unwinding any underlying and/or related hedging and funding arrangements in the Compartment (including, without limitation, any options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes (other than, only in case of a Force Majeure Event, such costs that are unavoidable to early redeem the Notes at their fair market value) and payment of any amounts which would rank in priority to payments to Noteholders in accordance with the Priority of Payments will be deducted from such amount. The Fair Market Value shall include a pro rata temporis reimbursement (from the early redemption date to the original Maturity Date), in favour of investors, of fees paid to the Issuer (such as structuring fees) included in the Issue Price and borne at the Issue Date by investors.</p> <p><b>"Force Majeure Event"</b> means that, on or after the Issue Date, the performance of the Issuer's obligations under the Notes is impossible and insurmountable, so that the continuance of the Notes is thereby rendered definitively impossible, due to one of the following events (for which the Issuer is not accountable):</p> <ul style="list-style-type: none"> <li>(a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or</li> <li>(b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or</li> <li>(c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its affiliates, of all or substantially all of its assets in the local currency jurisdiction.</li> </ul> <p><b>"Illegality Event"</b> means, in the opinion of the Issuer, it is or will become unlawful for it to perform or comply with any one or more of its obligations under such Notes, so that the continuance of the Notes is thereby rendered definitively impossible;</p> <p><b>"Index Adjustment Event"</b> means any of the following events:</p> <ul style="list-style-type: none"> <li>(a) the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the</li> </ul>



Element	Description of Element	Disclosure requirement
		<p>Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index;</p> <p>(b) the Index Sponsor (i) announces that it will make a material change in the formula for or the method of calculating the Index, or (ii) in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an "<b>Index Modification</b>"),</p> <p>(c) the Index Sponsor permanently cancels the Index and no Successor Index exists (an "<b>Index Cancellation</b>"), and</p> <p>(d) the Index Sponsor fails to calculate and announce the Index (provided for the avoidance of doubt that a successor sponsor calculating and announcing the Index, determined as unacceptable by the Calculation Agent, shall constitute an Index Adjustment Event under this paragraph (d)) (an "<b>Index Disruption</b>").</p> <p><b>"Mandatory Redemption Event"</b> means any of (i) an Event of Default; (ii) a Force Majeure Event; or (iii) an Illegality Event.</p> <p><b>"Market Disruption Event"</b> means the occurrence or existence of:</p> <p>(a) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time; and/or</p> <p>(b) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time; and/or</p> <p>(c) an Early Closure.</p> <p>For the purposes of determining whether a Market Disruption Event exists in respect of a security included in the Index at any time, the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.</p> <p><b>"Monetisation Amount"</b> means an amount per Note calculated by the Calculation Agent using the Monetisation Formula, provided that no accrued unpaid interest shall be taken into account in calculating</p>

Element	Description of Element	Disclosure requirement
		<p>the Monetisation Amount.</p> <p><b>"Monetisation Event"</b> means any of (i) a Change in Law; or (ii) an Index Adjustment Event (other than the event defined in item (a) of the definition of Index Adjustment Event), or (iii) a Significant Alteration Event;</p> <p><b>"Monetisation Formula"</b> means the following formula as calculated by the Calculation Agent:</p> $(D + S) * (1+r)^n$ <p>Where:</p> <p>D: means the value of the Deposit Agreement on the day of the activating event which will take into account any amounts that have been reimbursed to the Issuer and any accrued unpaid interest due to the Issuer,</p> <p>S: means the Swap Market Value on the day of the activating event (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets),</p> <p>r: means the annual interest rate that vdk bank nv offers on the date of the activating event on a debt instrument with the same maturity as the remaining maturity of the Notes, from that date until the Maturity Date,</p> <p>n: means the remaining maturity of the Notes expressed in years.</p> <p><b>"Related Exchange"</b> means the exchange or quotation system where futures or options contracts relating to the Index are mainly traded, as determined by the Calculation Agent, or any successor to such exchange or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).</p> <p><b>"Scheduled Closing Time"</b> means in respect of the Exchange or, if any, the Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or, if any, the Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the hours of the regular</p>

Element	Description of Element	Disclosure requirement
		<p>trading session hours.</p> <p><b>"Scheduled Trading Day"</b> means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.</p> <p><b>"Significant Alteration Event"</b> means that, on or after the Issue Date, an event or circumstance or combination of events or circumstances (other than an Illegality Event, a Force Majeure Event or a Change in Law) occur, including with respect to the Charged Assets, which the Issuer or the Calculation Agent determines that:</p> <ul style="list-style-type: none"> <li>(i) it is not attributable to the Issuer, and</li> <li>(ii) the consequence of the occurrence of such event or circumstance or combination of events or circumstances is that the economic balance of the Notes as at the Issue Date is significantly altered.</li> </ul> <p><b>"Swap Market Value"</b> means the net settlement amount, as determined by the calculation agent under the Swap Agreement, in accordance with the terms of the Swap Agreement, payable by the Issuer or by the Swap Counterparty (as applicable) further to the termination of the Swap Agreement, such net settlement amount being established by determining the losses, costs or gains of replacing the terminated transaction and any unpaid amounts to be paid between the parties, and setting off the sums due from one party to the other to determine a balance payable by one party to the other. Such Swap Market Value being expressed as a positive number if payable by the Issuer to the Swap Counterparty (subject always to the limited recourse provisions of the Trust Deed) and a negative number if payable by the Swap Counterparty to the Issuer.</p> <p><b>"Trading Disruption"</b> means any suspension of or limitation imposed on trading by the relevant Exchange or, if any, the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or, if any, the Related Exchange or otherwise: (i) on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or (ii) in futures or options contracts relating to the Index on the relevant Related Exchange.</p> <p><b>"Valuation Time"</b> means:</p> <ul style="list-style-type: none"> <li>(a) for the purpose of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>Component Security, and (y) in respect of any option contracts or future contracts on the Index, the close of trading on the Related Exchange; and</p> <p>(b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.</p>
		<p><b><i>Events of Default</i></b></p> <p>The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fourth in aggregate principal amount of Notes then outstanding or if so directed by an Extraordinary Resolution of such holders shall, (in each case, provided the Trustee is secured and/or indemnified and/or pre-funded, to its satisfaction) give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable, at their Fair Market Value and the Security constituted by the Trust Deed, the Pledge Agreement and any Supplementary Security Document shall thereupon become enforceable upon the occurrence of any of the following events (each an "<b>Event of Default</b>"):</p> <ul style="list-style-type: none"> <li>(i) if default is made for a period of 30 days or more in the payment by the Issuer of any sum due in respect of such Notes or any of them; or</li> <li>(ii) if the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and, where the Trustee considers, in its absolute discretion that such default can be remedied, such failure continues for a period of 45 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or</li> <li>(iii) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer or an order is made for the Issuer's bankruptcy save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or</li> <li>(iv) if any other proceedings are initiated against the Issuer under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws and such proceedings are not being disputed in good faith, or a receiver, administrator, examiner or other similar official such as, among others, a bankruptcy judge (juge-commissaire) and one or more liquidators (pursuant to the Securitisation Law</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>2004) (not being a receiver or manager appointed by the Trustee pursuant to the Principal Trust Deed) is appointed in relation to Purple Protected Asset or the Issuer or in relation to the whole or any substantial part (in the sole opinion of the Trustee) of the undertaking or assets of the Issuer or an encumbrancer (not being the Trustee or any Receiver or manager appointed by the Trustee) shall take possession of the whole or any substantial part (in the sole opinion of the Trustee) of the undertaking or assets of the Issuer or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the sole opinion of the Trustee) of the undertaking or assets of the Issuer (other than, in any such case, by the Trustee or pursuant to any of the Transaction Documents or the Trade Documents) and in any of the foregoing cases such order, appointment, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within fourteen (14) days; or if the Issuer shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally; or</p> <p>(v) if the Issuer becomes insolvent or is adjudicated or found bankrupt.</p>
		<p><b><i>Early Redemption Amount</i></b></p> <p>The early redemption amount ("<b>Early Redemption Amount</b>") payable on the Notes shall be an amount per Note equal to pro-rata share of the Liquidation Proceeds.</p> <p>The "Liquidation Proceeds" shall correspond to the aggregate of the amount effectively received by the Issuer from the Deposit Counterparty upon termination of the Deposit and the amount, if any, received by the Issuer from the Swap Counterparty upon early termination of the Swap Agreement, less certain fees and expenses.</p> <p>Such amount may represent less than the aggregate nominal amount of the Notes</p> <p><b><i>Ranking</i></b></p> <p>Upon enforcement of the security for the Notes, the moneys available for distribution in relation to the Notes will be applied to meet any payments due, first to the Trustee, secondly any payments due in respect of any fees, costs, charges or liabilities incurred by the Agents of the Issuer, the Management and Administration Service Provider and the Custodian, thirdly to pay taxes, fees, costs, duties,</p>

Element	Description of Element	Disclosure requirement
		<p>liabilities and expenses payable and reasonably incurred by the Issuer in connection with the issuance of Notes and the Issuer's ongoing obligations thereunder and under the Transaction Documents and Trade Documents, fourthly to the Noteholders, and fifthly to the Swap Counterparty.</p> <p><b><i>Limitation of rights</i></b></p> <p>Claims against the Issuer by Noteholders, the Swap Counterparty (as the case may be) and each other creditor relating to the Notes will be limited to the Charged Assets applicable to the Notes. If the net proceeds of the realisation of the Charged Assets are not sufficient to make all payments due in respect of the Notes, due to the Swap Counterparty (as the case may be) and each other creditor relating to the Notes, no other assets of the Issuer will be available to meet such shortfall. Consequently, the claims of the Noteholders and any such Swap Counterparty or other creditors relating to the Notes in respect of any such shortfall shall be extinguished. No party will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall or launch proceedings against the Issuer.</p> <p><b><i>Representative of Noteholders</i></b></p> <p>The Trustee holds the benefit of a covenant to pay made by the Issuer in respect of the Notes pursuant to the Trust Deed on trust for the Noteholders. The Charged Assets will be secured in favour of the Trustee for the benefit of, among others, the Noteholders.</p>
		<p><b><i>Meetings</i></b></p> <p>There are provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</p>
C.9	Nominal interest rate, date from which interest becomes payable and due dates for interest, description of underlying on which	<p><b><i>Nominal interest rate</i></b></p> <p>The Notes will bear interest at the Interest Rate equal to:</p> $\text{Min} \left( 3,00\%; \text{Max} \left( 0\%, \frac{1}{t} \times \left( \frac{\text{Index}(t)}{\text{Index}(0)} - 100\% \right) \right) \right)$ <p><b><i>Date from which interest becomes payable and due dates for interest</i></b></p> <p>Interest will be payable annually in arrear on "<b>Interest Payment Dates</b>" which are as follows:</p>

Element	Description of Element	Disclosure requirement	
	interest rate is based, maturity date and arrangements for amortisation, indication of yield, name of representative of debt security holders	<b>t</b>	<b>Interest Payment Date (t)</b>
		1	19 October 2018
		2	18 October 2019
		3	20 October 2020
		4	21 October 2021
		5	20 October 2022
		6	20 October 2023
		7	18 October 2024
		8	22 October 2025
		9	22 October 2026
		10	13 October 2027
		<b>Description of underlying on which interest rate is based</b>	
		The Solactive Quality of Life Select 40 Index (the " <b>Index</b> ") is an Index of Solactive AG and is calculated and distributed by Solactive AG.	
		The Index is intended to track the performance of selected American and European stocks that cover 6 different topics and fulfil certain criteria according to liquidity and volatility.	
		The Index is a Price Return Index.	
The Index is published in Euro.			
<b>Maturity date and arrangements for amortisation</b>			
The scheduled maturity date of the Notes is 13 October 2027 (" <b>Scheduled Maturity Date</b> "). The Notes do not amortise but are repaid bullet at maturity or on mandatory redemption.			
<b>Indication of yield</b>			
Not Applicable. The Notes are variable rate Notes and it is not possible to calculate the yield in advance.			
<b>Name of representative of Noteholders</b>			
BNP Paribas Trust Corporation UK Limited.			

Element	Description of Element	Disclosure requirement
C.10	Description of how the value of the investment is affected by the value of the underlying instrument(s)	<p>The Interest Amount payable in respect of the Notes is dependent on the performance of the Index.</p> <p>For each Interest Payment Date(t) and the corresponding Observation Date(t), the Interest Amount is calculated by reference to the ratio of (i) the level of the Index as determined by the Calculation Agent on the Strike Date, and (ii) in respect of such year identified as "(t)", the closing level of the Index on the Exchange as determined by the Calculation Agent on the Observation Date(t).</p> <p>The Swap Agreement and the Deposit Agreement are the assets on which the Notes are secured and have characteristics that demonstrate capacity to produce funds to service the payments due and payable in respect of the Notes.</p> <p>Accordingly, the ability of the Issuer to pay the Final Redemption Amount for each Note is linked to the creditworthiness of vdk bank nv as Deposit Counterparty and of Natixis as Swap Counterparty.</p> <p>The Notes are therefore suitable for investors who expect the Index to perform positively and do not expect an event relating to the creditworthiness of the Deposit Counterparty or the Swap Counterparty to occur.</p>
C.11	Admission to trading on a regulated market	Not applicable. The Notes have not been admitted to trading, and no application has been made to have the Notes admitted to trading on any market of any stock exchange.
C.12	Minimum Denomination	The Notes will be issued in denominations of EUR 1,000 (the " <b>Specified Denomination</b> ").



## Section D - Risks

Element	Description of Element	Disclosure requirement
<b>D.2</b>	Key risks regarding the Issuer	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. These include that the Issuer's sole business is to enter into, perform and serve as a vehicle for, any transactions permitted under the Securitisation Act 2004. The Issuer is not expected to have any assets that are available to Noteholders other than the Swap Agreement and the Deposit Agreement, and Noteholders will have no recourse to any other assets in respect of the Issuer's obligations under the Notes.</p> <p>The ability of the Issuer to meet its obligations under the Notes will be dependent on (i) both the Deposit Counterparty and the Swap Counterparty performing their obligations respectively under the Deposit Agreement and the Swap Agreement and (ii) actual receipt by it of payments due under those agreements.</p> <p>Consequently, the Issuer will be exposed to any insolvency of Natixis or vdk bank nv and more globally to the general creditworthiness of Natixis. Natixis will not provide credit support for its obligations under the Swap Agreement.</p> <p>The Issuer will be the sole party liable under the Notes. In the event of insolvency proceedings in relation to the Issuer, Noteholders bear the risk of delay in settlement of any claims they may have against the Issuer under the notes or receiving, in respect of their claims, the residual amount following realisation of the Issuer's assets after preferred creditors have been paid.</p> <p>In addition to the foregoing, the Issuer has identified in this Prospectus a number of other factors which could materially adversely affect its business and ability to make payments due under the Notes. These factors include, without limitation, risks relating to the limited recourse of Noteholders to the assets of the Issuer, the occurrence of an early redemption of the Notes and the European Recovery and Resolution Directive.</p>
<b>D.3</b>	Key risks regarding the Notes and risk warning	<p>There are certain general factors to be considered for the purpose of assessing the risks associated with the Notes.</p> <p>These include the fact that the Notes may not be a suitable investment for all investors. In particular the Notes are not suitable for investors who lack the requisite knowledge and experience to evaluate the merits and risks of, or are not capable of bearing the economic risk of, an investment in the Notes. Early redemption of the Notes which may lead to a loss of investment. The Notes are subject to tax risk, risk of applicable regulations and the risk of</p>

Element	Description of Element	Disclosure requirement
		<p>change in law.</p> <p>No secondary market may exist for the Notes. This may limit the ability of investors to realise their investment for a certain period of time. Certain conflicts of interest may arise and adversely affect the Notes. The Securitisation Act 2004 provides that the Charged Assets are available to meet only the claims of the Secured Parties in relation to the Notes. The Charged Assets are exclusively allocated to the Compartment and will be kept separate from the other assets of Purple Protected Asset, in respect of its other compartments. If the Charged Assets are not sufficient to discharge all payments obligations of the Issuer in accordance with the applicable order of priority of payments, Noteholders may lose up to their entire investment.</p>
		<p>In addition, in relation to the Notes, only the Trustee may take action (including enforcement action) against the Issuer, and is not obliged to take any such action without first being indemnified and/or secured and/or prefunded to its satisfaction.</p> <p>There are also certain factors which are material for the purposes of assessing the market and credit risks associated with the Notes and include exposure to the Index, factors affecting the value and trading price of the Notes, considerations regarding hedging, market disruption or failure to open of an exchange, additional adjustment events, post-issuance information, change in law, effect of credit rating change (in particular affecting the Deposit Counterparty and / or the Swap Counterparty), early redemption, interest rate changes, foreign exchange rate variation, and the risk that the Deposit Agreement and or the Swap Agreement may not be realisable for their full nominal value.</p> <p>The Deposit Agreement and the Swap Agreement will, along with the Issuer's rights under such agreements and any proceeds from such agreements form part of the Charged Assets.</p> <p>Investors should be aware that they may lose the value of their entire investment (together with, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid, if applicable) or part of it, as the case may be.</p>

## Section E - Offer

Element	Description of Element	Disclosure requirement	
E.2b	Reasons for the Offer and Use of proceeds	The net proceeds of the Notes will be used by the Issuer to enter into and make payments under the Swap Agreement to the Swap Counterparty and under the Deposit Agreement to the Deposit Counterparty.	
E.3	Terms and conditions of the offer	<p>Applications to subscribe for the Notes can be made in Belgium by contacting vdk bank nv or one of its agents.</p> <p>The Issuer has been informed by vdk bank nv (the "<b>Authorised Offeror</b>" and the "<b>Distributor</b>") that the distribution of the Notes will be carried out in accordance with the Authorised Offeror's usual procedures and subject to applicable laws and regulations.</p> <p>Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Notes.</p> <p>Offers may be made by the Authorised Offeror in Belgium to retail clients and private banking clients.</p> <p>There are no pre-identified allotment criteria. The Issuer has been informed that the Authorised Offeror will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Notes requested through the Authorised Offeror during the Offer Period will be assigned up to the maximum amount of the offer.</p> <p>Each investor will be notified by the Authorised Offeror of its allocation of Notes after the end of the Offer Period. Neither the Issuer nor Natixis (the "<b>Dealer</b>") is responsible for such notification.</p>	
		Offer Period:	From, and including, 21 August 2017 to, and including 06 October 2017.
		Offer Price (per Note):	Each Note will be offered at a price equal to 100% of its specified denomination (the " <b>Issue Price</b> ") increased by (i) a subscription fee of up to 2 per cent. of the specified denomination per Note depending on the number of Notes to be purchased by the potential investor (such subscription fee shall be retained by the Authorised Offeror) and (ii) a maximum annual amount of 0.35 per cent represented by commissions payable to the Authorised Offeror.

Element	Description of Element	Disclosure requirement	
		<p>Conditions to which the offer is subject:</p>	<p>Offer of the Notes is conditional on their issue and on any additional conditions set out in the standard terms of business of the Authorised Offeror, notified to investors by the Authorised Offeror.</p> <p>The Issuer reserves the right to withdraw the offer of the Notes at any time on or prior to the Issue Date.</p> <p>For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such right to withdraw the offer of Notes, each such potential investor shall not be entitled to subscribe to or otherwise acquire Notes.</p>
		<p>Details of the minimum and/or maximum amount of application:</p>	<p>Minimum subscription amount per investor: EUR 1,000.</p> <p>Maximum subscription amount per investor: EUR 10,000,000.</p>
		<p>Details of the method and time limits for paying up and delivering the Notes.</p>	<p>The Notes will be cleared through the clearing systems and are due to be delivered through the Authorised Offeror on or about the Issue Date. Each investor will be notified by the Authorised Offeror of the settlement arrangements in respect of the Notes at the time of such investor's application.</p> <p>Neither the Issuer nor the Dealer is responsible for such notifications.</p>
<b>E.4</b>	Interest of natural and legal persons involved in the issue/offer	<p>Natixis is acting as Swap Counterparty in connection with the Notes. vdk bank nv is acting as Authorised Offeror and Deposit Counterparty in connection with the Notes.</p>	
<b>E.7</b>	Expenses charged to the investor by the Issuer or an	<p>No expenses will be charged to investors by the Issuer.</p> <p>With respect to the Authorised Offeror, the following expenses may be charged to investors: (i) a subscription fee of up to 2 per cent. of the specified denomination per Note depending on the number of Notes to be purchased by the potential investor (such subscription</p>	

Element	Description of Element	Disclosure requirement
	offeror	fee shall be retained by the Authorised Offeror) and (ii) a maximum annual amount of 0.35 per cent represented by commissions payable to the Authorised Offeror.

## **RISK FACTORS**

*Prospective investors in the Notes should read the entire Summary and Securities Note and the Registration Document and should refer to the Risk Factors as set out in the Registration Document.*

*Investing in the Notes involves certain risks. Prospective investors should consider, amongst other things, the following factors which the Issuer believes represent the principal risks with respect to investing in the Notes:*

### **Risk Factors relating to the Notes Generally**

#### *General*

BY SUBSCRIBING FOR THE NOTES, EACH HOLDER OF NOTES SHALL BE DEEMED TO BE FULLY AWARE OF, ADHERE TO AND BE BOUND BY THE CONDITIONS.

Purchasers of Notes should conduct such independent investigation and analysis regarding the terms of the Notes, the Issuer, the Swap Counterparty, the Deposit Counterparty, the Charged Assets, the security arrangements, and any other agreement entered into by the Issuer in respect of the Notes and all other relevant market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes as well as their personal circumstances. The Issuer, the Dealer, the Arranger and the Trustee disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date of this Summary and Securities Note or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Notes should consider all the information set forth in this Summary and Securities Note, including the considerations set forth below.

An investment in the Notes involves risks. These risks may include, among others, exposure to bond markets, foreign exchange markets, interest rate markets and, market volatility, investment risk and political risks (which may include a change of tax treatment) and any combination of these and other risks. Some of these are briefly discussed below. Prospective purchasers should be experienced with respect to transactions involving notes such as the Notes, in terms of both the risks associated with the economic terms of the Notes and the risks associated with the way in which the issue of the Notes is structured. Prospective purchasers should understand the risks associated with an investment in the Notes and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (1) the specific risks associated with such product or transaction; (2) the legal, credit, tax, regulatory and/or accounting implications related thereto; and (3) the suitability and appropriateness of such product or transaction to their investment objectives, financial situation, and/or other specific needs. Natixis does not hold itself out as providing, purporting to provide or having the authority to provide, investment advice in relation to this product or transaction.

Prospective investors should be aware that in case of early redemption of the Notes in case of an Event of Default in accordance with Condition 11 (*Events of Default*), or in the case of a mandatory redemption for a Mandatory Redemption Event in accordance with Condition 8.2 (*Mandatory Redemption Events*), or in the case of a mandatory redemption for a

Monetisation Event where the Noteholder has elected to receive the Fair Market Value per Note in accordance with Condition 8.5 (*Monetisation Events*), the Notes shall be redeemed at their Fair Market Value per Note (as defined in the Terms and Conditions) as determined by the Calculation Agent, and accordingly may be redeemed at an amount below par (subject to a minimum of zero). In these circumstances the shortfall will be borne by Noteholders and no further amount shall be payable by the Issuer.

Prospective investors should be aware that in case of the occurrence of a Monetisation Event where the Noteholder has not elected to receive the Fair Market Value per Note in accordance with Condition 8.5 (*Monetisation Events*), the Notes shall be redeemed on the Maturity Date at their Monetisation Amount per Note (as defined in the Terms and Conditions) as determined by the Calculation Agent, and accordingly may be redeemed at an amount below par (subject to a minimum of zero). In these circumstances the shortfall will be borne by Noteholders and no further amount shall be payable by the Issuer.

#### *Interest Amount dependent on performance of the Index*

The Interest Amount of each Note is determined by reference to the performance of the Index (as defined in the Conditions). The performance of the Index is floored at zero.

The performance of the Index between the Strike Date and each of the Observation Dates(t) will be determined by the Calculation Agent based on the level of the Index published by the Index Sponsor. The description and calculation method of the Index are set out in the Annex of this Summary and Securities Note. Investors should note in particular that in the event of a change in law or interpretation of law or if it becomes illegal to implement the Index or to continue to calculate and promote the Index, then the Index may be modified, index components added or removed, the calculation method adjusted or the Index may be cancelled. In such an event, the Calculation Agent shall calculate the amounts due by the Issuer to the Noteholders based on the formula and method of calculating the Index last in effect. This may affect the amounts due by the Issuer to the Noteholders.

#### *The Benchmark Regulation*

The EU Regulation 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment (the "**Benchmark Regulation**"). Most of provisions of the Benchmark Regulation will apply from 1 January 2018 with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that apply from 30 June 2016.

The Benchmark Regulation applies to contributors, administrators and users of benchmarks in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised/registered. The scope of the Benchmark Regulation is wide and applies to indices including proprietary indices such as the Index.

The Benchmark Regulation could have a material impact on the Notes, including in any of the following circumstances:

- (a) the Index may not be able to be used by a supervised entity if its administrator does not obtain authorisation or registration and the transitional provisions do not apply; and
- (b) the methodology or other terms of the Index may be modified in order to comply with the terms of the Benchmark Regulation, and such modifications may (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the Index.

Either of the above could potentially lead to the Notes being adjusted or redeemed early or otherwise impacted.

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RECOGNISE THAT THE NOTES MAY DECLINE IN VALUE AND INVESTORS MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT.

An investment in the Notes should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the underlying, as the return of any such investment will be dependent, inter alia, upon such changes. More than one risk factor may have simultaneous effect with regard to the Notes such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes.

#### *Reliance on Creditworthiness of Natixis*

The ability of the Issuer to meet its obligations under the Notes will be dependent on its receipt of payments from Natixis as Swap Counterparty under the Swap Agreement (each as defined below). Consequently, the Issuer is relying not only on the performance and/or market value of the Charged Assets, but also on the creditworthiness of Natixis in respect of the performance of its obligations in its capacity as Swap Counterparty.

If the Swap Counterparty defaults in making a payment under the Swap Agreement, or is insolvent or insolvency proceedings are instituted in respect of the Swap Counterparty, the ability of the Issuer to meet its obligations to make payments on any outstanding Notes might consequently be prejudiced.

#### *BRRD risk applicable to Natixis as Swap Counterparty*

Risks relating to regulatory measures could materially impact Natixis and its ability to satisfy its obligations under the Swap Agreement.

The EU Bank Recovery and Resolution Directive of 15 May 2014 ("**BRRD**") has been formally transposed into French law by an order dated 20 August 2015 (*ordonnance No. 2015-1024 portant diverses dispositions d'adaptation de la législation au droit de l'Union Européenne en matière financière* (the "**Order**")). This Order amends and supplements the provisions of the French Law no. 2013-672 of 26 July 2013 on the separation and the regulation of banking activities (*Loi n° 2013-672 du 26 juillet 2013 de séparation et de régulation des activités bancaires*) (the "**French Separation Law**") which had, among other provisions, given various resolution powers to the resolution board of the ACPR.



The resolution measures decided by the ACPR in accordance with the Order and the French Separation Law (together: the "**French Resolution Regime**") may notably include:

- (a) the appointment by the ACPR of a provisional administrator, it being specified that any contractual provision providing that such appointment triggers an event of default would be void;
- (b) the suspension of close-out netting rights in relation to any contracts entered into by the credit institution (*établissement de crédit*) until 0:00 (midnight) at the latest on the business day following the day of publication of the decision, of the ACPR;
- (c) a bail-in (*mesure de renflouement interne*) of all or part of the credit institution's or the investment firm's liability under which the ACPR may in particular decide to exercise write-down powers; and/or
- (d) a modification or an amendment to the contractual terms if a contract to which the credit institution or the investment firm is a party (including a financial contract).

The exercise of any power under the French Resolution Regime or any suggestion of such exercise could materially affect the obligations of Natixis under the Swap Agreement, and accordingly the rights of the Noteholders, and the price or value of their investment in any Notes.

#### *Reliance on Creditworthiness of vdk bank nv*

The ability of the Issuer to meet its obligations under the Notes will be dependent on its receipt of payments from vdk bank nv as Deposit Counterparty under the Deposit Agreement (each as defined below). Consequently, the Issuer is relying not only on the performance and/or market value of the Charged Assets, but also on the creditworthiness of vdk bank nv in respect of the performance of its obligations in its capacity as Deposit Counterparty.

If the Deposit Counterparty defaults in making a payment under the Deposit Agreement, or is insolvent or insolvency proceedings are instituted in respect of the Deposit Counterparty, the ability of the Issuer to meet its obligations to make payments on any outstanding Notes might consequently be prejudiced.

#### *BRRD risk applicable to vdk bank nv as Deposit Counterparty*

Risks relating to regulatory measures could materially impact vdk bank nv and its ability to satisfy its obligations under the Deposit Agreement.

The BRRD, implemented in Belgium by the Belgian Banking Law of 25 April 2014, the Royal Decree of 18 December 2015 and the Royal Decree of 26 December 2015 amending the law of 25 April 2014, and the Act of 27 June 2016 strengthens the tools to prevent and resolve banking crises, in particular, in order to ensure that any losses are borne in priority by banks' creditors and shareholders and to minimize taxpayers' exposure to losses and provides for the implementation of resolution funds at the national levels. Resolution tools are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of capital instruments and finally by creditors in accordance with the order of their

claims in normal insolvency proceedings. The implementation of these tools and powers may result in significant structural changes to vdk bank nv and in a partial or total write-down of claims of their shareholders and creditors.

Accordingly, in case of resolution proceedings in respect of vdk bank nv, the bail-in tools provided under the BRRD could be applied to vdk bank nv. As the Deposit would not be excluded from the scope of the bail-in tools under Article 44 (2) of the BRRD, implemented in Article 242, 10° of the Belgian Banking Law of 25 April 2014, the consequence of the exercise of these resolution powers could be that the Deposit could be totally or partially written down and that vdk bank nv would not be able to satisfy its obligations under the Deposit Agreement and to repay the Deposit Amount to the Depositor. The exercise of the resolution powers set out under the BRRD could therefore materially adversely affect the rights of the Issuer under the Deposit Agreement

#### *Reliance on third parties*

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the Notes. In particular, but without limitation, the Custodian under the Custody Agreement, the Principal Paying Agent, Issue Agent, Transfer Agent, Registrar and Calculation Agent under the Note Agency Agreement and the Management and Administration Service Provider under the Management and Administration Agreement have all agreed to provide services with respect to the Notes. If any of the above parties were to fail to perform their obligations under the respective agreements to which they are party, Noteholders may be affected.

#### *Modifications, Waivers and Consents*

The Conditions of the Notes may be modified by resolution of Noteholders. Modifications to the terms and conditions of the Notes may be made without the consent of any Noteholders where the Trustee determines that the modification is not materially prejudicial to the interests of the Noteholders or where the amendment is of a formal, minor or technical nature or to correct a manifest error.

#### *Taxation*

The Holders of the Notes will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to Holders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or any Paying Agent or any other person or suffered by the Issuer in respect of the Charged Assets or any disposal thereof or any tax, assessment or charge suffered by the Issuer.

This Summary and Securities Note is not intended to provide the basis of any evaluation of the taxation issues relevant to an investment in the Notes. No information in relation to taxation is provided by the Issuer in this Summary and Securities Note, except the limited information in relation to taxation in Luxembourg, Belgium, and the EC Council Directive 2003/48/EC, as amended, on the taxation of savings income in the form of interest payments in the section "Taxation" below. Each prospective investor must consider any relevant

taxation matters based on its own independent review and such professional advice as it deems appropriate.

*The proposed financial transactions tax ("FTT")*

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

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

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

However, the FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

*Foreign Account Tax Compliance withholding may affect payments on the Notes*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions including Luxembourg have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

*Common reporting standard*

The Organisation for Economic Co-operation and Development has developed a new global standard for the annual automatic exchange of financial information between tax authorities (the "CRS"). Luxembourg is a signatory jurisdiction to the CRS and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017, as regards reportable financial information gathered in relation to fiscal year 2016. The CRS has been implemented into Luxembourg domestic law via the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. The regulation may impose obligations on the Issuer and its shareholder / Noteholders, if the Issuer is actually regarded as a reporting Financial Institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the shareholder / Noteholders), tax identification number and CRS classification of the shareholder / Noteholders in order to fulfil its own legal obligations from 1 January 2016.

Investors should contact their own tax advisers regarding the application of CRS to their particular circumstances.

#### *U.S. withholding on dividend equivalent payments*

The U.S. Treasury Department has released regulations under Section 871(m) of the U.S. Internal Revenue Code, which require withholding of up to 30% (depending on whether an income tax treaty or other exemption applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are contingent upon or determined by reference to U.S.-source dividends. Significant aspects of the application of these regulations to the Notes are uncertain. Payments on Notes made after 31 December 2016 that are treated by the applicable Treasury regulations as being contingent upon, or adjusted to reflect, any U.S. source dividends may be subject to this withholding. In addition, the regulations could impose withholding tax on non-U.S. persons to the extent U.S.-source dividends are paid on the underlying equity securities, even if no corresponding payment is made on the Notes to the non-U.S. persons. Section 871(m) of the U.S. Internal Revenue Code may apply to Notes that are issued (or significantly modified) on or after 1 January 2017. In the event any withholding would be required pursuant to Section 871(m) with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### **Risk Factors relating to the Market**

#### *No Active Secondary Market*

There is not, at present, an active and liquid secondary market for any Notes, and it is unlikely that an active secondary market for the Notes will develop. Even if a secondary market does develop, it may not continue for the life of the Notes, or it may leave Noteholders with illiquidity of investment. Illiquidity means that a Noteholder may not be able to realise a desired yield. Illiquidity can have an adverse effect on the value of the Notes.

#### *Value of the Notes*

The value of the Notes will be affected by the creditworthiness of the Issuer, the creditworthiness of the Deposit Counterparty, the creditworthiness of the Swap Counterparty, market and credit risks related to the Charged Assets and a number of additional factors,

including, but not limited to, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in Luxembourg or elsewhere, including factors affecting capital markets generally. The price at which a Holder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the Issue Price or purchase price paid by such purchaser.

### *Suitability of the Notes*

An investment in the product or the entry into the transaction described herein (as the case may be) may involve a high degree of risk. This Summary and Securities Note does not purport to identify all such risks (whether direct or indirect), nor does it purport to identify other factors that you may consider to be material, and which may be associated with such product or transaction.

Prior to investing in any product or entering into any transaction, prospective investors or counterparties (as the case may be) should undertake their own independent review and consult (as they deem appropriate) their own professional advisors in order to assess (1) the specific risks associated with such product or transaction; (2) the legal, credit, tax, regulatory and/or accounting implications related thereto; and (3) the suitability and appropriateness of such product or transaction to their investment objectives, financial situation, and/or other specific needs. Natixis does not hold itself out as providing, purporting to provide or having the authority to provide, investment advice in relation to this product or transaction.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances and should consult with its legal, business, tax and such other advisers as it deems appropriate to determine the consequences of an investment in the Notes and to arrive at its own evaluations of the investment.

In particular, each potential investor should:

- (a) have sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Summary and Securities Note or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the market of the Charged Assets relating to the Notes and any relevant indices and financial markets; and

- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

### *Investment Risks*

The price at which a Holder of the Notes will be able to redeem or sell Notes at any time prior to maturity may be substantially less than the price it paid. The value of the Notes may fall in value as rapidly as it may rise and investors may not get back the amount invested and risk losing all of their investment. The value of the Notes may be affected by a number of factors, including changes and volatility in the value of the Charged Assets and economic, financial and political events that are difficult to predict.

### *Issuer's Expenses*

Payments to Noteholders under the Notes may be subject to any reasonably necessary taxes, fees, costs, duties, liabilities and expenses payable (or reasonably expected to become due and payable) that are reasonably incurred by the Issuer (including to its professional advisers) in connection with the issuance of the Notes and the Issuer's ongoing obligations thereunder to the extent such expenses are not otherwise met.

### *Discretion of the Calculation Agent*

The Calculation Agent in respect of the Notes will be Natixis. The Calculation Agent will make certain calculations in relation to the Notes in accordance with the Conditions. Further, the Calculation Agent has certain discretions to determine whether certain events have occurred. For example, the Calculation Agent may determine that one or more of a number of specified events has occurred or exists at a relevant time which may affect the determination of the value of the relevant Charged Assets on a relevant Business Day and/or may delay settlement in respect of the Notes. Investors should be aware that any determination made by the Calculation Agent might have an adverse effect on the value of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding on the Issuer, the Trustee and the Holders of the Notes. Since these determinations by the Calculation Agent may affect the value of the Notes, the Calculation Agent may have a conflict of interest if it needs to make any such decision.

### *Change of law*

The Terms and Conditions of the Notes (including any non contractual obligations arising therefrom or connected therewith) are based on relevant laws in effect as at the date of this Summary and Securities Note. No assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Summary and Securities Note.

### *Meetings of Noteholders*

The Principal Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification by Extraordinary Resolution of the Terms and Conditions or the provisions of the Trust Deed. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Holders, whether or not they were present at such meeting. The Trustee may, without

consulting the Noteholders, determine that an event which would otherwise be an Event of Default or Potential Event of Default shall not be so treated but only if and in so far as in its sole opinion the interests of Noteholders shall not be materially prejudiced thereby.

#### *Transfer Restrictions*

The Notes are subject to certain transfer restrictions. In particular, any Notes or any interests therein offered and sold or intended to be transferred in the United States or to, or for the account or benefit of, U.S. Persons, can only be sold or otherwise transferred to certain transferees as described under the section headed "*Selling Restrictions*". Such restrictions on transfer may limit the liquidity of such Notes. Consequently, an investor must be prepared to hold such Notes for an indefinite period of time and potentially until their maturity. Any sale or transfer of Notes in the United States or to, or for the account or benefit of, U.S. Persons in violation of such transfer restrictions or any sale or transfer of the Notes that would cause the Issuer to become required to register as an investment company under the Investment Company Act will be void *ab initio* and will not be honoured by the Issuer, except to the extent otherwise required by law. In addition, the Issuer may, in its discretion, redeem the Notes held by such purchaser or other transferee or compel any such purchaser or other transferee to transfer such Notes.

#### *No legal and tax advice*

Each prospective investor should consult its own advisers as to legal, tax and related aspects of investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax on that Noteholder of its investment in the Notes. A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

#### *Legality of purchase*

None of the Issuer, the Dealer, the Arranger or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

#### *Obligations of Issuer, Limited Assets and Subordination of Rights of Noteholders upon Enforcement of Security Interests*

The Notes are limited recourse obligations of the Issuer payable solely out of the Charged Assets. On an enforcement of the security interests granted by the Issuer in favour of the Trustee, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated, *inter alia*, to the prior rights of the Agents in respect of fees, costs, charges, expenses and liabilities. No assurance can be made that the proceeds of the Charged Assets available for, and allocated to, the repayment of the Notes at any particular time, will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes and the obligations of the Issuer to pay such deficiency shall be extinguished. None of the Issue Agent, any Calculation Agent, the Trustee, the Swap Counterparty, the Deposit Counterparty, any Paying Agent, the Custodian, the Sub-Custodian, the Management and Administration Service Provider, or any of their affiliates or the Issuer's affiliates or any other person or entity will be obliged to make payments on the Notes.

### *No Investigations*

No investigations, searches or other inquiries have been made by or on behalf of the Issuer or the Trustee in respect of any Charged Asset and no representations or warranties have been given by the Issuer or the Trustee in respect thereof, and any prospective Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of their investments.

### **Risk Factors relating to the Charged Assets**

#### *General*

The Issuer will use the proceeds of the issue of the Notes to enter into the Deposit Agreement and enter into the Swap Agreement. The Notes are issued through a specific compartment, compartment PPA-S39 (the "**Compartment**"). The Issuer has, and will have, no assets other than Charged Assets. The Noteholders will have no recourse to such assets. Recourse of the Noteholders against the Issuer is limited to the funds available to the Issuer from time to time in respect of the Underlying Assets (as defined in the Conditions) and the Issuer shall have no liability to make any payments under the Notes where such funds are not available to it. Therefore, the Noteholders are exposed to the risk that the Issuer will not have sufficient funds available to it to make payments owed under the Notes and the Noteholders will not have any further recourse against the Issuer, Purple Protected Asset, any other compartment of Purple Protected Asset or any other party in such circumstances, but will suffer a corresponding loss on their investment.

Where:

"**Charged Assets**" means each and any claims, rights and/or receivables of the Issuer under the Deposit Agreement and the Swap Agreement.

"**Deposit Agreement**" means the Belgian law governed interest-bearing deposit agreement entitled "Deposit Agreement", entered into between the Issuer as depositor and the Deposit Counterparty as account holding bank on or before the Issue Date.

"**Swap Agreement**" means:

- (a) the ISDA Master Agreement and Schedule in relation thereto both dated as of 13 October 2017, (the "**Master Agreement**") between the Issuer and the Swap Counterparty insofar as its provisions are incorporated by reference to the transaction referred in (b) below; and
- (b) the written confirmation of the Swap Agreement dated as of 13 October 2017 issued by the Swap Counterparty in respect of the Swap Agreement made between the Issuer and the Swap Counterparty under the terms of the Master Agreement;

*The Issuer (acting in respect of the Compartment) is the sole party liable under the Notes*

The Notes will be contractual obligations of the Issuer solely in respect of the Compartment. The fulfilment of the Issuer's obligations under the Notes is not guaranteed by any third party. Consequently, Noteholders have no right of recourse against any such third parties. In



connection with the above it should also be noted that, where Charged Assets of the Compartment are insufficient for the purpose of meeting the Issuer's obligations under the issue of the Notes, it will not be possible for the Noteholders of that issue to obtain satisfaction of the debt owed to them by the Issuer from assets belonging to another Compartment. The Noteholders will have no recourse to other such assets. Accordingly, to the extent Charged Assets are insufficient, the Noteholders risk not being able to receive any earnings in respect of their investment or losing the value of their initial investment.

*Limitations on recourse and rights with respect to underlyings*

A holder of the Notes has no rights against the sponsor of the Index and no direct rights against the Swap Counterparty or the Deposit Counterparty. The Notes are not in any way sponsored, endorsed or promoted by the sponsor of the Index and such sponsor has no obligation to take into account the consequences of their actions on the Noteholders.

*Issuer's dependency upon Charged Assets*

The ability of the Issuer to meet its obligations under the Notes issued by it depend on the Charged Assets, and in particular receipt by it of payments (i) from the Swap Counterparty under the Swap Agreement and (ii) from the Deposit Counterparty under the Deposit Agreement. Such Charged Assets securing the Notes may not be realisable, or in the case of the Deposit Agreement, recoverable, for their full notional value and the Noteholders are therefore exposed to the risk that the Issuer will not have sufficient funds available to it in the Compartment to make payments owed under the Notes.

*Amount of interest may be zero depending on the performance of the Index*

The investment return on the Notes will depend primarily on the level of the Index. Investments in securities where payment is dependent in part upon the level of an index, such as the Notes, entail significant risks and may not be appropriate for investors lacking financial expertise. The return of the Notes is partly based on the performance of shares included in the index, which value fluctuates. Changes in the value of such shares cannot be predicted. Although historical data is available, the historical performance of the Index should not be taken as an indication of future performance. As a result, potential investors should be aware that:

- (a) the market price of their Notes may be volatile; and
- (b) the Index may be subject to significant fluctuations that may not correlate with changes in other indices.

Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in the Notes and the suitability of the Notes in light of its particular circumstances.

Depending upon the calculation methodology of an index, where the performance of an index is taken into account in order to calculate payments due under the Notes the payment of income (such as dividends for an index that has shares as underlyings) may not be reflected as the index may be calculated by reference to the prices of the underlyings comprising the index without taking into consideration the value of any income paid on those underlying

assets. Therefore, the yield to maturity of the Notes may not be the same as the yield that would be produced if such underlying assets were purchased and held for a similar period.

Notes based on an index are subject to risks broadly similar to those attending any investment in a broadly-based portfolio of assets including, without limitation, the risk that the general level of prices for such assets may decline. The following is a list of some of the significant risks associated with an index:

- (a) historical performance of the index does not indicate the future performance of the index. It is impossible to predict whether the value of the index will fall or rise during the term of the Notes; and
- (b) if the index comprises underlying shares, the trading prices of the shares underlying the index will be influenced by political, economic, financial, market and other factors.

It is impossible to predict what effect these factors will have on the value of any asset related to the index and, in turn, the return on the Notes.

The policies of the sponsor of an index concerning additions, deletions and substitutions of the assets underlying the index and the manner in which the index sponsor takes account of certain changes affecting such underlying assets may affect the value of the index. The policies of an index sponsor with respect to the calculation of an index could also affect the value of the index. An index sponsor may discontinue or suspend calculation or dissemination of information relating to its index. Any such actions could affect the value of the Notes.

The Notes do not represent a claim against the Index, to which the redemption amount of the Notes is in part linked, (or any issuer, sponsor, manager or other connected person in respect of the Index) and Noteholders will not have any right of recourse under the Notes to the Index (or any issuer, sponsor, manager or other connected person in respect of the Index). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of the Index and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

In addition, indices may be subject to management fees and other fees as well as charges that are payable to the index sponsor(s) and which can reduce amounts payable to Noteholders.

*Investors' yield may be lower than the yield on a standard debt security of comparable maturity*

To the extent that any amount payable under the Notes (including, without limitation, the Final Redemption Amount or Early Redemption Amount of the relevant Notes) is partly calculated by reference to the performance of the Index Reference Asset (please refer to the Performance Component), the effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security. The return of only the relevant Performance Component of each Note may not compensate the holder for any opportunity cost implied by inflation and other factors relating to the value of money over time.

*Adjustment or Substitution to the Index*

The Calculation Agent may, in certain circumstances, proceed to adjustments or substitutions it determines appropriate to the terms of the Notes upon the occurrence of events affecting the Index. The Calculation Agent could even notify the Issuer that it has not determined any appropriate adjustment or substitution, following which the Issuer will early redeem the Notes. These adjustments, substitutions or early redemption decisions will be binding upon the Issuer, the Swap Counterparty, the Agents and the Noteholders. Such action may have an adverse effect on the value and liquidity of the Notes. In all such cases, the early redemption of the Notes may result in the total or partial loss of the amount invested.

*In the event of the occurrence of a Mandatory Redemption Event, the return on the Notes is linked to the value of the Charged Assets and the Early Termination Values received*

In the event of the occurrence of a Mandatory Redemption Event, the investment return on the Notes will depend on the level of the Charged Assets value and on the Early Termination Value of the Swap Agreement that are received from the Counterparty. The early redemption amount due in such circumstances may be less than the issue price and / or purchase price of the Notes (subject to a minimum of zero). In these circumstances, the shortfall will be borne by the Noteholders and no further amount shall be payable by the Issuer.

During the term of the investment, bid and offer prices may possibly differ to a greater or lesser extent (spread).

#### *Custody Arrangements*

The Charged Assets (together with any related Security) will be held by the Custodian on behalf of the Issuer pursuant to the Custody Agreement (or by a sub-custodian appointed by the Custodian pursuant to a sub-custodial undertaking). Any assets held by the Custodian or any sub-custodian may be unavailable to investors upon the bankruptcy of the Custodian, any sub-custodian or, if different, the bank or financial institution with which such assets are held.

#### *Conflicts of Interests*

Natixis is acting respectively as (i) Swap Counterparty under the Swap Agreement, and (ii) Calculation Agent of the Notes. Natixis will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of it acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. Natixis, in its various capacities in connection with the contemplated transactions, may enter into business dealings from which it may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefore.

#### *The Calculation Agent is the same entity as the Swap Counterparty*

As the Calculation Agent is the same entity as the Swap Counterparty, potential conflicts of interest may exist between the Calculation Agent and the purchasers, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. The Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to a series of securities have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the securities. Any such

discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all purchasers of the Notes. The Calculation Agent will have only the duties and responsibilities expressly agreed to by it in the relevant capacity and will not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. Natixis, in its various capacities in connection with the contemplated transactions, may enter into business dealings from which it may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefor.

## OVERVIEW

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Summary and Securities Note have the same meanings in this overview.*

<b>The Notes:</b>	Up to EUR 10,000,000 Collateralised Notes due 2027.
<b>Aggregate Nominal Amount:</b>	The Aggregate Nominal Amount of the Notes, which shall be an amount up to EUR 10,000,000 of Notes will be determined on the basis of the Aggregate Nominal Amount effectively placed through the Authorised Offeror. The Aggregate Nominal Amount shall be determined and notified by the Calculation Agent no later than 2 Business Day prior to the Issue Date.
<b>Issue Price:</b>	100% of the Aggregate Nominal Amount (expressed as a percentage).
<b>Denomination:</b>	EUR 1,000.
<b>Issue Date:</b>	13 October 2017.
<b>Strike Date:</b>	13 October 2017.
<b>Trade Date:</b>	The third Business Day prior to the Issue Date.
<b>Form:</b>	The Notes will be issued in bearer form.  The Global Note is to be held by the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, who will credit each subscriber with a number of Notes equal to the number thereof for which it has subscribed and paid. The Notes will be subscribed by Natixis as Dealer on the Issue Date.
<b>Parties involved in the securitisation:</b>	Natixis acts as Calculation Agent, Arranger and Dealer under the Purple Protected Asset Issuance Programme, and is the Swap Counterparty. vdk bank nv acts as Deposit Counterparty. BNP Paribas Trust Corporation UK Limited acts as Trustee. BNP Paribas Securities Services, Luxembourg Branch acts as Principal Paying Agent and Custodian. The Trustee and the Principal Paying Agent are each members of the same group but otherwise there is no direct or indirect ownership or control between the parties involved.
<b>Commencement of operations:</b>	The financial year of the Issuer is the calendar year save that the first financial year was from the date of incorporation to 31 December 2014.
<b>Significant Change and</b>	There has been no significant change in the financial or trading position of the Issuer since 30 June 2017, being the

**Material Adverse Change:** date of its last published interim financial statements and no material adverse change in the prospects of the Issuer since 31 December 2016, being the date of its last published audited financial statements.

**Description of assets:** The Issuer will invest the proceeds of the issue of the Notes in the entry into of (i) a term deposit (the "**Deposit**") made with vdk bank nv (the "**Deposit Counterparty**") pursuant to a deposit agreement entered into between the Deposit Counterparty and the Issuer dated on or around the Issue Date (the "**Deposit Agreement**") governed by Belgian law, and (ii) an over-the-counter derivative transaction with Natixis (the "**Swap Counterparty**") (the "**Swap Agreement**"). A Belgian law governed pledge over the receivables due to the Issuer pursuant to the Deposit Agreement will be granted by the Issuer in favour of the Trustee pursuant to a Belgian law pledge agreement made between the Issuer and the Trustee (the "**Pledge Agreement**").

**Description of Structure:** Pursuant to the terms of the Deposit Agreement, (a) on the Business Day following the Issue Date the Issuer will deposit a portion of the net issuance proceeds of the Notes with the Deposit Counterparty (the "**Deposit Amount**") determined on the Trade Date in consultation with the Deposit Counterparty such that, based on the market conditions and interest rates prevailing on the Trade Date, it would enable the Deposit Counterparty to repay the Deposit at an amount equal to 100 per cent. of the aggregate nominal amount of the Notes as determined on the Trade Date (the "**Deposit Redemption Amount**") on the date falling two business days before the Maturity Date (the "**Deposit Scheduled Termination Date**"), and (b) on the Deposit Scheduled Termination Date, the Deposit Counterparty shall pay to the Issuer the Deposit Redemption Amount.

Pursuant to the terms of the Swap Agreement, (a) the Issuer shall pay to the Swap Counterparty, on the Business Day following the Issue Date, an amount equal to the difference between (x) the issuance proceeds of the Notes and (y) the Deposit Amount, and (b) the Swap Counterparty shall pay to the Issuer annually a coupon amount, the amount of which is calculated using the performance of the Index (as defined below), and which shall serve to pay the Interest Amount under the Notes.

On the Maturity Date and provided that no Mandatory Redemption Event has occurred before the Maturity Date, the Issuer will redeem each Note at an amount equal to the Final Redemption Amount (as defined in the Conditions).

*See "Description of Transaction" below for more details.*

<b>Custodian:</b>	BNP Paribas Securities Services, Luxembourg branch acts as Custodian, pursuant to the provisions of the Custody Agreement and the other Transaction Documents
<b>Trustee:</b>	BNP Paribas Trust Corporation UK Limited acts as Trustee, in particular pursuant to the provisions of the Trust Deed, the Pledge Agreement and the other Transaction Documents
<b>Calculation Agent:</b>	Natixis acts as Calculation Agent pursuant to the provisions of the Note Agency Agreement and the other Transaction Documents
<b>Arranger:</b>	Natixis acts as Arranger pursuant to the provisions of the Programme Dealer Agreement
<b>Dealer:</b>	Natixis acts as Dealer pursuant to the provisions of the Programme Dealer Agreement
<b>Deposit Counterparty:</b>	vdk bank nv, pursuant to the provisions of the Deposit Agreement
<b>Swap Counterparty:</b>	Natixis acts as Swap Counterparty pursuant to the provisions of the Swap Agreement and the Transaction Documents
<b>Governing Law:</b>	The Notes, the Trust Deed, the Note Agency Agreement and the Swap Agreement will be governed by English law. The Deposit Agreement and the Pledge Agreement will be governed by Belgian law.
<b>Clearing Systems:</b>	Euroclear and Clearstream, Luxembourg.
<b>Index:</b>	means the "Solactive Quality of Life Select 40 Index", with Bloomberg ticker: SOLQLIFE Index, ISIN code: DE000SLA2F63, and the sponsor of which is Solactive AG (the " <b>Index Sponsor</b> "), as described in the Index Description.
<b>Index Description:</b>	<p>means the description and methodology of the index entitled "Solactive Quality of Life Select 40 Index", as described in the Annex to this Summary and Securities Note. The last version of the description and methodology of the Index can be found on the website of the Index Sponsor at the following address:</p> <p><a href="https://www.solactive.com/fr/?s=Quality%20of%20life&amp;index=DE000SLA2F63">https://www.solactive.com/fr/?s=Quality of life&amp;index=DE000SLA2F63</a></p>

## TERMS AND CONDITIONS OF THE OFFER

Applications to subscribe for the Notes can be made in Belgium by contacting vdk bank nv or one of its agents.

The Issuer has been informed by vdk bank nv (the "**Authorised Offeror**" and the "**Distributor**") that the distribution of the Notes will be carried out in accordance with the Authorised Offeror's usual procedures and subject to applicable laws and regulations.

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Notes.

Offers may be made by the Authorised Offeror in Belgium to retail clients and private banking clients.

There are no pre-identified allotment criteria. The Issuer has been informed that the Authorised Offeror will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Notes requested through the Authorised Offeror during the Offer Period will be assigned up to the maximum amount of the offer.

Each investor will be notified by the Authorised Offeror of its allocation of Notes after the end of the Offer Period. Neither the Issuer nor Natixis (the "**Dealer**") is responsible for such notification. Information on the terms and conditions of the offer is set out below:

Offer Period	From, and including, 21 August 2017 to, and including 06 October 2017 (the " <b>Offer Period</b> ").
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Conditions to which the offer is subject:	Each Note will be offered at a price equal to 100% of its specified denomination (the " <b>Issue Price</b> ") increased by (i) a subscription fee of up to 2 per cent. of the specified denomination per Note depending on the number of Notes to be purchased by the potential investor (such subscription fee shall be retained by the Authorised Offeror) and (ii) a maximum annual amount of 0.35 per cent represented by commissions payable to the Authorised Offeror.
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### Conditions, offer statistics, expected timetable and action required to apply for the offer

Conditions to which the offer is subject:	Offer of the Notes are conditional on their issue and on any additional conditions set out in the standard terms of business of the Authorised Offeror, notified to investors by the Authorised Offeror.
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The Issuer reserves the right to withdraw the offer of the Notes at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such right to withdraw the offer of Notes, each such potential investor shall not be entitled to subscribe to or otherwise acquire Notes.



Description of the application process:	Applications to subscribe for the Notes during the Offer Period can be made in Belgium by contacting the Authorised Offeror or one of its agents.  Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Notes.
Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest):	Minimum subscription amount per investor: EUR 1,000.  Maximum subscription amount per investor: EUR 10,000,000.
Method and time limits for paying up the securities and for delivery of the securities:	The Notes will be cleared through the clearing systems and are due to be delivered through the Authorised Offeror on or about the Issue Date.  Each investor will be notified by the Authorised Offeror of the settlement arrangements in respect of the Notes at the time of such investor's application.  Neither the Issuer nor the Dealer is responsible for such notifications.
A full description of the manner and date in which results of the offer are to be made public:	The results of the offer will be made public by the Issuer no later than 2 Business Days prior to the Issue Date, through a notice published on the website of the Authorised Offeror ( <a href="http://www.vdk.be">www.vdk.be</a> ).
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised:	Not Applicable

### **Plan of distribution and allotment**

The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of	Offers may be made by the Authorised Offeror in Belgium to its retail and private banking clients.  If applicable, offers in other European Economic Area countries can only be made by the Authorised Offeror pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.
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these, indicate any such  
tranche:

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Not Applicable
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## DOCUMENTS INCORPORATED BY REFERENCE

The information set out in the tables below shall be deemed to be incorporated by reference in, and to form part of, this Summary and Securities Note, provided however that any statement contained in any document incorporated by reference in, and forming part of, this Summary and Securities Note, shall be deemed to be modified or superseded for the purpose of this Summary and Securities Note to the extent that a statement contained herein modifies or supersedes such statement.

Such documents will be made available, free of charge, during usual business hours at the registered office of the registrar and paying agent, unless such document has been modified or superseded. Such documents will also be available to view on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

For ease of reference, the tables below set out:

- (a) in relation to the Issuer, the relevant page references for the revised financial statements, the notes to the revised financial statements and the revised auditor's report for the Issuer for the interim financial statements for the period ended 30 June 2016 ("**Issuer Interim Financial Statements 2016**"); and
- (b) in relation to vdk bank nv, the English translation of vdk bank nv's audited financial statements for the financial year ended 31 December 2015 ("**vdK Financial Statements 2015**") and the English translation of vdk bank nv's audited financial statements for the financial year ended 31 December 2016 ("**vdK Financial Statements 2016**").

Any information not listed in the cross reference list but included in the documents incorporated by reference, is not incorporated by reference because it is either not relevant for investors or because it is covered elsewhere in the Prospectus.

## ISSUER

### **Interim financial statement period ended 30 June 2016**

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## **VDK BANK NV**

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## GENERAL DESCRIPTION OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1. BEARER NOTES

The Notes are issued in bearer form ("**Bearer Notes**") and will initially be in the form of a temporary global note in bearer form (the "**Temporary Global Note**"), with interest coupons. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the Notes with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**").

United States Treasury Regulation §1.163 5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes.

#### **Temporary Global Note exchangeable for Permanent Global Note**

The Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the Notes upon certification as to non U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certificates of non U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (b) receipt by the Principal Paying Agent of a certificate or certificates of non U.S. beneficial ownership,
- (c) within 7 days of the bearer requesting such exchange.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below.

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

### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons appertaining thereto will bear a legend to the following effect:

*"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

## **2. OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Clearing System Accountholders**

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note, for so long as the Global Note is held by a common depositary for Euroclear and/or Clearstream Luxembourg.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in a Global Note (each an "Accountholder") must look solely to Euroclear and/or Clearstream, Luxembourg (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under such Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg from time to time. For so long as the relevant Notes are represented by a Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note.

## **Transfers of Interests in Global Notes**

Transfers of interests in Global Notes within Euroclear and Clearstream, Luxembourg will be in accordance with their respective rules and operating procedures. None of the Issuer, the Trustee, the Dealer or the Agents will have any responsibility or liability for any aspect of the records of any of Euroclear and Clearstream, Luxembourg or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any of the records of Euroclear and Clearstream, Luxembourg or the records of their respective participants relating to such beneficial ownership interests.

For a further description of restrictions on the transfer of Notes, see "*Selling Restrictions*".

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note among participants and accountholders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Dealer or the Agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their respective operations.

Euroclear has its address at Koning Albert II laan 1, 1210 Saint-Josse-ten-Noode, Brussels, Belgium and Clearstream, Luxembourg has its address at 42 av. J.-F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.

## **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Conditions of the Notes as they apply to the Global Note. The following is an overview of certain of those provisions:

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

***Payment Business Day:*** in the case of a Global Note, shall be any day which is a TARGET Settlement Day.

***Notices:*** So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the Holders of the Note may be given by delivery of the relevant notice to that clearing system for communication by it to

entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note and such notice will be deemed to have been given to the Noteholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg.



## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing the Notes in bearer form. These terms and conditions will also apply to the Global Notes save as modified by the terms of the Global Notes. Text in italics in these Conditions (save for sub headings) refers to the Global Notes alone and will not be endorsed on the Notes in definitive form.*

The Notes (as defined in Condition 1) are constituted and secured by a principal trust deed dated 4 June 2014 (as further amended from time to time, the "**Principal Trust Deed**") between, *inter alios*, Purple Protected Asset and BNP Paribas Trust Corporation UK Limited (the "**Trustee**") as supplemented by a supplemental trust deed dated 13 October 2017 (the "**Supplemental Trust Deed**") between Purple Protected Asset acting in respect of its Compartment PPA-S39 (the "**Issuer**"), the Trustee and the other parties named therein (the Principal Trust Deed and the Supplemental Trust Deed being referred to herein as the "**Trust Deed**").

The Notes will have the benefit (to the extent applicable) of a note agency agreement dated 4 June 2014 (as further amended from time to time, the "**Principal Note Agency Agreement**") between, *inter alios*, Purple Protected Asset, the Trustee, BNP Paribas Securities Services, Luxembourg Branch in its capacities as issue agent (the "**Issue Agent**") and principal paying agent (the "**Principal Paying Agent**"), transfer agent (the "**Transfer Agent**"), registrar (the "**Registrar**") and Natixis in its capacity as calculation agent (the "**Calculation Agent**"), the notice of appointment of the Principal Paying Agent dated 13 October 2017 between the Issuer and the Principal Paying Agent and the notice of appointment of the Calculation Agent dated 13 October 2017 between the Issuer and the Calculation Agent.

Purple Protected Asset has also entered into a custody agreement dated 4 June 2014 (as further amended or supplemented from time to time, the "**Custody Agreement**") with, *inter alios*, the Trustee and BNP Paribas Securities Services, Luxembourg Branch as custodian (the "**Custodian**") and shall include, in relation to the Notes, the notice of appointment of the Custodian dated 13 October 2017 entered into between the Issuer and the Custodian. The Custodian may appoint a sub-custodian pursuant to the terms of a sub-custodial undertaking.

Purple Protected Asset has also entered into a proposals and advice agreement dated 4 June 2014 (as further amended or supplemented from time to time, the "**Proposals and Advice Agreement**") with, *inter alios*, Natixis as proposer (the "**Proposer**").

Purple Protected Asset has also entered into a dealer agreement dated 4 June 2014 (as further amended or supplemented from time to time, the "**Programme Dealer Agreement**") with Natixis as dealer (the "**Dealer**"), pursuant to which any institution may be appointed as dealer in accordance with the terms of such agreement.

Purple Protected Asset has entered into a services agreement dated 8 September 2016, effective as of 10 September 2016 (as further amended or supplemented from time to time, the "**Management and Administration Agreement**") with Citco C&T (Luxembourg) S.A. ("**Citco**"). Under the Management and Administration Agreement and subject to the provisions thereof, Citco will provide Purple Protected Asset with two directors who will be employees of Citco.

The Issuer shall enter into: (a) an over-the-counter derivative transaction (the "**Swap Transaction**") with Natixis as counterparty (the "**Swap Counterparty**"), evidenced by an ISDA Master Agreement, including a schedule, and confirmation, dated 13 October 2017 (the "**Swap Agreement**"), (b) a term deposit (the "**Deposit**") made with vdk bank nv (the "**Deposit Counterparty**") pursuant to a deposit agreement entered into between the Deposit Counterparty and the Issuer dated on or around the Issue Date (the "**Deposit Agreement**") governed by Belgian law, and (c) a Belgian law governed pledge over the receivables due to the Issuer pursuant to the Deposit Agreement in favour of the Trustee pursuant to a Belgian law pledge agreement made between the Issuer and the Trustee (the "**Pledge Agreement**").

Certain statements in the Conditions may be overviews of the detailed provisions appearing on the face of the Notes (which expression shall include the body thereof) and in the Trust Deed. Copies of the Principal Trust Deed, the Programme Dealer Agreement, the Custody Agreement, the Note Agency Agreement, the Management and Administration Agreement, the Swap Agreement, the Deposit Agreement and the Pledge Agreement are available for inspection at the office of Purple Protected Asset (at 11-13, Boulevard de la Foire, L 1528 Luxembourg) and at the specified offices of the Principal Paying Agent during normal office hours.

The Holders (as defined in Condition 2.2 below, which expression includes the Holders of the coupons (the "**Coupons**") (if any) appertaining to interest bearing Notes in bearer form (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and to have notice of those provisions of the Note Agency Agreement and the Custody Agreement applicable to them.

The terms and conditions set out herein (the "**Conditions**") will be endorsed upon or attached to the Notes.

These Conditions shall be incorporated into a summary and securities note relating to the Conditions (the "**Summary and Securities Note**") and such Summary and Securities Note shall be read in conjunction with the Registration Document. The Registration Document was supplemented by a supplement dated 3 August 2017 (the "**Supplement**"). Together, the Summary and Securities Note, the Registration Document and the Supplement shall comprise the prospectus (the "**Prospectus**") for the Series, prepared for the purposes of Article 5.1 of the Prospectus Directive. The Summary and Securities Note, together with the Registration Document shall constitute for the purposes of these Conditions, the "**Issuance Document**".

By subscribing to, or otherwise acquiring, the Notes, each Holder of Notes expressly acknowledges and agrees that:

- (i) Purple Protected Asset is incorporated in Luxembourg and is subject to the Securitisation Law. In connection with the Notes, Purple Protected Asset has created a specific compartment entitled "Compartment PPA-S39", and to which all assets, rights, claims and agreements relating to the Notes will be allocated, subject as provided herein;
- (ii) the provisions with respect to the application of proceeds included in the Supplemental Trust Deed will apply;
- (iii) in the event of delivery of an Enforcement Notice and enforcement of the applicable Security, its recourse shall be limited to the Charged

Assets described herein and not to the assets allocated to other compartments created by Purple Protected Asset or to any other assets of Purple Protected Asset, subject to the terms set out herein;

- (iv) if, following the delivery of an Enforcement Notice, once all monies received by the Trustee in connection with the enforcement of the Security over the Charged Assets have been applied as specified in the Supplemental Trust Deed and described herein, it will not be entitled to take any further steps against the Issuer or Purple Protected Asset to recover any further sums due and the right to receive any such sums shall be extinguished;
- (v) it shall have no right to attach or otherwise seize the Charged Assets (subject as provided above) or any other assets of the Issuer or Purple Protected Asset, including, without limitation, any assets allocated to any other compartments of Purple Protected Asset; and
- (vi) no Holder of Notes shall be entitled to petition or take any other step for the liquidation, winding up or the bankruptcy of the Issuer or Purple Protected Asset or any similar proceedings.

Words and expressions defined in the Trust Deed, the Note Agency Agreement, the Custody Agreement or the Master Schedule of Definitions, Interpretation and Construction Clauses dated 4 June 2014 (as further amended and supplemented from time to time and signed for the purpose of identification by, inter alios, Purple Protected Asset and the Trustee, the "**Master Schedule of Definitions**") shall have the same meaning where used in these Conditions unless the context otherwise requires or unless otherwise stated below and provided that, in the event of inconsistency between the Note Agency Agreement, the Custody Agreement, the Trust Deed and the Master Schedule of Definitions, the definition of the relevant term shall have the meaning specified in the relevant document ranking the highest in the following order of priority:

- (a) firstly, these Conditions;
- (b) secondly, the Supplemental Trust Deed;
- (c) thirdly, the Principal Trust Deed;
- (d) fourthly, the Principal Note Agency Agreement;
- (e) fifthly, the Custody Agreement; and
- (f) sixthly, the Master Schedule of Definitions.

## 1. **DEFINITIONS**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

**"Arranger"** means Natixis;

**"Articles"** means the Articles of Incorporation of Purple Protected Asset;

**"Bearer Notes"** means the Notes issued in bearer form;

**"Business Day"** means a TARGET Settlement Day;

**"Calculation Agent"** means Natixis;

**"Cash Account"** means the cash account of the Issuer with BNP Paribas Securities Services, Luxembourg Branch as bank, with IBAN number LU74 3280 3568 31P1 7978;

**"Change in Law"** means, that, on or after the Issue Date:

- (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**); or
- (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

any of the Issuer or the Calculation Agent determines that it has become illegal or contrary to any Applicable Regulation for it or any of its affiliates to continue carrying out its obligations under the Notes or such change has an effect which significantly alters the economics of the Notes as compared to such economics as at the Issue Date;

**"Charged Assets"** means each and any claims, rights and/or receivables of the Issuer under the Deposit Agreement and the Swap Transaction;

**"Compartment"** means compartment PPA-S39 of Purple Protected Asset, created by the board of directors of Purple Protected Asset pursuant to Article 5.1 of the Articles;

**"Custody Account"** has the meaning given to it in Condition 4 (*Custodian and Sub-Custodian; Custody Account and Securities Account*);

**"Dealer"** means Natixis;

**"Denomination"** has the meaning given to it in Condition 2.1.1 (*Form and Denomination*);

**"Deposit Account"** means the account in the name of the Issuer with the Deposit Counterparty, to which the Deposit Amount is credited, the account number of which is specified in the Deposit Agreement;

**"Deposit Agreement"** means the Belgian law governed interest-bearing deposit agreement entitled "Deposit Agreement", entered into between the Issuer as depositor and the Deposit Counterparty as account holding bank on or before the Issue Date;

**"Deposit Amount"** means a portion of the net issuance proceeds of the Notes, as determined on the Trade Date in consultation with the Deposit Counterparty such that, based on the market conditions and interest rates prevailing on the Trade Date, it would enable the Deposit Counterparty to repay the Deposit at the Deposit Redemption Amount on the Deposit Scheduled Termination Date;

**"Deposit Redemption Amount"** means an amount equal to 100 per cent. of the aggregate nominal amount of the Notes as determined on the Trade Date;

**"Deposit Scheduled Termination Date"** means the date falling two business days before the Maturity Date;

**"Disrupted Day"** means, any Scheduled Trading Day on which:

- (a) the Index Sponsor fails to publish the level of the Index; or
- (b) the Related Exchange fails to open for trading during its regular trading session; or
- (c) a Market Disruption Event has occurred;

**"Early Closure"** means the closure on any Exchange Business Day of any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or, if any, the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or, if any, the Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or, if any, the Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or, if any, the Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day;

**"Early Redemption Amount"** means:

- (a) the Fair Market Value per Note, in the case the redemption of the Notes is triggered by the occurrence of any Mandatory Redemption Event as defined below,
- (b) at the option of the Noteholder, the Fair Market Value per Note or the Monetisation Amount per Note, in the case the redemption of the Notes is triggered by the occurrence of a Monetisation Event as defined below;

**"euro"** and **"EUR"** means the lawful currency of the Member States of the European Union participating in Economic and Monetary Union;

**"Event of Default"** has the meaning given to it in Condition 11 (*Events of Default*);

**"Exchange"** means, in respect of each component security of the Index (each, a **"Component Security"**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent;

**"Exchange Business Day"** means any Scheduled Trading Day on which:

- (a) the Index Sponsor publishes the level of the Index, and
- (b) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) securities that comprise 20 per cent. or more of the level of the Index on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) futures or options contracts relating to the Index on the Related Exchange;

**"Fair Market Value"** means an amount per Note determined by the Calculation Agent, as of the day of the activating event, based on the market conditions prevailing at the date of determination and, for any Note, adjusted to account fully for any accrued interest. No expenses or costs of unwinding any underlying and/or related hedging and funding arrangements in the Compartment (including, without limitation, any options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes (other than, only in case of a Force Majeure Event, such costs that are unavoidable to early redeem the Notes at their fair market value) and payment of any amounts which would rank in priority of payments to Noteholders in accordance with the Priority of Payments will be deducted from such amount. The Fair Market Value shall include a pro rata temporis reimbursement (from the early redemption date to the original Maturity Date), in favour of investors, of fees paid to the Issuer (such as structuring fees) included in the Issue Price and borne at the Issue Date by investors;

**"Final Redemption Amount"** means, in respect of each Note, an amount equal to par, i.e. Denomination x 100%;

**"Force Majeure Event"** means that, on or after the Issue Date, the performance of the Issuer's obligations under the Notes is impossible and insurmountable, so that the continuance of the Notes is thereby rendered definitively impossible, due to one of the following events (for which the Issuer is not accountable):

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its affiliates, of all or substantially all of its assets in the local currency jurisdiction;

**"Government Authority"** means any nation, state or government, any province or other political subdivision thereof, anybody, agency or ministry, any monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

**"Holder"** means, subject as provided in the Conditions, the holder of any Note or Coupon;

**"Illegality Event"** means, in the opinion of the Issuer, it is or will become unlawful for it to perform or comply with any one or more of its obligations under such Notes, so that the continuance of the Notes is thereby rendered definitively impossible;

**"Index"** means the index entitled "Solactive Quality of Life Select 40 Index", (Bloomberg code: SOLQLIFE Index, ISIN code: DE000SLA2F63), the description of which is set out in the Annex to the Summary and Securities Note, as calculated and announced by the Index Sponsor;

**"Index Adjustment Event"** means any of the following events:

- (a) the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index;
- (b) the Index Sponsor (i) announces that it will make a material change in the formula for or the method of calculating the Index, or (ii) in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an **"Index Modification"**),
- (c) the Index Sponsor permanently cancels the Index and no Successor Index exists (an **"Index Cancellation"**), and
- (d) the Index Sponsor fails to calculate and announce the Index (provided for the avoidance of doubt that a successor sponsor calculating and announcing the Index, determined as unacceptable by the Calculation Agent, shall constitute an Index Adjustment Event under this paragraph (d)) (an **"Index Disruption"**);

**"Index License Agreement"** means an agreement entered into on or around the Issue Date by the Issuer with the Index Sponsor, as amended from time to time;

**"Index Sponsor"** means Solactive AG;

**"Interest Amount"** has the meaning given to it in Condition 7.3 (*Interest Provisions*);

**"Interest Commencement Date"** means the Issue Date;

**"Interest Rate"** has the meaning given to it in Condition 7.2 (*Interest Rate*);

**"Issue Date"** means 13 October 2017;

**"Mandatory Redemption Event"** means any of:

- (a) an Event of Default;
- (b) a Force Majeure Event; or
- (c) an Illegality Event;

**"Market Disruption Event"** means the occurrence or existence of:

- (a) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time; and/or
- (b) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time; and/or
- (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a security included in the Index at any time, the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;

**"Maturity Date"** means 13 October 2027;

**"Monetisation Amount"** means an amount per Note calculated by the Calculation Agent using the Monetisation Formula, provided that no accrued unpaid interest shall be taken into account in calculating the Monetisation Amount;

**"Monetisation Date"** means the date as of which Condition 8.5 (*Monetisation*) shall be effective, as determined by the Calculation Agent in its discretion, and which shall be no earlier than the date of occurrence of the relevant Monetisation Event;

**"Monetisation Event"** means any of:

- (a) a Change in Law; or
- (b) an Index Adjustment Event (other than the event defined in item (a) of the definition of Index Adjustment Event), or
- (c) a Significant Alteration Event;

**"Monetisation Formula"** means the following formula as calculated by the Calculation Agent:

$$(D + S) * (1+r)^n$$



Where:

D: means the value of the Deposit Agreement on the day of the activating event which will take into account any amounts that have been reimbursed to the Issuer and any accrued unpaid interest due to the Issuer,

S: means the Swap Market Value on the day of the activating event (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets),

r: means the annual interest rate that vdk bank nv offers on the date of the activating event on a debt instrument with the same maturity as the remaining maturity of the Notes, from that date until the Maturity Date,

n: means the remaining maturity of the Notes expressed in years;

"**Note**" means each note of the PPA-S39 Collateralised Notes due 2027;

"**Noteholder**" means the persons who for the time being are the holders of the Notes;

"**Principal Amount**" means in relation to a Note, the original face value thereof;

"**Priority of Payments**" means the order of priority of payment set out below (being an "Other Priority" for the purposes of Clause 15 (*Application of Monies*) of the Principal Trust Deed):

- (a) *first*, in payment or satisfaction of the fees, costs, charges, expenses and Liabilities properly incurred (or pre-funding any such fees, costs, charges, expenses or additional Liabilities expected to be incurred) by the Trustee, any Appointee or any Receiver in preparing and executing the trusts under the Trust Deed and the Supplemental Trust Deed (including any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
- (b) *secondly*, rateably in meeting (x) any claim or Liability of the Agents (other than the Custodian) and the Management and Administration Service Provider for reimbursement in respect of payment of principal or interest in relation to the Notes made to the Noteholders, (y) any claim of the Custodian for reimbursement in respect of payments made to a Counterparty pursuant to the Trade Documents and Transaction Documents and (z) in payment or satisfaction of the fees, costs, charges expenses and liabilities (other than the liabilities referred to in (x) and (y)) of the Custodian;
- (c) *thirdly*, rateably, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (other than the Liabilities referred to in (b) above) of the Agents (excluding the Custodian);
- (d) *fourthly*, to pay when due any reasonably necessary taxes, fees, costs, duties, liabilities and expenses payable (or reasonably expected to become due and payable) (x) that are reasonably incurred by the Issuer (including to its professional advisers) in connection with the issuance of Securities of any Series and the Issuer's ongoing obligations thereunder and under the

Transaction Documents and Trade Documents and/or (y) that are apportioned to the Issuer by the directors of Purple Protected Asset in accordance with Article 5.5 of the Articles;

- (e) *fifthly*, rateably in meeting the claims (if any) of the Noteholders;
- (f) *sixthly*, in meeting the claims (if any) of the Swap Counterparty under the Swap Agreement; and
- (g) *seventhly*, in payment of the balance (if any) to the Issuer;

**"Priority Secured Creditor"** means at any applicable time, the Noteholders, provided that if no sums are at the applicable time owing to the Noteholders, it shall mean the next highest ranking Secured Creditor(s) as set out in the Priority of Payments;

**"Redemption Amount"** means, in respect of each Note, (i) in the event of redemption on the Maturity Date, the Final Redemption Amount or (ii) in the event of redemption other than on the Maturity Date, the Early Redemption Amount;

**"Regulation S"** means Regulation S under the Securities Act;

**"Related Agreement"** means each and any of the Swap Agreement, the Deposit Agreement and the Pledge Agreement;

**"Related Exchange"** means the exchange or quotation system where futures or options contracts relating to the Index are mainly traded, as determined by the Calculation Agent, or any successor to such exchange or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange);

**"Relevant Date"** means, in respect of a claim, the due date for such payment;

**"Residual Shortfall"** has the meaning given to it in Condition 12.1.3;

**"Retained Monies"** means any monies received by the Custodian or by any person for the Custodian's account in respect of the Charged Assets (together with any interest accrued or accruing thereon) which had been retained by the Custodian in respect of the Issuer;

**"Scheduled Closing Time"** means in respect of the Exchange or, if any, the Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or, if any, the Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the hours of the regular trading session hours;

**"Scheduled Strike Date"** means the original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

**"Scheduled Trading Day"** means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session;

**"Secured Creditors"** has the meaning given to it in Condition 5.2.1;

**"Securities Act"** means the United States Securities Act of 1933;

**"Securitisation Law"** means the Grand Duchy of Luxembourg act dated 22 March 2004 on securitisation, as amended;

**"Security"** has the meaning given to it in Condition 5.2.3 (*Security*);

**"Significant Alteration Event"** means that, on or after the Issue Date, an event or circumstance or combination of events or circumstances (other than an Illegality Event, a Force Majeure Event or a Change in Law) occur, including with respect to the Charged Assets, which the Issuer or the Calculation Agent determines that:

- (a) it is not attributable to the Issuer, and
- (b) the consequence of the occurrence of such event or circumstance or combination of events or circumstances is that the economic balance of the Notes as at the Issue Date is significantly altered;

**"Strike Date"** means 13 October 2017 provided that if the Strike Date is a Disrupted Day, then the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the price, as determined by the Calculation Agent, on that eighth Scheduled Trading Day of each instrument comprised in the Index;

**"Swap Agreement"** means:

- (a) the ISDA Master Agreement and Schedule in relation thereto both dated as of 13 October 2017, (the "**Master Agreement**") between the Issuer and the Swap Counterparty insofar as its provisions are incorporated by reference to the transaction referred in (b) below; and
- (b) the written confirmation of the Swap Agreement dated as of 13 October 2017 issued by the Swap Counterparty in respect of the Swap Agreement made between the Issuer and the Swap Counterparty under the terms of the Master Agreement;

**"Swap Counterparty"** means Natixis as counterparty under the Swap Agreement;

**"Swap Market Value"** means the net settlement amount, as determined by the calculation agent under the Swap Agreement, in accordance with the terms of the Swap Agreement, payable by the Issuer or by the Swap Counterparty (as applicable) further to the termination of the Swap Agreement, such net settlement amount being established by determining the losses, costs or gains of replacing the terminated transaction and any unpaid amounts to be paid between the parties, and setting off the sums due from one party to the other to determine a balance payable by one party to the other. Such Swap Market Value being expressed as a positive number if payable by the Issuer to the Swap Counterparty (subject always to the limited recourse provisions of the Trust Deed) and a negative number if payable by the Swap Counterparty to the Issuer;

**"Swap Transaction"** means the over-the-counter derivative transaction entered into between the Issuer and the Swap Counterparty, evidenced by the Swap Agreement;

**"TARGET Settlement Day"** means any day on which the TARGET2 system is open;

**"TARGET2 system"** means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**"Trade Date"** means the third Business Day prior to the Issue Date;

**"Trade Documents"** means in relation to the Notes, the Issuance Document, the Supplemental Trust Deed, the Swap Agreement, the Deposit Agreement, the Pledge Agreement, the Index License Agreement, the Notes and any other documents entered into by a party or produced in connection with the Notes;

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or, if any, the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or, if any, the Related Exchange or otherwise: (i) on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or (ii) in futures or options contracts relating to the Index on the relevant Related Exchange;

**"Transaction Documents"** means the Principal Trust Deed, the Programme Dealer Agreement, the Note Agency Agreement, the Proposals and Advice Agreement, the Master Schedule of Definitions, the Custody Agreement and the Management and Administration Agreement;

**"Underlying Assets"** has the meaning given to it in Condition 5.2.3;

**"Valuation Time"** means:

- (a) for the purpose of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any option contracts or future contracts on the Index, the close of trading on the Related Exchange; and

- (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

## 2. FORM, DENOMINATION AND TITLE

### 2.1 Form and Denomination

- 2.1.1 The up to EUR 10,000,000 PPA-S39 Collateralised Notes due 2027 (ISIN code: XS1648299102 and common code: 164829910) (the "**Notes**") are issued on the Issue Date in bearer form, serially numbered in a denomination (the "**Denomination**") of EUR 1,000. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Each Note is offered at a price ("**Issue Price**") of 100 per cent of the Denomination
- 2.1.2 The Notes are interest bearing Bearer Notes and are issued with Coupons attached.
- 2.1.3 The Notes shall be issued in the form of Temporary Global Notes exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note.

### 2.2 Title

Title to the Bearer Notes and Coupons passes by delivery. In these Conditions, subject as provided below, "**Holder**" means the bearer of any Bearer Note or Coupon (as the case may be). The Holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership on the face of such Bearer Note) and no person shall be liable for so treating such Holder.

## 3. STATUS OF THE NOTES AND PRIORITY SECURED CREDITOR

### 3.1 Status

The Notes and Coupons are unsubordinated, limited recourse obligations of the Issuer, secured in the manner described in Condition 5 (*Security and the Charged Assets*) and recourse in respect of which is limited in the manner described in Condition 12 (*Limited Recourse and Enforcement and Non-Petition*) and will rank pari passu without any preference among themselves. The Notes are issued subject to, and in accordance with, the provisions of the Securitisation Law.

### 3.2 Priority Secured Creditor

The Priority Secured Creditor is the Noteholders (subject to the Priority of Payments set out above) and, for these purposes, the Noteholders will be deemed to be a single Secured Creditor.

The Noteholders as Priority Secured Creditor may direct the Trustee to exercise any powers conferred upon the Trustee pursuant to the Transaction Documents by means of a request in writing of the Holders of at least 25 per cent. in Principal Amount of

the Notes outstanding or by means of an Extraordinary Resolution of such Noteholders.

The Trustee shall not be bound to take any action unless it is indemnified and/or secured and/or prefunded to its satisfaction. Such Priority Secured Creditor will enjoy preferential ranking in the order of Priority of Payments on enforcement of the relevant Security or following a mandatory redemption (as set out in Condition 8.2 (*Mandatory Redemption Events*)), and the Trustee will, where the interests of such Priority Secured Creditor conflict with those of the other Secured Creditors, prefer the interests of such Priority Secured Creditor over that of other Secured Creditors (and shall not take into account the interests of such other Secured Creditors). As further set out in the Principal Trust Deed and unless specifically provided otherwise therein, the Trustee shall not be bound to take any action unless secured and/or indemnified and/or prefunded to its satisfaction.

#### 4. **CUSTODIAN AND SUB-CUSTODIAN; CUSTODY ACCOUNT AND SECURITIES ACCOUNT**

- (a) The Custodian has established an account in the name of the Issuer (the "**Custody Account**") with the Custodian. The Custody Account for the Issuer shall be entirely separate from any other accounts opened by the Custodian, including, without limitation, the custody accounts established in connection with any other compartment(s) established by Purple Protected Asset. All monies received by or on behalf of the Issuer in connection with the Notes and, if no sub-custodian has been appointed, with the Charged Assets, shall be deposited (i) in respect of the Swap Transaction, in the Custody Account and (ii) in respect of the Deposit Agreement, in the Deposit Account. Such monies shall only be removed from the Custody Account, or as the case may be the Deposit Account, at such times and in such amounts as are contemplated in these Conditions, the Related Agreements and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Notes and pursuant to the Trust Deed.
- (b) The Custody Account, together with such Charged Assets (excluding, for the avoidance of doubt, any subscription proceeds of the Notes credited to the Deposit Account), as are capable of being so held, will be held by the Custodian, on and subject to (i) the Securitisation Law, and (ii) the terms and conditions of the Security created pursuant to the Trust Deed.
- (c) Pursuant to the terms of the Custody Agreement, the Custodian may appoint a sub-custodian. In the event that a sub-custodian is appointed pursuant to a sub-custodial undertaking signed by the Issuer, the segregated collateral securities account established on behalf of the Custodian by such sub-custodian opened in the name of the Custodian and relating to the Issuer (the "**Securities Account**") shall be segregated from any other accounts opened by such sub-custodian, including, without limitation, the custody accounts established in connection with any other compartment(s) established by Purple Protected Asset. Any securities and monies credited to the Securities Account shall only be removed from the Securities Account at such times and in such

amounts as are contemplated in these Conditions, the Trust Deed and the Related Agreements or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Notes and pursuant to the Trust Deed.

- (d) In the event that a sub-custodian is appointed, the Securities Account will be held by the sub-custodian on and subject to (i) the terms and conditions of the applicable sub-custodial undertaking; (ii) the Securitisation Law; and (iii) the terms and conditions of the Security created pursuant to the Trust Deed.
- (e) The Issuer reserves the right to replace the Custodian at any time, but only with the prior written consent of the Trustee and in accordance with (x) the provisions of the Securitisation Law, (y) the relevant instructions and/or guidelines of the Luxembourg *Commission de Surveillance du Secteur Financier* and (z) the terms of the Custody Agreement. Notice of such change shall be given to the Noteholders in accordance with Condition 16 (*Notices*). References herein to the "**Custodian**" shall, as the context requires, be construed as references to the Custodian or any sub custodian duly appointed by the Custodian (other than any sub-custodian appointed under any sub-custodial undertaking signed by the Issuer), and/or any additional or successor custodians appointed from time to time.

## 5. SECURITY AND THE CHARGED ASSETS

### 5.1 Charged Assets

- 5.1.1 The Compartment comprises a pool of assets and liabilities separate from the pools of assets and liabilities relating to any other compartments of Purple Protected Asset. The Underlying Assets shall include, *inter alia*, the Charged Assets.
- 5.1.2 The Issuer shall be obliged to procure that any agreements (including, without limitation, the Related Agreements), shall be entered into by it, in each case, at or around the date at which the Notes are to be issued (the "**Acquisition Deadline**"). Without prejudice to Condition 13 (*Prescription*), if any such entry into occurs after the Acquisition Deadline, the relevant agreements shall nonetheless form part of the Underlying Assets from the date of their entry into.
- 5.1.3 In accordance with the Securitisation Law, the Underlying Assets are available exclusively to satisfy the rights of the Secured Creditors.

### 5.2 Security

- 5.2.1 The obligations of the Issuer to the persons having the benefit of the Security relating to the Notes pursuant to the Trust Deed and the Pledge Agreement (the "**Secured Creditors**") are secured pursuant to the Trust Deed and the Pledge Agreement in respect of such Notes by encumbrances governed by English law (in respect of the Trust Deed) and Belgian law (in respect of the Pledge Agreement) and such further encumbrances as may be required by the

Trustee, governed by the law of any other relevant jurisdiction over the Charged Assets.

5.2.2 The Issuer shall, pursuant to the provisions of the Principal Trust Deed and the Supplemental Trust Deed relating to the Notes, in favour of the Trustee (for itself and the Secured Creditors):

- (a) to the extent not secured under the Pledge Agreement, create a first fixed charge over:
  - (i) all of the Issuer's rights, title, interest and benefit, present and future (i) in and to the Charged Assets, the Securities Account, the Custody Account, any related cash account, the Cash Account and any other present and future assets relating to the Compartment under which the Notes are issued and (ii) in respect of sums derived from the present and future assets relating to the Compartment (including, without limitation, any proceeds of the sale thereof);
  - (ii) all the Issuer's rights, title, interest and benefit, present and future, in, to and under all sums held by the Agents to meet payments due in respect of the Notes; and
  - (iii) any sums of money, securities or other property received or receivable by the Issuer under the Related Agreements (after applicable netting and set-off) relating to the Compartment;
- (b) to the extent not secured under the Pledge Agreement, assign by way of security (i) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under all sums held by the Agents to meet payments due in respect of the Notes; (ii) all of the Issuer's rights, title, interest and benefit, present and future, as against the Bank in respect of any sum standing to the credit of the Cash Account relating to the Compartment and including any interest accrued or accruing thereon and any Retained Monies (iii) all of the Issuer's rights, title, interest and benefit, present and future, as against the Custodian in respect of any sum standing to the credit of the Custody Account relating to the Compartment and including any interest accrued or accruing thereon and any Retained Monies; (iv) any sums of money, securities or other property received or receivable by the Issuer under the Related Agreements relating to the Compartment; and
- (c) to the extent not secured under the Pledge Agreement, assign by way of security all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents and the Trade Documents (which, for the avoidance of doubt, shall be subject to any rights of netting or set-off thereunder) and all sums derived therefrom in respect of the Notes relating to the Compartment.

5.2.3 In addition to the Security created under the Trust Deed, the Issuer will grant a Belgian law governed pledge over the receivables due to the Issuer pursuant to



the Deposit Agreement (including the amounts deposited in the Deposit Account) in favour of the Trustee pursuant to a Belgian law pledge agreement made between the Issuer and the Trustee on or about the Issue Date (the "**Pledge Agreement**").

- 5.2.4 The security created by the Trust Deed and the Pledge Agreement may be supported by such further security documents as may, from time to time, be required by the Trustee (each a "**Supplementary Security Document**" and together with the Trust Deed and the Pledge Agreement, the "**Security Documents**") (together, the "**Security**").

The assets described in Condition 5.2.2, Condition 5.2.3 and this Condition 5.2.4 shall be referred to herein as the "**Underlying Assets**".

- 5.2.5 All monies received by the Trustee in connection with the Notes will be held by the Trustee on trust to apply the same in accordance with the application of proceeds provisions of the Principal Trust Deed and the Supplemental Trust Deed. By subscribing to or otherwise acquiring the Notes, each Noteholder expressly consents to the provisions of this Condition 5.2.5 and the limitation of its rights in accordance with article 64 of the Securitisation Law and is deemed to have accepted and agreed to such provisions and the consequences thereof.

## 6. **RESTRICTIONS**

- 6.1 So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer will not, save to the extent permitted by the Transaction Documents or the Trade Documents to which it is a party:

- 6.1.1 engage in any business or activity other than acquiring and holding the Charged Assets or other assets similar to the Charged Assets;
- 6.1.2 have an interest in any bank account other than the Custody Account and the Deposit Account, unless such account or interest therein is charged to the Trustee on terms acceptable to the Trustee;
- 6.1.3 create or permit to exist upon or affect any of the Charged Assets, any encumbrance or any other security interest whatsoever other than as contemplated by any Supplemental Trust Deed and the Pledge Agreement, or any Supplementary Security Document executed in relation to the Notes;
- 6.1.4 engage in any dissolution, liquidation, consolidation or merger with any other person or convey or transfer its properties or assets to any person;
- 6.1.5 permit the Principal Trust Deed, any Supplemental Trust Deed or the Pledge Agreement, executed in relation to the Notes, or the priority of the Security created hereby, thereby or pursuant to any Supplementary Security Document executed in relation to the Notes, to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such Security to be released from such obligations;

- 6.1.6 release any party to a Related Agreement from any executory obligation thereunder;
  - 6.1.7 guarantee or become obligated for the debts of any other entity or compartment of Purple Protected Asset or hold out its credit as being available to satisfy the obligations of others;
  - 6.1.8 have any subsidiaries, or
  - 6.1.9 remove its "centre of main interest" (as such term is defined in article 3(1) of the Council Regulation (EC), no 1346/2000 on Insolvency Proceedings (the "**Insolvency Regulations**") from its place of incorporation or establish or open any branch offices or other permanent establishments (as that term is used in the Insolvency Regulation) anywhere in the world.
- 6.2 The Trustee shall be entitled to rely absolutely on a certificate of a director of the Issuer in relation to any matter relating to the restrictions set out in Condition 6.1 and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter in question.
- 6.3 So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer shall, unless otherwise permitted by the Transaction Documents or the Trade Documents to which it is a party:
- 6.3.1 maintain its books and records, accounts and financial statements separate from any other person or entity or compartment of Purple Protected Asset and use separate stationery, invoices and cheques;
  - 6.3.2 hold itself out as a separate entity, acting in respect of a segregated compartment, correct any known misunderstanding regarding such status, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);
  - 6.3.3 pay its own liabilities out of its own funds; and
  - 6.3.4 not commingle its assets with those of any other entity or any other compartment of Purple Protected Asset.
- 6.4 So long as any of the Notes remain outstanding (as defined in the Trust Deed), Purple Protected Asset shall, unless otherwise permitted by the Transaction Documents, observe all formalities required by the Articles of Purple Protected Asset (including maintaining adequate capital for its operations) and provide written notice to the Rating Agency before amending its Articles for so long as any securities issued by any compartment of Purple Protected Asset are rated.
- 6.5 Another compartment of Purple Protected Asset may from time to time, without the consent of the Noteholders, be created by a decision of the Board of Directors in accordance with article 5.1 of the Articles and issue further certificates, asset-backed bonds, notes or other debt securities, and warrants (together, the "**Further Securities**"). The Further Securities will be segregated from the Notes and will be collateralised by assets made (or acquired) by such other compartment of Purple

Protected Asset (the "**Further Assets**") and which, in relation to the Further Securities, will be segregated from the Compartment as well as from any other compartment that is created from time to time in accordance with the laws applicable to Purple Protected Asset. No amounts, assets or proceeds held by the Compartment will be available to make payments, or satisfy obligations, in relation to any other compartment of Purple Protected Asset or any Further Securities. Furthermore, no amounts, assets or proceeds held in respect of another compartment of Purple Protected Asset or any bank accounts opened in relation thereto will be available to make payments, or satisfy obligations, in relation to the Compartment as well as from any other unrelated compartment that is created from time to time or the Notes or other amounts payable in respect thereof.

## 7. **INTEREST AND OTHER CALCULATIONS**

### 7.1 Interest and Accrual

Each Note bears interest on its Principal Amount from the Interest Commencement Date in accordance with Condition 7.3, such interest being payable in arrears on each Interest Payment Date(t). Interest will cease to accrue on each Note on the due date for redemption.

Where:

"**Interest Payment Date(t)**" means any of the following dates set out in the right column in the table below, in respect of any year identified as "(t)" and numbered 1 to 10, starting in 2018 and ending in 2027:

<b>t</b>	<b>Interest Payment Date (t)</b>
1	19 October 2018
2	18 October 2019
3	20 October 2020
4	21 October 2021
5	20 October 2022
6	20 October 2023
7	18 October 2024
8	22 October 2025
9	22 October 2026
10	13 October 2027

### 7.2 Interest Rate

The interest rate applicable to the Notes (the "**Interest Rate**") shall be the rate determined by the Calculation Agent on the relevant Observation Date(t) as being:

$$\text{Min} \left( 3,00\%; \text{Max} \left( 0\%; \frac{1}{t} \times \left( \frac{\text{Index}(t)}{\text{Index}(0)} - 100\% \right) \right) \right)$$

Where:

**"Observation Date(t)"** means any of the following dates set out in the right column in the table below, in respect of any year identified as "(t)" and numbered 1 to 10, starting in 2018 and ending in 2027:

<b>T</b>	<b>Observation Date (t)</b>
1	12 October 2018
2	11 October 2019
3	13 October 2020
4	13 October 2021
5	13 October 2022
6	13 October 2023
7	11 October 2024
8	13 October 2025
9	13 October 2026
10	08 October 2027

**"Index(0)"** means the level of the Index as determined by the Calculation Agent on the Strike Date;

**"Index(t)"** means, in respect of any year identified as "(t)" and numbered 1 to 10, starting in 2018 and ending in 2027, the closing level of the Index on the Exchange as determined by the Calculation Agent on the Observation Date(t) (or if such date is not an Exchange Business Day for the Index, the next following relevant Exchange Business Day);

**"Index"** means the Solactive Quality of Life Select 40 Index (Bloomberg code: SOLQLIFE Index), the description of which is set out in the Annex to the Summary and Securities Note, as calculated and published by the Index Sponsor;

**"MAX"** means, if followed by a series of numbers within brackets and separated by semi-colons, the greater of those numbers;

**"MIN"** means, if followed by a series of numbers within brackets and separated by semi-colons, the lesser of those numbers;

### 7.3 Interest Provisions

The amount of interest payable on each Interest Payment Date(t) to the Noteholders shall, for each Note, be calculated by multiplying the product of the Interest Rate determined in respect of the Observation Date(t) immediately preceding such Interest Payment Date(t) by the Denomination of such Note (all as determined by the Calculation Agent) (being the "**Interest Amount**" with respect to the Interest Payment Date(t)).

#### 7.4 Determination and Publication of Interest Amounts and Redemption Amounts

As soon as practicable after such date as the Calculation Agent may be required to calculate any Interest Amount or Redemption Amount, obtain any quote or make any determination or calculation, the Calculation Agent will determine the Interest Amount in respect of each Denomination of Notes for the relevant Interest Payment Date(t), calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause, if required to be calculated, the Interest Amounts for each Interest Payment Date(t) and, if required to be calculated, the Redemption Amount to be notified to the Principal Paying Agent, the Trustee, the Issuer, each of the Paying Agents, the Noteholders. The determination of each Interest Amount and Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent or, as the case may be, the Trustee pursuant to Condition 7.8 (*Determination or Calculation by Trustee*), shall (in the absence of manifest error) be final and binding upon all parties.

#### 7.5 Business Day Convention

If any date referred to in these Conditions is specified to be subject to adjustment in accordance with a Business Day Convention and would otherwise fall on a day which is not a Business Day, then such date shall be postponed to the next day which is a Business Day.

#### 7.6 Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded down);
- (b) all figures will be rounded to seven significant figures (with halves being rounded down); and
- (c) all currency amounts which fall due and payable will be rounded to the nearest 0.01 euro (with halves being rounded down).

#### 7.7 Determinations to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7 by the Calculation Agent shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents,

the Principal Paying Agent, and all Noteholders and Couponholders and no liability to the Issuer, the Noteholders, the Couponholders or any other person shall attach to the Calculation Agent (in the absence as aforesaid), the Issuer, the Principal Paying Agent or the Paying Agents in connection with the exercise or non-exercise by the Calculation Agent of its powers, duties and discretions pursuant to such provisions. None of the Issuer, the Paying Agents, the Principal Paying Agent nor the Calculation Agent shall have any responsibility to any person for any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Notes or (ii) any determination made by the Calculation Agent in relation to the Notes, in each case in the absence (in the case of the Calculation Agent) of bad faith or wilful default of the Calculation Agent.

#### 7.8 Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason determine the Interest Amount or Redemption Amount or any other amount to be determined or calculated by it, the Trustee shall determine such Interest Amount or Redemption Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Trust Deed) it shall deem fair and reasonable in all the circumstances or, subject as aforesaid, apply the foregoing provisions of this Condition, with any consequential amendments, to the extent that, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent. The Trustee shall have no liability arising out of its acts or omissions pursuant to (or otherwise related to) this Condition 7.8 save in relation to its own gross negligence, wilful default or fraud.

### 8. REDEMPTION, PURCHASE AND EXCHANGE

#### 8.1 Redemption at Maturity

Unless previously redeemed (or unless a Mandatory Redemption Event or a Monetisation Event has occurred and the Notes are being redeemed pursuant to Condition 8.2 (*Mandatory Redemption Events* ) or Condition 8.5 (*Monetisation* )), or purchased and cancelled as provided below, each Note shall be redeemed on Maturity Date by payment of the Final Redemption Amount on the Maturity Date of such Note in accordance with Condition 9 (*Payments*).

#### 8.2 Mandatory Redemption Events

If a Mandatory Redemption Event occurs, then the Issuer or the Calculation Agent acting on its behalf shall forthwith notify the Trustee and the Calculation Agent or the Issuer, as applicable, that a Mandatory Redemption Event has occurred and subject therefore to the relevant provisions of, where applicable, the Trust Deed, the Pledge Agreement, the Custody Agreement and the Note Agency Agreement:

- (a) the Calculation Agent, on behalf of the Issuer, shall terminate the Deposit Agreement, it being specified that the liquidation proceeds of the deposit shall

be equal to the amount effectively received by the Issuer from the Deposit Counterparty upon early termination of the Deposit Agreement;

- (b) the Calculation Agent, on behalf of the Issuer, shall terminate the Swap Agreement, and the relevant calculation agent thereunder shall calculate the Swap Market Value as soon as reasonably possible following the occurrence of the Mandatory Redemption Event;
- (c) upon receipt of the net proceeds of the liquidation of the Charged Assets (having deducted all costs, expenses and liabilities incurred in connection with such unwinding, termination, redemption and sale and taking into consideration the Swap Market Value), the Issuer (or the Calculation Agent on its behalf) shall give not more than thirty (30) nor less than fifteen (15) days' notice (unless otherwise agreed by the Trustee) to the Secured Creditors (which notice shall be irrevocable) of the date on which each Note shall be redeemed at an amount equal to Fair Market Value, subject to the provisions of the Trust Deed and the Priority of Payments.

### 8.3 Redemption of Notes

- 8.3.1 Upon expiry of the relevant notice under Condition 8.2 (*Mandatory Redemption Events*) or Condition 8.5 (*Monetisation Option*), as applicable, and subject to the conditions of such notice and Condition 8.2 (*Mandatory Redemption Events*) or, as applicable, Condition 8.5 (*Monetisation Option*), in case of redemption at the Fair Market Value, the Issuer shall redeem each Note so to be redeemed having applied the net sale proceeds or the net redemption proceeds referred to in Condition 8.2 (*Mandatory Redemption Events*) or Condition 8.5 (*Monetisation Option*), as applicable, in accordance with the provisions of the Supplemental Trust Deed. The provisions of clauses 14.3 and 20 (*Limited Recourse*) of the Principal Trust Deed shall apply in respect of any such redemption of Notes.
- 8.3.2 The date on which the net proceeds referred to in Condition 8.3.1 above shall be applied in redemption of the Notes in accordance with such Condition 8.3.1 shall be in accordance with the notice provisions in the Condition 8.2 (*Mandatory Redemption Events*) or Condition 8.5 (*Monetisation Option*), as applicable.
- 8.3.3 Once the proceeds of sale or redemption of the Charged Assets (having made all deductions from such proceeds as required by this Condition 8.3), have been applied in accordance with this Condition 8.3, failure to make any further payment due in respect of a mandatory redemption under this Condition 8.3 of part of the Principal Amount of the Notes or any termination payment under the Related Agreements shall not constitute an Event of Default under Condition 11 (*Events of Default*).
- 8.3.4 Each Related Agreement provides for the early termination of such agreement on such redemption of Notes. The Supplemental Trust Deed and Pledge Agreement will also set out the terms on which the Security over the relevant Underlying Assets or part thereof may be released to provide funds for such redemption.

## 8.4 Index Adjustment Events

If, on or prior to the last Observation Date(t), the Calculation Agent determines that an Index Adjustment Event has occurred, then the Calculation Agent shall notify the Issuer of such occurrence (the date of receipt by the Issuer of such notice being the "**Notification Date**") and shall be entitled, for the purpose of performing its obligations in respect of the Notes, either to:

- 8.4.1 calculate the level of the Index in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Index immediately prior to the Index Adjustment Event; or
- 8.4.2 replace the Index by the index as so modified or by the new index (as the case may be), provided that in such case, (A) the Calculation Agent will make such adjustments to the new index as may be required in order to preserve the economic equivalent of the obligation of the Issuer to make payment of any amount due and payable under the Notes linked to the Index as if such new or modified index had not replaced the Index and, if need be, will multiply the modified or new index by a linking coefficient to do so as determined by the Calculation Agent and (B) the Noteholders will be notified of the modified Index or the new index (as the case may be) and, if need be, of the linking coefficient; or
- 8.4.3 in relation to an Index Modification, and Index Cancellation, or an Index Disruption only, promptly notify the Paying Agent and the Noteholders that the Issuer shall redeem the Notes, at the option of each Noteholder in respect of its Notes, in accordance with the provisions of Condition 8.5 (*Monetisation*) below.

## 8.5 Monetisation Events

- 8.5.1 If a Monetisation Event occurs, then the Issuer or the Calculation Agent acting on its behalf shall forthwith (i) notify the Trustee and the Calculation Agent or the Issuer, as applicable, that a Monetisation Event has occurred, and (ii) by written notice, request each Noteholder to choose between a redemption per Note equal to the Fair Market Value or the Monetisation Amount.
- 8.5.2 Such early redemption notice to each Noteholder shall include the following:
  - (a) the cut-off date and time for each Noteholder to elect for an early redemption at the Fair Market Value per Note on the date fixed for early redemption of the Notes;
  - (b) the Fair Market Value per Note;
  - (c) the Monetisation Amount;
  - (d) the instructions to allow such Noteholder to make such allocation; and



- (e) a confirmation that, in the absence of making an election to receive the Fair Market Value per Note, such Noteholder shall receive the Monetisation Amount on the Maturity Date.
- 8.5.3 The Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount unless the Noteholder has elected, in accordance with Condition 8.5.1 above, to receive the Fair Market Value per Note on the date fixed for early redemption of the Notes.
- 8.5.4 In respect of each Note in respect of which the relevant Noteholder has elected to receive the Fair Market Value per Note in accordance with Condition 8.5.1 above:
  - (a) the Calculation Agent, on behalf of the Issuer, shall terminate the Deposit Agreement, it being specified that the liquidation proceeds of the deposit shall be equal to the amount effectively received by the Issuer from the Deposit Counterparty upon early termination of the Deposit Agreement;
  - (b) the Calculation Agent, on behalf of the Issuer, shall terminate the Swap Agreement, and the relevant calculation agent thereunder shall calculate the Swap Market Value as soon as reasonably possible following the occurrence of the Monetisation Event;
  - (c) upon receipt of the net proceeds of the liquidation of the Charged Assets (having deducted all costs, expenses and liabilities incurred in connection with such unwinding, termination, redemption and sale and taking into consideration the Swap Market Value), the Issuer (or the Calculation Agent on its behalf) shall give not more than thirty (30) nor less than fifteen (15) days' notice (unless otherwise agreed by the Trustee) to the Secured Creditors (which notice shall be irrevocable) of the date on which each such Note shall be redeemed at an amount equal to Fair Market Value, subject to the provisions of the Trust Deed and the Priority of Payments.
- 8.5.5 To make a valid election to receive the Fair Market Value per Note on the date fixed for Early Redemption of the Notes, a Noteholder must no later than the cut-off date and time set out in the Issuer's notice of early redemption, give notice to the Issuer or the Calculation Agent on its behalf of such election. The Noteholder must also deposit the relevant Note or provide evidence satisfactory to the Issuer or the Calculation Agent on its behalf of its ownership of such Note.

## 8.6 Cancellation

All Bearer Notes purchased by or on behalf of the Issuer shall be surrendered to or to the order of the Principal Paying Agent for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 9. PAYMENTS

### 9.1 Bearer Notes

Payments of principal (or, as the case may be, Redemption Amounts) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 9.4.3); as the case may be, at the specified office of any Paying Agent outside the United States, by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the Holders by transfer to an account denominated in that currency with a bank in the principal financial centre of any Member State of the European Union. However, no payment of principal or interest in respect of Bearer Notes shall be made by cheque which is mailed to an address in the United States nor by transfer made in lieu of payment by cheque to an account maintained by the payee with a bank in the United States.

### 9.2 Payments subject to fiscal laws; payments on Global Notes

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 10 (*Taxation*). No commission or expenses shall be charged to the Holders in respect of such payments.

Payments of principal (or Redemption Amounts) and interest (or Interest Amounts) in respect of Bearer Notes when represented by a Permanent Global Note will be made against presentation and surrender or, as the case may be, presentation of the Permanent Global Note at the specified office of the Principal Paying Agent outside the United States, subject in all cases to any fiscal or other laws, regulations and directives applicable in the place of payment to the Principal Paying Agent or the bearer of the Permanent Global Note. A record of each payment so made will be endorsed on the schedule to the Permanent Global Note by or on behalf of the Principal Paying Agent which endorsement shall be prima facie evidence that such payment has been made.

The Holder of a Permanent Global Note shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Permanent Global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of such Permanent Global Note in respect of each amount paid.

### 9.3 Appointment of the Principal Paying Agent, the Paying Agents, the Issue Agent and the Calculation Agent

Subject to the terms of the Principal Trust Deed, the Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent, and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Calculation Agent and (iii) a Paying Agent having a specified office in a European city. The Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

#### 9.4 Unmatured Coupons

- 9.4.1 Upon the due date for redemption of any Note which is a Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- 9.4.2 Where any Note is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- 9.4.3 If the due date for redemption of any Note is not a due date for payment of interest or an Interest Amount, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

#### 9.5 Non Business Days

If any date for payment in respect of any Note, or Coupon, is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day on which the TARGET2 system is operating.

#### 9.6 Note Tax Event

- 9.6.1 If:
  - (a) in relation to the Notes, the Issuer (or the Calculation Agent on its behalf) determines that:
    - (i) the Issuer would, on the occasion of the next payment date in respect of the Notes, be required to withhold or account for tax above and beyond those taxes of which the Issuer was aware at the time of issue of the Notes; or
    - (ii) the Issuer would suffer tax above and beyond those taxes of which the Issuer was aware at the time of issue of the Notes in respect of:
      - (A) payments made to it under a Related Agreement; or

- (B) the compliance with its obligations under a Related Agreement,
- (b) in relation to the Deposit, the Deposit Counterparty or the Issuer (or the Calculation Agent on its behalf) determines that it would be required to withhold or account for tax above and beyond those taxes of which the Deposit Counterparty or the Issuer was aware at the time of issue of the Notes, so that it would be unable to make payment of the full amount due on the Notes or Coupons (if any),

(the circumstances contemplated under (a) and (b) above, each a "**Note Tax Event**"), then the Notes shall be maintained by the Issuer until the Maturity Date and neither Condition 8.2 (*Mandatory Redemption Events*) nor Condition 8.5 (*Monetisation Option*) shall be applicable.

9.6.2 Notwithstanding the foregoing,

- (i) if any of the taxes referred to above arise:
  - (A) owing to the connection of any Noteholder, or any third party having a beneficial interest in the Notes, with the place of incorporation or tax jurisdiction of the Issuer otherwise than by reason only of the holding of any Note or receiving the Redemption Amount in respect thereof;
  - (B) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax;
  - (C) in respect of any Note where such withholding or deduction is due because of the application of (i) the Luxembourg law of 23 December 2005 or (ii) future applicable laws and regulations of the same effect;
  - (D) in respect of any Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union, or
- (ii) if any of the taxes referred to above arise in relation to a Noteholder as a result of any enactment, promulgation, execution or ratification or any change in or amendment to, any law (or in the application or official interpretation of any law),

then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder or any third party having a beneficial interest in the Notes, and shall not redeem the Notes but this shall not affect the rights of the other Noteholders hereunder. Any such deduction shall not constitute an Event of Default under Condition 11 (*Events of Default*).

## 10. TAXATION

All payments in respect of the Notes or Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Paying Agent or, where applicable, the Trustee is required by applicable law or an agreement with a governmental authority to make any payment in respect of the Notes or Coupons subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer, such Paying Agent or the Trustee (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer, nor any Paying Agent, nor the Trustee will be obliged to make any additional payments to the Holders, in respect of such withholding or deduction.

## 11. EVENTS OF DEFAULT

### 11.1 Occurrence of Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fourth in aggregate principal amount of Notes then outstanding or if so directed by an Extraordinary Resolution of such holders shall, (in each case, provided the Trustee is secured and/or indemnified and/or pre-funded, to its satisfaction) give notice (an "**Enforcement Notice**") to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable, at their Redemption Amount together with accrued interest or as otherwise specified in these Conditions and the Security constituted by the Trust Deed, the Pledge Agreement and any Supplementary Security Document shall thereupon become enforceable (as provided in the Trust Deed) upon the occurrence of any of the following events (each an "**Event of Default**"):

- 11.1.1 if default is made for a period of 30 days or more in the payment by the Issuer of any sum due in respect of such Notes or any of them; or
- 11.1.2 if the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and, where the Trustee considers, in its absolute discretion that such default can be remedied, such failure continues for a period of 45 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- 11.1.3 if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer or an order is made for the Issuer's bankruptcy save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or
- 11.1.4 if any other proceedings are initiated against the Issuer under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws and such proceedings are not being disputed in good faith, or a receiver, administrator, examiner or other similar official such as, among

others, a bankruptcy judge (*juge-commissaire*) and one or more liquidators (pursuant to the Securitisation Law 2004) (not being a receiver or manager appointed by the Trustee pursuant to the Principal Trust Deed) is appointed in relation to Purple Protected Asset or the Issuer or in relation to the whole or any substantial part (in the sole opinion of the Trustee) of the undertaking or assets of the Issuer or an encumbrancer (not being the Trustee or any Receiver or manager appointed by the Trustee) shall take possession of the whole or any substantial part (in the sole opinion of the Trustee) of the undertaking or assets of the Issuer or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the sole opinion of the Trustee) of the undertaking or assets of the Issuer (other than, in any such case, by the Trustee or pursuant to any of the Transaction Documents or the Trade Documents) and in any of the foregoing cases such order, appointment, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within fourteen (14) days; or if the Issuer shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally; or

11.1.5 if the Issuer becomes insolvent or is adjudicated or found bankrupt.

## 11.2 Confirmation of No Event of Default

The Issuer shall provide written confirmation to the Trustee promptly on request and in any case, on an annual basis on the anniversary of the date on which the Principal Trust Deed was executed, that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

## 11.3 Realisation of the Underlying Assets upon redemption

In the event of the Security constituted under the Trust Deed and the Pledge Agreement becoming enforceable following an acceleration of the Notes as provided in this Condition 11 (*Events of Default*), the Trustee shall, but in each case without any liability as to the consequence of such action and without having regard to the effect of, or being required to account for, such action to, the Secured Creditors, have the right to enforce its rights under the Security Documents, in relation to the relevant Underlying Assets, provided that the Trustee shall not be required to take any action unless previously indemnified and/or secured and/or prefunded to its satisfaction.

## 12. LIMITED RECOURSE AND ENFORCEMENT AND NON-PETITION

### 12.1 Residual Shortfall

12.1.1 If the net proceeds (the "**Net Proceeds**") realised from the Underlying Assets (including, without limitation, a realisation of the Security or a sale or redemption of the Charged Assets in accordance with these Conditions and termination of the Related Agreements in accordance with the terms thereof) are not sufficient (after meeting the Trustee's, the Agents', the Custodian's and any receiver's expenses, liabilities and remuneration, and any other amounts that rank in priority to the Notes as specified in the Supplemental Trust Deed

and/or identified in these Conditions) to make all payments due in respect of these Notes, then:

- (a) the obligations of the Issuer in respect of the Notes will be limited to such Net Proceeds and neither the Trustee nor any Secured Creditor nor anyone acting on behalf of any Secured Creditor shall have any claim in respect of any asset of the Issuer not forming part of the Charged Assets; and
- (b) the Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any claim of any Noteholders in respect of its right to receive any further sums in respect of any Residual Shortfall shall be extinguished in full, and neither the Trustee nor any Secured Creditor nor anyone acting on behalf of any Secured Creditor shall be entitled to take any further steps against the Issuer or the Trustee to recover any such Residual Shortfall.

12.1.2 Any failure by the Issuer to make any payment in respect of any Residual Shortfall shall in no circumstances constitute an Event of Default under Condition 11 (*Events of Default*).

12.1.3 In this Condition 12.1, "**Residual Shortfall**" means the difference, if any, between the Net Proceeds and the aggregate amount which would have been due under the Notes but for the operation of this Condition 12.1.

12.2 Only the Trustee may pursue the remedies available under the Trust Deed, Supplemental Trust Deed, the Conditions, the Transaction Documents and the Trade Documents and enforce the rights of the Secured Creditors in relation to the Charged Assets. No other Secured Creditor is entitled to proceed directly against the Issuer or any assets of the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Principal Trust Deed, the Supplemental Trust Deed, the Pledge Agreement and any Supplementary Security Document executed in relation to the Notes or the Conditions, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to take any action to enforce the Security or pursue the remedies available under the Trust Deed, the Supplemental Trust Deed, the Conditions (including under Condition 11.1 (*Occurrence of Events of Default*)), any of the Transaction Documents or any of the Trade Documents or otherwise take any action unless it is indemnified and/or secured and/or prefunded to its satisfaction and has, if so required by the Conditions, been requested to do so by the Priority Secured Creditor.

12.3 After realisation of the Security which has become enforceable and distribution of the net proceeds thereof in accordance with Condition 5 (*Security and the Charged Assets*), neither the Trustee nor any Secured Creditor may take any further steps against the Issuer, or any of its assets to recover any sums due but unpaid in respect of the Notes or otherwise and the Swap Agreement and the Deposit Agreement provide that the relevant Counterparty may not take any further steps against the Issuer, or any of its assets to recover any sums due to it but unpaid in respect of such Related Agreement and all claims and all rights to claim against the Issuer in respect of each such sum unpaid shall be extinguished.

12.4 No Secured Creditor, including the Trustee on its own behalf, may institute against, or join any person in instituting against the Issuer any winding up, arrangement, re-organisation, liquidation, bankruptcy, insolvency or other proceeding under any similar law for so long as any Notes issued by the Issuer are outstanding or for two years plus one day after the latest date on which any Note issued by the Issuer is due to mature. The Secured Creditors accept and agree that the only remedy of the Trustee against the Issuer after the Notes have become due and payable pursuant to Condition 8.2 (*Mandatory Redemption Events and Monetisation Events*) or 11 (*Events of Default*) is to enforce the Security pursuant to the provisions of the Trust Deed, the Supplemental Trust Deed, the Pledge Agreement and any Supplementary Security Document executed in relation to the Notes.

12.5 The Issuer may exercise any rights in its capacity as holder of the Charged Assets (including, without limitation, a right to vote or any analogous right howsoever described) only as directed in writing by the respective Holders of at least one fifth in aggregate Principal Amount of the Notes then outstanding or as directed by an Extraordinary Resolution (as defined in the Principal Trust Deed) of the Noteholders and, if such direction is given, the Issuer will act in accordance with such directions, unless such instructions are in the reasonable opinion of the Issuer contrary to applicable laws, regulations and/or materially detrimental to the interests of the Issuer. In particular, the Issuer will not attend or vote at any meeting of holders of the Charged Assets, or give any consent or notification or make any declaration in relation to the Charged Assets, save as directed in writing by the respective Holders of at least one fifth in aggregate principal amount of Notes then outstanding or as directed by an Extraordinary Resolution of each of the Noteholders.

#### 12.6 Non-Petition

The Noteholders, the Swap Counterparty and the Deposit Counterparty undertake not to seize any assets or proceeds of the Issuer, of other compartments of Purple Protected Asset, or assets that belong to the general estate of Purple Protected Asset and no such party will be able to petition or take any other steps for the winding-up of the Issuer (including, without limitation, the opening of any bankruptcy proceedings (*faillite*), insolvency proceedings, proceedings for voluntary or judicial liquidation (*insolvabilité, liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert vérificateur, juge délégué or juge commissaire*), or any other similar insolvency related proceedings.

### 13. PRESCRIPTION

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



#### 14. **REPLACEMENT OF NOTES AND COUPONS**

If any Bearer Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, at the specified office of the Principal Paying Agent in the case of Bearer Notes and Coupons upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

#### 15. **MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND SUBSTITUTION**

##### 15.1 Meetings of Noteholders, Modifications and Waiver

The Principal Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification by Extraordinary Resolution of the Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than half of the Principal Amount of the Notes for the time being outstanding, or at any adjourned such meeting, two or more persons being or representing Noteholders, whatever the Principal Amount of the Notes so held or represented, except that, *inter alia*, certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes and the Coupons may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing 75 per cent. of the Principal Amount of the Notes or at any adjourned such meeting, not less than 25 per cent. in Principal Amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Holders of the Notes, whether or not they were present at such meeting, and on Couponholders. The Trustee may, without consulting the Noteholders, determine that an event which would otherwise be an Event of Default shall not be so treated or waive or authorise a breach or potential breach by the Issuer of any of its covenants or obligations under the Transaction Documents but only if and in so far as in its opinion the interests of Noteholders shall not be materially prejudiced thereby.

The Principal Trust Deed also allows for a resolution in writing, signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders, to take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders.

##### 15.2 The Trustee may agree without the consent of the Secured Creditors, to:

- (a) any modification of any of the provisions of the Trust Deed, the Transaction Documents or the Trade Documents which is of a formal, minor or technical nature or is made to correct a manifest error; and

- (b) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed, the Transaction Documents or the Trade Documents which, in the sole opinion of the Trustee, is not materially prejudicial to the interests of the Holders and each other Secured Creditor has given its prior written consent thereto.

Any such modification, authorisation or waiver shall be binding on the Secured Creditors and, unless the Trustee agrees otherwise with the Issuer, such modification shall be notified to the Secured Creditors as soon as practicable thereafter.

### 15.3 Substitution

15.3.1 The Principal Trust Deed contains provisions permitting the Trustee to agree without the consent of the Secured Creditors to the substitution in place of the Issuer as principal debtor under the Trust Deed and the Notes by another entity (incorporated in any jurisdiction).

15.3.2 In the event that the Issuer becomes subject to any form of tax above and beyond those taxes of which the Issuer was aware at the time of issue of the Notes (including withholding tax) on its income or payments in respect of the Notes or Coupons, the Issuer must use its best endeavours to procure:

- (a) the substitution of another company incorporated in some other jurisdiction in which the relevant tax does not apply; or
- (b) the establishment of a branch office in another jurisdiction in which the relevant tax does not apply, from which it may continue to carry out its functions under the Transaction Documents and the Trade Documents,

in each case subject to the satisfaction of certain conditions as more fully specified in the Principal Trust Deed.

15.3.3 In connection with any proposed substitution or change of jurisdiction of the Issuer, the Trustee may without the consent of any Secured Creditor agree to a change of the law governing the Principal Trust Deed, the Supplemental Trust Deed, any Supplementary Security Document any other relevant security document, the Notes and the Coupons provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the relevant Secured Creditors or any Counterparty under a Related Agreement.

15.3.4 References to the Issuer in this Condition 15.3 shall include any company substituted for the Issuer pursuant to this Condition 15.3 and the provisions of the Principal Trust Deed.

### 15.4 Entitlement of the Trustee

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for any individual Secured Creditor resulting from

their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Secured Creditor be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Secured Creditors.

## 16. NOTICES

- (a) Notices to Noteholders will be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language daily newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 16.
- (b) A copy of all notices provided pursuant to this Condition 16 shall also be given to Euroclear and Clearstream, Luxembourg.
- (c) So long as any Notes are represented by the Global Note notices in respect of those Notes may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by them to entitled accountholders in substitution for publication in a daily newspaper with general circulation in London or Europe as applicable.

## 17. INDEMNIFICATION OF THE TRUSTEE

### 17.1 Trustee's indemnity: Trustee free to enter into transactions

The Trust Deed contains provisions for indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any actions (including the giving of an Enforcement Notice pursuant to Condition 11.1 (*Occurrence of Events of Default*) and the taking of proceedings to enforce repayment) unless indemnified to its satisfaction. The Trustee or any of its affiliates is entitled to enter into business transactions with the Issuer, any issuer or guarantor of (or other obligor in respect of) any of the securities or other assets, rights and/or benefits comprising the Underlying Assets or the Secured Creditors or any of their respective subsidiaries or associated companies without accounting to the Secured Creditors for any profit resulting therefrom.

### 17.2 Exclusion of liability of Trustee

The Trustee shall not be responsible for (nor shall it have any liability with respect to any loss, diminution in value or theft of all or any part of the Charged Assets) insuring all or any part of the Charged Assets (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder) or procuring the same to be insured or monitoring the adequacy of any insurance arrangements and from any claim arising in each case if all or any part of the Charged Assets (or any such document aforesaid) are held in an

account with Euroclear or Clearstream, Luxembourg in accordance with that system's rules or otherwise held in safe custody by the Custodian or a bank or other custodian selected by the Trustee. The Trustee does not have any responsibility for monitoring the actions of the Custodian and, in particular, the Trustee will incur no liability, vicarious or otherwise, for any actions or inactivity of the Custodian.

## 18. **EXTRAORDINARY EXPENSES**

Notwithstanding any other provisions of these Conditions, if, on the date that the Issuer is due to pay to Noteholders any amount in respect of interest, principal or other amounts pursuant to these Conditions, the Issuer has due and payable amounts in respect of Extraordinary Expenses, the Calculation Agent acting on behalf of the Issuer shall reduce such amounts otherwise payable to Noteholders by an amount in aggregate equal to such Extraordinary Expenses so as to permit the Issuer to satisfy such Extraordinary Expenses and such reduction in amounts otherwise due to Noteholders shall not constitute an Event of Default nor will the Noteholders at any time have any right to receive any or all of the amount so deducted. Notice of a reduction pursuant to this Condition 18 shall be given to Noteholders in accordance with the provisions of Condition 16 (*Notices*) no later than the second Business Day prior to the relevant due date for payment on which such reduction will be effected together with details of the amount of principal, interest or any other amount which will be paid by the Issuer in respect of the relevant Notes following such reduction.

**"Extraordinary Expenses"** means any fees, expenses, out of pocket expenses or costs including, without limitation, the fees, costs and expenses of professional advisors retained by the Issuer (plus any applicable VAT thereon) which are incurred by the Issuer in accordance with, pursuant to or so as to permit the Issuer to comply with a Transaction Document or a Trade Document to the extent that the Issuer is not otherwise reimbursed for such fees, expenses or costs (including, without limitation, under the Proposals Agreement).

## 19. **GOVERNING LAW**

### 19.1 Governing Law

The Principal Trust Deed, the Supplemental Trust Deed, the Notes and the Coupons, the Note Agency Agreement and all matters (including any non contractual obligations) arising from or connected therewith are governed by, and shall be construed in accordance with, English law. The Deposit Agreement and the Pledge Agreement are governed by, and shall be construed in accordance with, Belgian law. Articles 86-97 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are expressly excluded.

### 19.2 English courts

The Issuer has, in the Principal Trust Deed, irrevocably agreed that the courts of England have exclusive jurisdiction to settle any dispute (including a dispute regarding the existence, validity or termination of these presents) (a **"Dispute"**), arising from or connected with the Notes.

### 19.3 Appropriate forum

The Issuer has, in the Principal Trust Deed, irrevocably agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

#### 19.4 Process agent

The Issuer has, in the Principal Trust Deed, agreed that the process by which any proceedings relating to a dispute are begun in England may be served on it by being delivered to the agent specified for service of process in the Trust Deed or its other registered office for the time being. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. In respect of the Notes the Issuer may appoint one or more additional process agents. Nothing contained herein shall affect the right of any Secured Creditor to serve process in any other manner permitted by law.

#### 19.5 Third Party Rights

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

## DESCRIPTION OF THE TRANSACTION

### The Swap Agreement

The Issuer shall enter into a swap agreement with Natixis as Swap Counterparty (the "**Swap Agreement**") which is governed by English law and shall be composed of a confirmation dated 13 October 2017 forming part of, and being subject to, an ISDA Master Agreement including a schedule, dated 13 October 2017.

Pursuant to the terms of the Swap Agreement, (a) the Issuer shall pay to the Swap Counterparty, on the Business Day following the Issue Date, an amount equal to the difference between (x) the issuance proceeds of the Notes and (y) the Deposit Amount, and (b) the Swap Counterparty shall pay to the Issuer annually a coupon amount, the amount of which is calculated using the performance of the Index, and which shall serve to pay the Interest Amount under the Notes.

The termination date of the Swap Agreement is the Maturity Date of the Notes.

### The Deposit Agreement

The Issuer shall enter into a Belgian law governed interest-bearing deposit agreement entitled "Deposit Agreement", entered into between the Issuer as depositor and the Deposit Counterparty as account holding bank on or around the Issue Date (the "**Deposit Agreement**").

Pursuant to the terms of the Deposit Agreement, (a) the Issuer will deposit with the Deposit Counterparty, on the Business Day following the Issue Date, a portion of the net issuance proceeds of the Notes (the "**Deposit Amount**") determined on the Trade Date in consultation with the Deposit Counterparty such that, based on the market conditions and interest rates prevailing on the Trade Date, it would enable the Deposit Counterparty to repay the Deposit at an amount equal to 100 per cent. of the aggregate nominal amount of the Notes as determined on the Trade Date (the "**Deposit Redemption Amount**") on the date falling two business days before the Maturity Date (the "**Deposit Scheduled Termination Date**"), and (b) on the Deposit Scheduled Termination Date, the Deposit Counterparty shall pay to the Issuer the Deposit Redemption Amount.

**The Swap Agreement and the Deposit Agreement are the assets on which the Notes are secured and have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.**

### Natixis

Natixis is the swap counterparty (the "**Swap Counterparty**") under the Swap Agreement.

Natixis is a French limited liability company (*société anonyme à Conseil d'Administration*) registered with the *Registre du Commerce et des Sociétés de Paris* under No. 542 044 524, whose registered office is at 30 avenue Pierre Mendès- France, 75013 Paris, France. Natixis

is supervised by the European Central Bank and is authorised in France as a credit institution by the *Autorité de contrôle prudentiel et de résolution*. It is currently governed by the French commercial company regulations, the provisions of the French Monetary and Financial Code and its bylaws. Its corporate existence was fixed by its bylaws for 99 years on 9 November 1994, expiring on 9 November 2093. Natixis shares (ISIN Code: FR0000120685) are listed on the Paris stock exchange Eurolist Paris (compartment A).

Formed from the combination, at the end of 2006, of the corporate and investment banking and services activities of the Banque Populaire Group and the Caisse d'Epargne Group, Natixis is a key player in the European banking industry. It has a diversified portfolio of activities with solid business expertise, large customer bases and a strong international presence.

#### **vdk bank nv**

vdk bank nv will act as deposit counterparty (the "**Deposit Counterparty**"), authorised offeror (the "**Authorised Offeror**") and distributor (the "**Distributor**") in respect of the Notes.

Please refer to Section "Description of vdk bank nv" for a detailed description of vdk bank nv.

#### **BNP Paribas Securities Services, Luxembourg Branch**

BNP Paribas Securities Services is a *société en commandite par actions* (S.C.A.) incorporated under the laws of France, registered with the *Registre du Commerce et des Sociétés de Paris* under number 552 108 011, whose registered office is at 3, Rue d'Antin – 75002 Paris, France. Acting through its Luxembourg Branch whose offices are at 60, avenue J.F. Kennedy, L-1855 Luxembourg (having as postal address L-2085 Luxembourg) and registered with the Luxembourg trade and companies register under number B. 86 862, it provides certain services to the Issuer.

#### **Custody and banking**

##### *Securities*

BNP Paribas Securities Services, Luxembourg Branch acts as Custodian in relation to the Charged Assets and the Retained Monies standing to the credit of the Compartment's accounts opened on the books of the Custodian, in accordance with the provisions of the Custody Agreement. Pursuant to the terms of the Supplemental Trust Deed, any payment or other distribution received by the Custodian or by any person for the Custodian's account in respect of the Charged Assets shall be credited to the securities and related cash account opened in the books of the Custodian and allocated to the Compartment.

##### *Cash*

The Issuer also has a bank account with BNP Paribas Securities Services, Luxembourg Branch as Bank, with IBAN number LU74 3280 3568 31P1 7978.

### *Deposit Amount*

Notwithstanding the foregoing, the Deposit Amount shall be credited to the account of the Compartment opened with the Deposit Counterparty, in accordance with the provisions of the Deposit Agreement.

### *Pledge Agreement*

A Belgian law governed pledge over the receivables due to the Issuer pursuant to the Deposit Agreement will be granted by the Issuer in favour of the Trustee pursuant to a Belgian law pledge agreement made between the Issuer and the Trustee (the "**Pledge Agreement**").

### **Calculation Agent**

Pursuant to the Note Agency Agreement, Natixis has been appointed by the Issuer as Calculation Agent in relation to the Notes. The Note Agency Agreement provides that the Calculation Agent shall, among other things, (i) obtain such quotes and rates, and make such determinations, calculations, adjustments, notifications and publications as it may be required to do by the Conditions and (ii) maintain records of the same.

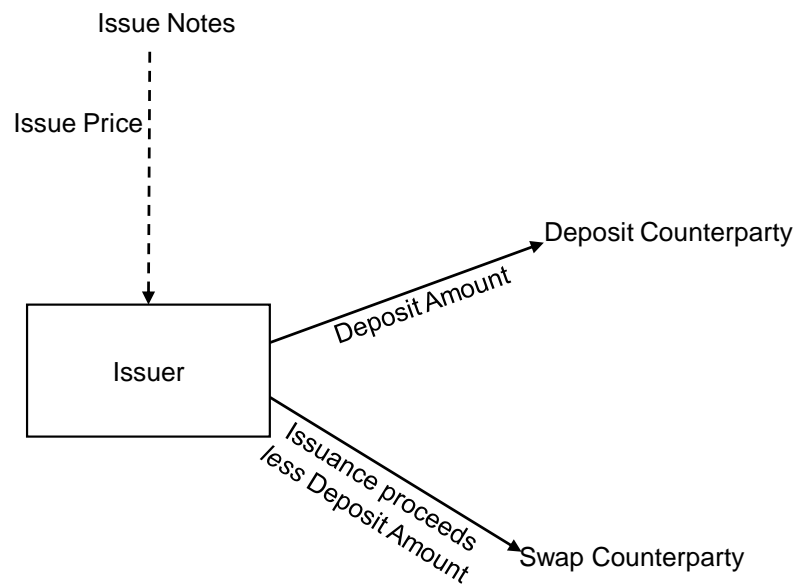
The Note Agency Agreement provides, among other things, that:

- (a) the Calculation Agent may resign at any time upon the expiration of not less than 60 days' written notice to the Issuer and the Trustee, provided that such resignation shall not be effective until a successor calculation agent has been appointed by the Issuer;
- (b) the Issuer may revoke its appointment of the Calculation Agent by not less than 60 days' notice to the Calculation Agent, provided that such revocation shall not be effective until a successor calculation agent has been appointed by the Issuer and notice of such appointment has been given in accordance with the Conditions; and
- (c) the appointment of the Calculation Agent will be terminated forthwith if certain events including, but not limited to, incapacity, insolvency, winding up or dissolution of the Calculation Agent occur or arise.

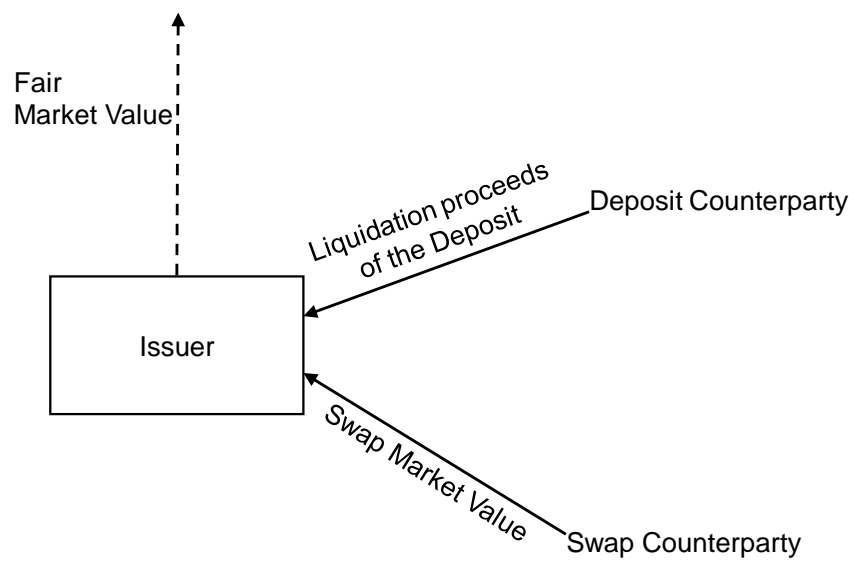


## Structure Diagrammes

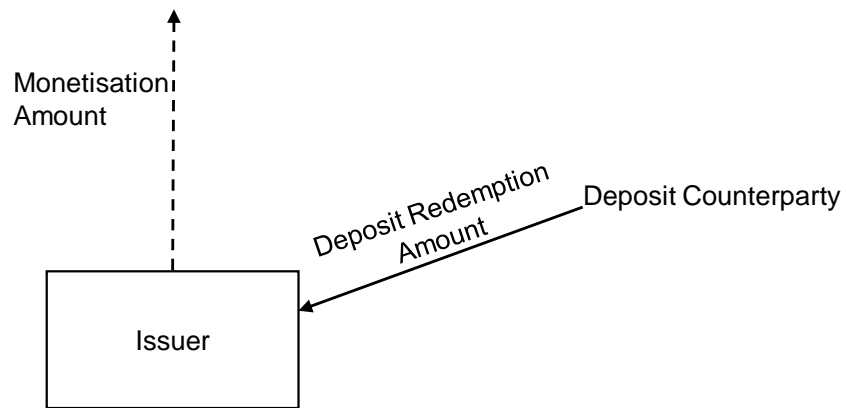
*On or around Issue Date*



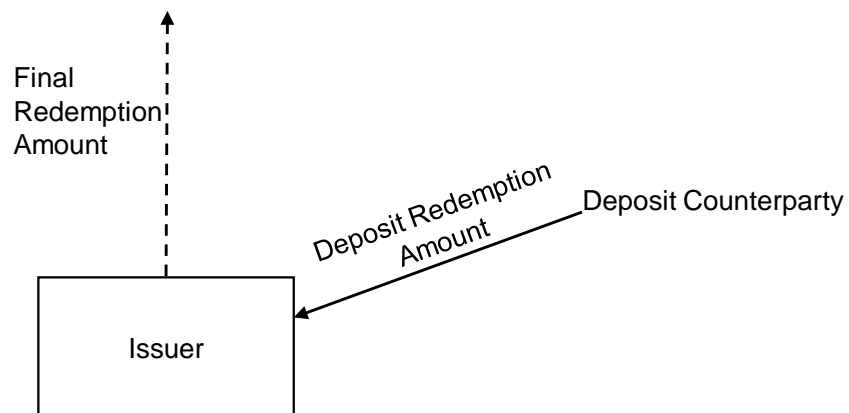
*Occurrence of a Mandatory Redemption Event (if applicable), or occurrence of a Monetisation Event (if applicable) and the Noteholder has elected to receive the Fair Market Value per Note*



*Maturity Date - Occurrence of a Monetisation Event (if applicable) and the Noteholder has not elected to receive the Fair Market Value per Note*



*Maturity Date*



## Flows of funds

### *Date*

### *Action*

#### **On or around the Issue Date**

On the Issue Date, the Issuer issues the Notes and Issue Price is received from investors.

On or around the Issue Date, the Issuer enters into (i) the Swap Agreement with the Swap Counterparty, (ii) the Deposit Agreement with the Deposit Counterparty, and (iii) the Pledge Agreement with the Trustee.

On the Business Day following the Issue Date (i) the Issuer will deposit with the Deposit Counterparty the Deposit Amount, and (ii) the Issuer shall pay to the Swap Counterparty an amount equal to the difference between (x) the issuance proceeds of the Notes and (y) the Deposit Amount.

#### **Annually**

Pursuant to the terms of the Swap Agreement, the Swap Counterparty shall pay to the Issuer a coupon amount, the amount of which is calculated using the performance of the Index, and which shall serve to pay the Interest Amount under the Notes.

#### **Occurrence of a Mandatory Redemption Event (if applicable)**

The Calculation Agent, on behalf of the Issuer, terminates the Deposit Agreement, it being specified that the liquidation proceeds of the deposit shall be equal to the amount effectively received by the Issuer from the Deposit Counterparty upon early termination of the Deposit Agreement.

The Calculation Agent, on behalf of the Issuer, terminates the Swap Agreement, and the relevant calculation agent thereunder calculates the Swap Market Value as soon as reasonably possible following the occurrence of the Mandatory Redemption Event.

The Calculation Agent calculates the Early Redemption Amount of the Notes to be paid to the Noteholders in accordance with Condition 8.2 (*Mandatory Redemption Events and Monetisation Events*).

The Issuer pays the Noteholders in accordance with the Priority of Payments and Condition 8 (*Redemption, Purchase and Exchange*).

Where:

**"Early Redemption Amount"** means: (a) the Fair Market Value per Note, in the case the redemption of the Notes is triggered by the occurrence of a Mandatory Redemption Event, and (b) at the option of the Noteholder, the Fair Market Value per Note or the Monetisation Amount per Note, in the case the redemption of the Notes is triggered the occurrence of a Monetisation Event.

**"Fair Market Value"** means an amount per Note determined by the

Calculation Agent, as of the day of the activating event, equal to the fair market value of such Note, based on the market conditions prevailing at the date of determination, it being specified that no expenses or costs of unwinding the Charged Assets and/or any Related Agreement will be deducted from such amount (other than, only in case of a Force Majeure Event, such costs that are unavoidable to early redeem the Notes at their fair market value);

**"Monetisation Amount"** means an amount per Note calculated by the Calculation Agent using the Monetisation Formula, provided that no accrued unpaid interest shall be taken into account in calculating the Monetisation Amount;

**"Monetisation Formula"** means the following formula as calculated by the Calculation Agent:

$$(D + S) * (1+r)^n$$

Where:

D: means the value of the Deposit Agreement on the day of the activating event which will take into account any amounts that have been reimbursed to the Issuer and any accrued unpaid interest due to the Issuer,

S: means the Swap Market Value on the day of the activating event (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets),

r: means the annual interest rate that vdk bank nv offers on the date of the activating event on a debt instrument with the same maturity as the remaining maturity of the Notes, from that date until the Maturity Date,

n: means the remaining maturity of the Notes expressed in years;

**"Swap Market Value"** means the net settlement amount, as determined by the calculation agent under the Swap Agreement, in accordance with the terms of the Swap Agreement, payable by the Issuer or by the Swap Counterparty (as applicable) further to the termination of the Swap Agreement, such net settlement amount being established by determining the losses, costs or gains of replacing the terminated transaction and any unpaid amounts to be paid between the parties, and setting off the sums due from one party to the other to determine a balance payable by one party to the other. Such Swap Market Value being expressed as a positive number if payable by the Issuer to the Swap Counterparty (subject always to the limited recourse provisions of the Trust Deed) and a negative number if payable by the Swap Counterparty to the Issuer.

**Occurrence of a Monetisation Event (if applicable)**      a      The Issuer or the Calculation Agent acting on its behalf shall forthwith, by written notice, request each Noteholder to choose between a redemption per Note equal to the Fair Market Value or the Monetisation Amount. The Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount unless the Noteholder has elected to receive the Fair Market Value per Note on the date fixed for early redemption of the Notes.

If the relevant Noteholder has elected to receive the Fair Market Value per Note:

(a) the Calculation Agent, on behalf of the Issuer, terminates the Deposit Agreement, it being specified that the liquidation proceeds of the deposit shall be equal to the amount effectively received by the Issuer from the Deposit Counterparty upon early termination of the Deposit Agreement;

(b) the Calculation Agent, on behalf of the Issuer, terminates the Swap Agreement, and the relevant calculation agent thereunder shall calculate the Swap Market Value as soon as reasonably possible following the occurrence of the Monetisation Event; and

(c) the Issuer pays the Noteholders in accordance with the Priority of Payments and Condition 8 (*Redemption, Purchase and Exchange*).

**Deposit Scheduled Termination Date**      Pursuant to the terms of the Deposit Agreement, on the Deposit Scheduled Termination Date, the Deposit Counterparty shall pay to the Issuer the Deposit Redemption Amount.

**Maturity Date (if applicable)**      The Calculation Agent calculates the Final Redemption Amount to be paid to the Noteholders in accordance with Condition 8.1 (*Redemption at Maturity*).

The Issuer will redeem each Note at an amount equal to the Final Redemption Amount (as defined in the Conditions).

## DESCRIPTION OF VDK BANK NV

*Information included in this Prospectus in relation to vdk bank nv has been provided to the Issuer by vdk bank nv. The Issuer has not attempted, and will not attempt, to verify the accuracy of such reproduced information and gives no assurance as to, and takes no responsibility for, its reliability. Investors should conduct their own inquiries and form their own judgments regarding the same. The Issuer confirms that such information has been accurately reproduced.*

### General

vdK bank nv was incorporated in the Kingdom of Belgium as a public limited liability company (*Naamloze Vennootschap*) with unlimited duration on 25 November 1926 under the name *Volksspaarwezen* and is registered with the Register of Legal Entities of Ghent (*Rechtspersonenregister (RPR) – Gent*) under enterprise number 0400.067.788.

vdK bank nv has its registered office located at Sint-Michielsplein, 16, 9000 Gent, Belgium. The telephone number of vdk bank nv is +32 (0)9 267 32 11.

vdK bank nv operates under the laws of the Kingdom of Belgium and is regulated by the National Bank of Belgium and the Financial Services and Markets Authority (FSMA) of Belgium. (Number FSMA 020230 A)

vdK bank nv was formerly known as "VDK Spaarbank" until 29 June 2017.

### Major Shareholders and Share Capital

The share capital of vdk bank nv is EUR 25,000,000 divided into 49,300 shares without nominal value, all of which are fully paid.

vdK bank nv's largest shareholders (> 10%) are as follows:

1. Volksvermogen NV – 22.49%
2. De Kade vzw – 17.77%
3. ACV-CSC METEA – 13.36%
4. Belfius Bank NV – 17.79%

vdK bank nv is managed by the Board of Directors. The members of the Board of Directors are appointed by the shareholders of vdk bank nv.

### Principal Activities

vdK bank nv, a savings bank founded in 1926, has a network of over 90 bank branches in the Dutch-speaking part of Belgium. The branches focus on providing clients with a broad area of credit (including mortgage loans), deposit, investment funds and other asset management products, insurance products and other specialised financial banking products and services. vdk bank nv's bricks and mortar network in Belgium is supplemented by electronic channels, such as ATMs, telephones and the internet (including a mobile banking app). vdk bank nv serves, based on its own estimates, approximately 140,000 clients.

## Administration, Management and Supervisory Bodies

The members of the Board of Directors and of the Executive Committee of vdk bank nv are as follows:

Board of directors		Management Committee
<b>President</b> Paul Matthijs (Business address: Cououre 1, 9000 Gent)	<b>Secretary</b> Eric Piette	<b>President</b> Leen Van den Neste (Business address: Borsbekestraat 100, 9551 Herzele)
<b>Managing Director</b>	<b>Honorary President</b>	<b>Secretary</b>
Leen Van den Neste (Business address: Leen, Borsbekestraat 100, 9551 Herzele)	Frans Verheeke	Eric Piette (till 19/06/2016) Michael Voordeckers (since 20/06/2016)
<b>Members</b>	<b>Honorary Directors</b>	<b>Members</b>
Louis Vervloet (Business address: Jovastraat 16, 9050 Gentbrugge) Johan De Roo (Business address: Harinkweg 14A, 9990 Maldegem) Ronald Roesbeke (till 31/07/2017) (Business address: Raverschootstraat 299, 9900 Eeklo) Marc Buysse (Business address: Sparappellaan 19, 9032 Wondelgem) Rein De Tremerie (Business address: Wolterslaan 80, 9000 Gent) Johan De Schamphelaere (Business address: Dorp 9, 9860 Oosterzele) Philippe Bockstael (Business address:	Alfons Coppieters (since 05/09/2016) Roland Messiaen Adrien Moentjens Paul Van Beveren Hugo De Somviele Jacques Jouret Guido De Wilde Jan Bevernaege Antoine Lammertyn Dirk Uyttenhove Bart Vandendriessche Emmanuel Van Daele	Ronald Roesbeke (till 31/07/2017) (Business address: Raverschootstraat 299, 9900 Eeklo) Philippe Bockstael (Business address: Hoogstraat 32, 9820 Merelbeke) Frank Vereecken (since 29/08/2016) (Business address: Watermuntweg 9, 9070 Lochristi) Bart Romanus (since 29/08/2016) (Business address: Wolvenhoek 7, 9506 Geraardsbergen)

<p>Hoogstraat 32, 9820 Merelbeke)</p> <p>Mario Pauwels</p> <p>(Business address: Jan Verspeyenstraat 18, 9000 Gent)</p> <p>Lieve Logghe</p> <p>(Business address: Bunder 4, 9080 Lochristi)</p> <p>Raphaël De Rycke</p> <p>(Business address: Zeedijk 421 bus701, 8670 Oostduinkerke)</p> <p>Marc De Wilde</p> <p>(Stenenmolenstraat 8, 2890 Sint-Amands)</p> <p>Jean-Paul Corin</p> <p>(Business address: Schuurkenstraat 2/401, 9000 Gent)</p> <p>Dirk Vanderschrick (till 31/03/2017)</p> <p>(Business address: Waalborrelaan 22, 1730 Asse)</p> <p>Veronique Smetrijns</p> <p>(Business address: Rode Beukendreef 22, 9831 Deurle)</p> <p>Frank Vereecken (since 29/08/2016)</p> <p>(Business address: Watermuntweg 9, 9070 Lochristi)</p> <p>Bart Romanus (since 29/08/2016)</p> <p>(Business address: Wolvenhoek 7, 9506 Geraardsbergen)</p>		
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*Source: vdk bank nv's audited financial statements for the financial year ended 31 December 2016 (Flemish version).*



Each of the directors has confirmed that there is no conflict of interest between his duties as a director of vdk bank nv and his principal and/or other outside activities (including private interests). Outside activities not listed above are not significant with respect to vdk bank nv.

### **Statutory Auditors**

The statutory auditors of vdk bank nv are Ernst & Young Bedrijfsrevisoren BCVBA, with registered office at De Kleetlaan 2, B – 1831 Diegem, Belgium, a member of Instituut van de bedrijfsrevisoren ("**IBR**"), represented by Christel Weymeersch.

### **Trend Information**

To the best of the knowledge of Purple Protected S.A., there has been no material adverse change in the prospects of vdk bank nv since 31 December 2016 (being the date of its last published audited financial statements).

To the best of the knowledge of Purple Protected S.A., there has been no significant change in the financial and trading position of vdk bank nv which has occurred since 31 December 2016 (being the end of the last financial period for which audited financial information has been published).

### **Legal Proceedings**

To the best of the knowledge of Purple Protected S.A., vdk bank nv has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) during a period of the previous 12 months that may have had or have had in the recent past, significant effects on the financial position or profitability of vdk bank nv.

### **Material Contracts**

To the best of the knowledge of Purple Protected S.A., vdk bank nv has not entered, out of the ordinary course of its business, into any contract which is material to vdk bank nv's ability to meet its obligation to security holders in respect of the Notes.

## TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Summary and Securities Note and is subject to any change in law that may take effect after such date.*

### EU Savings Tax Directive

Under EC Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) and certain other types of income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain other types of entity or legal arrangement (the so-called "*residual entities*" within the meaning of article 4.2 of the Savings Directive) established in that other Member State (or certain dependent and associated territories).

On 25 November 2014, Luxembourg formally adopted a law, amending the Luxembourg laws of 21 June 2005 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date.

A number of non-EU countries and certain dependent or associated territories have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain limited types of entities established in a Member State. In addition, certain Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual resident or certain limited types of entities established in one of those territories.

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the Directive from 1 January 2016 in relation to all Member States other than Austria (and from 1 January 2017, or after 1 October 2016 for certain payments, in relation to Austria), (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates).

Investors who are in any doubt as to their position should consult their professional advisers.

### Luxembourg Taxation

*The statements herein regarding taxation are based on the laws in force in Luxembourg as at the date of this Summary and Securities Note and are subject to any changes in law occurring*

*after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Luxembourg of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes.*

*The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.*

*Also 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. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.*

#### *Withholding tax*

All payments of interest and principal by the Issuer under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the amended Luxembourg law of 23 December 2005 (the "**Law**") which has introduced a twenty (20) per cent. withholding tax on savings income. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Law is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

In addition, pursuant to the Law as amended, Luxembourg resident individuals can opt to self declare and pay a twenty (20) per cent. tax on interest payments made by paying agents located, in a Member State of the European Union other than Luxembourg, or a Member State of the European Economic Area.

The twenty (20) per cent. tax as described above is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

#### *Taxes on Income and Capital Gains*

Holders of Notes who derive income from such Notes or who realize a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains, subject to the application of the Law referred to above, and unless:

- (a) such Holders of Notes are, or are deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions), or

- (b) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

#### *Net Wealth Tax*

Luxembourg net wealth tax will not be levied on a corporate Holder of Notes unless:

- (a) such Holder of Notes is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions to the exception of the following entities that are net wealth tax exempt, being (i) undertakings for collective investment (UCITS) governed by the amended law of 17 December 2010, (ii) specialised investment funds (SIF) governed by the amended law of 13 February 2007 (iii) securitisation vehicles governed by the amended law of 22 March 2004, (iv) investment companies in risk capital (SICAR) within the meaning of the amended law of 15 June 2004, (v) family estate management companies (SPF) governed by the amended law of 11 May 2007 and (vi) reserved alternative investment funds within the meaning of the law of 14 July 2016; or
- (b) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

However, please note that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to minimum net wealth tax.

As regards individuals, the Law has abrogated the net wealth tax starting with the year 2006.

#### *Inheritance and Gift Tax*

Where the Notes are transferred for no consideration:

- (a) no Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Holder of Notes in cases where the deceased Holder was not a resident of Luxembourg for inheritance tax purposes; or
- (b) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

#### *Value Added Tax*

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

### *Other Taxes and Duties*

It is not compulsory that the Notes be filed, recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes. In case of voluntary registration of the Notes, only a fixed duty would be payable.

### *Residence*

A Holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

### *General tax treatment a securitisation company*

All payments made to any creditor as well as commitments for such payments to any creditor are fully tax deductible to the extent formally approved and properly documented. However, according to the Luxembourg Securitisation Law, the Issuer is a fully taxable company and any profit realized by the Issuer normally suffers income taxation in Luxembourg.

## **Belgian Taxation**

*Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Notes. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive.*

*This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.*

### ***Belgian income tax***

The interest component of payments on the Note made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax, currently at a rate of 25% on the gross amount. Double taxation conventions may, under certain conditions, provide for a lower rate or an exemption.

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Notes qualify as fixed income securities pursuant to Article 2, §1, 8° of the Belgian Income Tax Code 1992 (ITC 92), in case of a sale of the Notes between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

For the purpose of the summary below, a Belgian resident is (i) an individual subject to Belgian personal income tax (i.e., an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (i.e., a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium), or (iii) a legal entity subject to Belgian legal entities tax (i.e., an entity other than a company subject to corporate income tax having its registered office, its main establishment, its administrative seat or its seat of management in Belgium).

A non-resident is a person who is not a Belgian resident.

#### *Belgian resident individuals*

For individuals subject to Belgian personal income tax who are not holding Notes as professional investors, all interest payments (as defined in the Belgian Income Tax Code) will be subject to the tax regime described below.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax. For Belgian resident individuals (i.e. individuals subject to Belgian personal income tax *Personenbelasting/Impôt des personnes physiques*)) holding the Notes as a private investment the withholding tax, currently at 30%, will fully discharge them from their tax liability with respect to these interest payments (*précompte mobilier libératoire / bevrijdende roerende voorheffing*). Therefore, they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments. Belgian resident individuals may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax rate of 30%, (or, if it is lower, at the progressive personal tax rates taking into account the taxpayer's other declared income), and no local surcharges will be due. If the interest payment is declared, any withholding tax retained may be credited is refundable to the extent that it exceeds the total personal income tax due.

If no withholding tax has been levied, Belgian resident individuals must declare the interest in their personal income tax return and this interest payment will normally be taxed at a separate tax rate of 30%, (or, if it is lower, at the progressive personal tax rates taking into account the taxpayer's other declared income), and no local surcharges will be due.

Any capital gain upon a sale of Notes, not allocated to the professional activity of the individual, to a party other than the Issuer, except for that part of the sale price attributable to the pro rata interest component, is in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). Losses on the Notes held as a non-professional investment cannot usually be deducted.

#### *Belgian resident companies*

Corporations Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realized on the Notes will be subject to Belgian corporate income tax. The current normal corporate income tax rate in Belgium is 33.99 per cent. If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Notes made through a paying agent in Belgium to Belgian corporate investors will generally be subject to Belgian withholding tax, currently at a rate of 30 per cent. However, an exemption may apply provided that certain formalities are complied with. The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.,

#### *Non-resident companies*

The interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 30 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors that do not hold the Notes through a Belgian establishment can also obtain an exemption of Belgian withholding tax on interest from the Notes paid through a Belgian credit institution, a Belgian stock market company or a Belgian-recognized clearing or settlement institution, provided that they deliver an affidavit to such institution or company confirming (i) that the investors are non-residents, (ii) that the Notes are held in full ownership or in usufruct and (iii) that the Notes are not held for professional purposes in Belgium.

The non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (see above). Non-resident Noteholders who do not allocate the Notes to a professional activity in Belgium and who do not hold the Notes through a Belgian establishment are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

#### *Other Belgian legal entities subject to the legal entities income tax*

Legal entities resident in Belgium (i.e. legal entities subject to Belgian legal entities tax) are subject to a withholding tax of 30% on interest payments. The withholding tax constitutes the final taxation. Legal entities resident in Belgium which have received gross interest income are required to pay the amount of the Belgian withholding tax themselves.

Capital gains realised on the disposal of the Notes are as a rule tax exempt (unless it qualifies as interest on Notes considered fixed income securities referred to under "Belgian income tax" section). Capital losses are in principle not tax deductible. Capital gains realised in respect of the Notes will be part of taxable income. Capital losses realised upon the sale of the Notes are in principle tax deductible.

### *Organisations for financing pensions*

Belgian pension fund entities that have the form of an OFP are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*). OFPs are in Belgium subject to the following tax treatment with respect to the Notes.

Subject to certain conditions, interest derived by OFP Noteholders on the Notes and capital gains realized on the Notes will be exempt from Belgian Corporate Income Tax.

Subject to certain conditions, any Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

### ***Tax on stock exchange transactions***

A stock exchange tax (*Taxe sur les opérations de bourse, Taks op de beursverrichtingen*) tax will be levied on the purchase and sale of the Notes on the secondary market carried out by a Belgian resident investor through a professional intermediary if (i) executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals having their usual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium.

In the latter scenario, the tax on the stock exchange transactions is due by the Belgian Investor; unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with an qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities ("Stock Exchange Tax Representative"). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

The rate applicable for secondary sales and purchases through a professional intermediary is 0.09 per cent with a maximum amount of EUR 1300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

An exemption is available for non-residents acting for their own account (subject to delivery of an affidavit confirming their non-resident status), and for certain Belgian institutional investors, as defined in Article 126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers, Wetboek diverse rechten en taksen*) for the taxes on stock exchange transactions.



As stated above, the EU Commission adopted on 14 February 2013 a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished if the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

## **French Taxation**

The following is a general overview of certain French tax considerations relating to the Notes, focusing specifically on withholding taxes applicable to payments under the Notes. This overview is based on French tax laws currently in force and does not purport to constitute a complete tax analysis of all of the tax considerations relating to the Notes nor to be viewed as legal advice. Prospective purchasers are urged to consult with their own tax advisers prior to purchasing the Notes to determine the tax implications of investing in the Notes in light of each purchaser's circumstances.

### *Savings Directive*

The Savings Directive was implemented into French law under Article 242 ter of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities, certain information with respect to interest payments or similar income made to beneficial owners domiciled in another Member State, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest or similar income paid to that beneficial owner.

### *Withholding tax*

The following is an overview of certain tax considerations that may be relevant to the Noteholders who do not concurrently hold shares of the Issuer and are not otherwise affiliated with the Issuer.

Following the introduction of the French *loi de finances rectificative pour 2009 n° 3* (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest (or similar income) and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be

recharacterised as constructive dividends pursuant to Article 109 and *seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the non-deductibility for tax purposes as set out under Article 238 A of the French *Code général des impôts*, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest (or similar income) or other revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70, BOI-IR-DOMIC-10-20-20-60-20140211, n°10 and BOI-ANX-000364-20120912, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer made in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L 561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

#### *Withholding tax applicable to French tax resident investors*

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and similar revenues received as from 1 January 2013 by French tax resident individuals are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar revenues paid to French tax resident individuals.

## United Kingdom Taxation

The following is an overview of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments are made on the assumption that the Issuer of the Notes is not resident in the United Kingdom for United Kingdom tax purposes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

### *UK Withholding Tax on Interest Payments by the Issuer*

Interest on Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment, and has stated that the place where the Issuer does business, and the place where its assets are located, are the most important factors in this regard; however, HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place where the interest and principal are payable, the method of payment, the governing law of the Notes and the competent jurisdiction for any legal action, the location of any security for the Issuer's obligations under the Notes, and similar factors relating to any guarantee.

Interest which has a United Kingdom source ("**UK interest**") may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

### *Provision of Information*

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for

the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" as defined for the purposes of Schedule 23, Finance Act 2011 (although, in this regard, HMRC published guidance for the year 2013/2014 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the Savings Directive (see above).

#### *Other Rules Relating to United Kingdom Withholding Tax*

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements in 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 the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer and does not consider the tax consequences of any such substitution.

## SELLING RESTRICTIONS

### UNITED STATES OF AMERICA

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

The Dealer has agreed that it will not offer, sell or deliver the Notes, (a) as part of its distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S. Accordingly, neither the Dealer nor any of its affiliates, nor any persons acting on their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes, and the Dealer, its affiliates and all persons acting on their behalf have complied and will comply with the offering restrictions requirement of Regulation S. The Dealer has agreed that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

### BELGIUM

Each of the Dealer and the Issuer has represented and agreed, that in relation to any offer of Notes to the public in Belgium, it may only make such offer provided (a) a prospectus in relation to those Securities is either approved by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the "**FSMA**") or, where appropriate, approved by the competent authority in another Relevant Member State and notified to the FSMA, all in accordance with the Belgian Law of 16 June 2006 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market, as supplemented and amended from time to time (the "**Prospectus Law**") and (b) any person providing intermediation services in relation to the Notes shall be authorised to do so under articles 55 and 56 of the Prospectus Law (to the extent applicable).

### FRANCE

The Dealer has represented and agreed that, in connection with its initial distribution, it has not offered or sold or caused to be offered or sold, and will not offer or sell or cause to be offered or sold, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed, and will not distribute or cause to be distributed, to the

public in France, directly or indirectly, this Summary and Securities Note or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## UNITED KINGDOM

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Summary and Securities Note to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC as amended, and includes any relevant implementing measure in the Relevant Member State.

## **GENERAL**

The Dealer has represented, warranted and agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it subscribes for, offers, sells or delivers Notes or has in its possession or distributes this Summary and Securities Note or any other offering material.

## GENERAL INFORMATION

- 1 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN code for the Notes will be XS1648299102 and the common code will be 164829910. The common depositary for Euroclear Bank, SA/NV will be BNP Paribas Securities Services, Luxembourg Branch. The address of Euroclear Bank, SA/NV is Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address for Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.
- 2 The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 10 August 2017.
- 3 During the 12 months preceding the date of this Prospectus, there have been no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) involving the Issuer which may have, or have a significant effect on the financial position or profitability of the Issuer.
- 4 There has been no significant change in the financial or trading position of the Issuer since 30 June 2017, being the date of the last published interim financial statements and no material adverse change in the prospects of the Issuer since 31 December 2016, being the date of the last published audited financial statements.
- 5 The financial year of the Issuer is the calendar year save that the first financial year was from the date of incorporation to 31 December 2014.
- 6 The Issuer will publish its audited financial statements in accordance with the provisions of the Luxembourg Companies Law on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders, a copy of which will be made available for inspection at the registered office of the Issuer and the Principal Paying Agent. The annual accounts of the Issuer are audited by PricewaterhouseCoopers of 2 rue Gerhard Mercator, L-2182 Luxembourg, registered as an approved audit firm (*cabinet de révision agréé*), whose majority of shareholders are registered as approved statutory auditors (*réviseur d'entreprises agréés*) and are members of the Institut des Réviseurs d'Entreprises.
- 7 The Issuer does not intend to provide post-issuance transaction information regarding the Notes to be admitted to trading and the performance of the underlying collateral, except if required by any applicable laws and regulations.
- 8 Copies of the following documents will be available in physical form from the date hereof, during usual business hours on any weekday (public holidays excepted), for inspection by Noteholders at the Luxembourg office of the Issuer or the Principal Paying Agent:
  - (a) the constitutional documents of the Issuer;
  - (b) the financial statements of the Issuer for the year ended 31 December 2015;
  - (c) the financial statements of the Issuer for the year ended 31 December 2016;



- (d) the interim financial statements of the Issuer for the period ended 30 June 2017;
- (e) the Registration Document;
- (f) this Summary and Securities Note;
- (g) the Note Agency Agreement;
- (h) the Principal Trust Deed;
- (i) the Supplemental Trust Deed;
- (j) the Swap Agreement;
- (k) the Deposit Agreement;
- (l) the Pledge Agreement;
- (m) the Programme Dealer Agreement;
- (n) the Custody Agreement;
- (o) the Proposals Agreement;
- (p) the Management and Administration Agreement;
- (q) the Master Schedule of Definitions;
- (r) the financial statements of vdk bank nv for the financial year ended 31 December 2015, and
- (s) the financial statements of vdk bank nv for the financial year ended 31 December 2016.

This Summary and Securities Note and the Registration Document and the documents incorporated by reference in this Prospectus are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- 9 There has been no (i) material change since 31 December 2016 being the date of the last published audited financial statements of the Issuer or (ii) recent development since 30 June 2017 being the date of the last published interim financial statements of the Issuer, which could affect investors' assessment.
- 10 Investors should consult Natixis should they require a copy of the ISDA Definitions, each as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.).

## **ANNEX - DESCRIPTION AND CALCULATION METHOD OF THE INDEX**

### **1. INDEX SPECIFICATIONS**

The Solactive Quality of Life Select 40 Index (the "**Index**") is an Index of Solactive AG and is calculated and distributed by Solactive AG.

The Index is intended to track the performance of selected American and European stocks that cover 6 different topics and fulfil certain criteria according to liquidity and volatility.

The Index is a Price Return Index.

The Index is published in Euro.

#### **1.1 Short name and ISIN**

The Index is distributed under ISIN DE000SLA2F63; the WKN is SLA2F6. The Index is published in Reuters under the code < .SOLQLIFE > and in Bloomberg under the code SOLQLIFE <Index>.

#### **1.2 Initial value**

The Index is based on 1000 at the close of trading on the start date, August 11<sup>th</sup>, 2016

#### **1.3 Distribution**

The Index is published via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether he will distribute/display the Index via his information systems.

#### **1.4 Prices and calculation frequency**

The price of the Index is calculated on each Business Day based on the prices on the respective Exchanges on which the Index Components are listed. The most recent prices of all Index Components are used. Prices of Index Components not listed in the Index Currency are translated using spot foreign exchange rates quoted by Reuters. Should there be no current price available on Reuters, the most recent price or the Trading Price on Reuters for the preceding Trading Day is used in the calculation.

The Index is calculated every Business Day from 9:00am to 10:30pm, CET. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG the Index cannot be distributed.

Any incorrect calculation is adjusted on a retrospective basis.

The daily Index Closing Level is calculated using Reuters/WMCO closing spot rates as at 4pm London time.

## 1.5 Weighting

On each Adjustment Day each Index Component of the Index is weighted by the inverse of the 6 Month Historical Volatility and by the Forecasted 12 Month Dividend Yield in accordance to the following formula:

$$Target\_Weight_i = \min[0.1, 0.5 * \frac{\left(\frac{1}{Vol_{i,t}}\right)^2}{\sum_{i=1}^{40} \left(\frac{1}{Vol_{i,t}}\right)^2} + 0.5 * \frac{(Div_{i,t})^2}{\sum_{i=1}^{40} (Div_{i,t})^2}]$$

With:

$Target\_Weight_i$  = Weight to be implement for Index Component i on the Adjustment Day.

$Vol_{i,t}$  = 6 Month Historical Volatility of Index Component i as at Selection Day t.

$Div_{i,t}$  = Forecasted 12 Month Dividend Yield of Index Component i as at Selection Day t.

If the weight of any Index Component is capped at 10% as specified in the formula above, the excess weight will be redistributed across all other Index Components with a weight of less than 10%. This process may be done iteratively, if it results in other Index Components breaching the 10% cap.

If the aggregate weight of one Theme exceeds 35% on any Selection Day, then the weight of each Index Component within this Theme is reduced proportionally until the aggregate weight of this Theme equals 35%. The excess weight is redistributed proportionally across the other Themes with a weight of <35%. This process may be done iteratively, if it results in other Themes breaching the 35% aggregate weight.

## 1.6 Decision-making bodies

A Committee composed of staff from Solactive AG is responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the "Committee" or the "Index Committee"). The future composition of the Index is determined by the Committee on the Selection Days according to the procedure outlined in 2.1 of this document. The Committee shall also decide about the future composition of the Index. if any Extraordinary Events should occur and the implementation of any necessary adjustments.

Members of the Committee can recommend changes to the guideline and submit them to the Committee for approval.

## 1.7 Publication

All specifications and information relevant for calculating the Index are made available on the <http://www.solactive.de> web page and sub-pages.

## 1.8 Historical data

Historical data will be maintained from the launch of the Index on August 11<sup>th</sup>, 2016.

Backtested performance data is available prior to the launch date until July 24<sup>th</sup>, 2006

## 1.9 Licensing

Licences to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by Solactive AG.

## 2. COMPOSITION OF THE INDEX

### 2.1 Selection of the Index Components

The initial composition of the Index as well as any ongoing adjustment is based on the following rules:

Based on the criteria outlined in Chapter 4 "Index Universe", the Index Calculator determines the securities that are eligible for inclusion in the index. These securities are filtered according to the criteria below, resulting in the final index selection:

1. Rank the securities within each of the 12 Categories according to their Forecasted 12 Month Dividend Yield in descending order. Retain the 40% best ranked securities of each Category (for the avoidance of doubt, the security ranked 1 means the best ranked security).
2. Within each Region select the 20 securities with the lowest 6 Month Historical Volatility, subject to a minimum of 1 and a maximum of 7 securities for each Category.

### 2.2 Ordinary adjustment

The composition of the Index is ordinarily reviewed on the second to last Wednesday in January, April, July and October. The composition of the Index is reviewed on the Selection Day and necessary changes are announced.

The first adjustment will be made in October 2016 based on the Trading Prices of the Index Components on the Adjustment Day.

Solactive AG shall publish any changes made to the Index composition on the Selection Day and consequently with sufficient notice before the Adjustment Day.

### 2.3 Extraordinary adjustment

The Committee may, but is under no obligation to, substitute an Index Component with a successor Index Component upon the occurrence of an Extraordinary Event as determined by Solactive AG. Any such successor Index Component shall be included in the Index after the close of business on the day when an Extraordinary Event has been determined by Solactive AG.

### 3. CALCULATION OF THE INDEX

#### 3.1 Index formula

The Index is an index whose value on a Business Day is equivalent to the sum over all Index Components of the products of (a) the Number of Shares of the Index Component and (b) the price of the Index Component at the respective Exchange.

As a formula:

$$Index_t = \sum_{i=1}^n x_{i,t} * p_{i,t}$$

with:

$x_{i,t}$  = Number of Shares of the Index Component i on Trading Day t

$p_{i,t}$  = Price of Index Component i on Trading Day t in Index Currency

#### 3.2 Accuracy

The value of the Index will be rounded to two decimal places.

Trading Prices will be rounded to six decimal places.

#### 3.3 Adjustments

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Shares of the affected Index Component to be calculated on an ex-ante basis.

The Index is adjusted for distributions, capital increases, rights issues, splits, par value conversions and capital reductions.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by Solactive AG.

Any delay in calculating the new Number of Shares of an Index Component would create problems. Therefore the procedure described above is the most appropriate.

#### 3.4 Dividends and other distributions

Cash Dividends are not adjusted in the Price Return version of the Index while Special Cash Dividend payments and other distributions are included in the Index. They cause an adjustment of the Number of Shares of the corresponding Index Component. The new Number of Shares is calculated as follows:

$$x_{it} = x_{i,t-1} * \frac{p_{i,t-1}}{p_{i,t-1} - D_{i,t}}$$

with

$x_{i,t}$  = Number of Shares of the Index Component i on Trading Day t t i x ,

$D_{i,t}$  = Payment on Trading Day t multiplied by the Dividend Correction Factor of the respective country t i D ,

### 3.5 Corporate actions

#### 3.5.1 Principles

Following the announcement by a company included in the Index of the terms and conditions of a corporate action the Index Calculator determines whether such corporate action has a dilution, concentration or other effect on the price of the Index Component.

If this should be the case the Index Calculator shall make the necessary adjustments to the affected Index Component and/or the formula for calculating the Index and/or to other terms and conditions of this document that he deems appropriate in order to take into account the dilution, concentration or other effect and shall determine the date on which this adjustment shall come into effect.

Amongst other things the Index Calculator can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

#### 3.5.2 Capital increases

In the case of capital increases (from the company's own resources or through cash contributions) the new Numbers of Shares are calculated as follows:

$$x_{i,t} = x_{i,t-1} * \frac{p_{i,t-1}}{p_{i,t-1} - rB_{i,t-1}} \text{ with } rB_{i,t-1} = \frac{p_{i,t-1} - B - N}{BV + 1}$$

$x_{i,t}$  = Number of Shares of Index Component i on the day of the distribution

$x_{i,t-1}$  = Number of Shares of Index Component i on the day prior to the distribution

$p_{i,t-1}$  = Closing price on the day prior to ex date

$rB_{i,t-1}$  = Calculated value of rights issue

B = Price of rights issue

N = Dividend disadvantage

BV = Subscription ratio

B=0 if capital is increased from the company's own resources. **9**

The last dividend paid or the announced dividend proposal is applied as the dividend disadvantage.

### 3.5.3 Capital reductions

In the case of capital reductions the new Number of Shares is determined as follows:

$$x_{i,t} = x_{i,t-1} * \frac{1}{H_{i,t}}$$

$H_{it}$  = Reduction ratio of the company on day t

$x_{i,t}$  = Number of Shares of the affected Index Component on the day of the distribution

$x_{i,t-1}$  = Number of Shares of the affected Index Component on the day prior to the distribution

### 3.5.4 Share splits and par value conversions

In the case of share splits and par value conversions it is assumed that the prices change in ratio to the number of shares or to the par values. The new Number of Shares is calculated as follows:

$$x_{i,t} = x_{i,t-1} * \frac{N_{i,t-1}}{N_{i,t}}$$

$N_{i,t-1}$  = Former par value of security class i (or new number of shares)

$N_{i,t}$  = New par value of security class i (or former number of shares)

$x_{i,t}$  = Number of Shares of the affected Index Component on the day of the distribution

$x_{i,t-1}$  = Number of Shares of the affected Index Component on the day prior to the distribution

## 3.6 Calculation of the Index in the event of a Market Disruption Event

In the event of a Market Disruption Event, Solactive AG calculates the Index value, taking into account the market conditions prevailing at this point in time, the last quoted Trading Price for each of the Index Components as well as any other conditions that it deems relevant for calculating the Index value.

#### 4. **DEFINITIONS**

**"Index Universe"** in respect of a Selection Day are companies that fulfill the following criteria:

- (i) Must be a security in the current selection universe of the Solactive Europe Total Market 675 Index or the Solactive US Large Cap Index.
- (ii) Minimum Average Daily Value Traded of EUR 15mn over the previous 6 months.
- (iii) Minimum Share Class Market Capitalization of EUR 1.5bn.

**"Index Component"** is each share currently included in the Index.

**"Forecasted 12 Month Dividend Yield"** is the estimated dividend yield for the next 12 months as at the Selection Day and

as provided by IBES under the mnemonic "D1FD12".

**"6 Month Historical Volatility"** is the historical volatility in local currency over the past 6 months prior to but including the Selection Day and as provided by FactSet under the field "P\_VOLATILITY".

**"Number of Shares"** is in respect of an Index Component and any given Business Day the number or fraction of shares included in the Index. It is calculated for any Index Component as the ratio of (A) the Percentage Weight of an Index Component multiplied by the Index value and (B) its Trading Price.

**"Percentage Weight"** of an Index Component is the ratio of its Trading Price multiplied by its Number of Shares divided by the Index value.

**"Dividend Correction Factor"** is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country.

In particular an **"Extraordinary Event"** is

- a Merger
- a Takeover bid
- a delisting
- the Nationalisation of a company
- Insolvency.

The Trading Price for this Index Component on the day the event came into effect is the last available market price for this Index Component quoted on the Exchange on the day the event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Index Calculator), as determined by the Index



Calculator, and this price is used as the Trading Price of the particular Index Component until the end of the day on which the composition of the Index is next set.

In the event of the Insolvency of an issuer of an Index Component the Index Component shall remain in the Index until the next Adjustment Day. As long as a market price for the affected Index Component is available on a Business Day, this shall be applied as the Trading Price for this Index Component on the relevant Business Day, as determined in each case by the Index Calculator. If a market price is not available on a Business Day the Trading Price for this Index Component is set to zero. The Committee may also decide to eliminate the respective Index Component at an earlier point in time prior to the next Adjustment Day. The procedure in this case is identical to an elimination due to and Extraordinary Event.

An Index Component is "**delisted**" if the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in or the issuing of public quotes on the Index Component at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Calculator,

"**Insolvency**" occurs with regard to an Index Component if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Components or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

A "**Takeover bid**" is a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Component or the right to acquire these shares, as determined by the Index Calculator based on notices submitted to public or self-regulatory authorities or other information considered by the Index Calculator to be relevant.

With regard to an Index Component a "**Merger**" is

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person,
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Component is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation),
- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the

irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal person), or

- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

The "**Merger Date**" is the date on which a Merger is concluded or the date specified by the Index Calculator if such a date cannot be determined under the law applicable to the Merger.

"**Nationalisation**" is a process whereby all shares or the majority of the assets of the issuer of the shares are nationalised or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

"**Exchange**" is, in respect of Index and every Index Component, the respective primary exchange where the Index Component has its primary listing. The Committee may decide to declare a different stock exchange the "Exchange" for trading reasons, even if the company is only listed there via a Stock Substitute.

"**Stock Substitute**" includes in particular American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).

With regard to an Index component (subject to the provisions given above under "Extraordinary Events") the "**Trading Price**" in respect of a Trading Day is the closing price on this Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Index Calculator shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to him. **12**

A "**Trading Day**" is in relation to the Index or an Index Component a Trading Day on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Index Calculator is ultimately responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Component or in any other connection relating to this document.

A "**Business Day**" is every weekday other than a Saturday or Sunday.

The "**Index Calculator**" is Solactive AG or any other appropriately appointed successor in this function.

The "**Index Currency**" is Euro.

**"Share Class Market Capitalization"** is with regard to each of the shares in the Index Universe on a Selection Day or Adjustment Day the value published as the Share Class Market Capitalization for this day.

As at the date of this document Share Class Market Capitalization is defined as the value of a share class of a company calculated by multiplying the number of shares outstanding of the company share class by its share price.

**"Adjustment Day"** is the 3<sup>rd</sup> Business Day following the Selection Day.

**"Selection Day"** is the second to last Wednesday in January, April, July and October.

**"Regions"** are the USA (represented by the components of the Solactive US Large Cap Index) and Europe (represented by the components of the Solactive Europe Total Market 675 Index).

**"Themes"** are defined as follows:

- Financial Services: consists of all stocks which belong to the Industries Major Banks, Multi-Line Insurance, Life/Health Insurance, Regional Banks, Financial Conglomerates, Property/Casualty, Insurance, Real Estate Investment Trusts, Real Estate Development.
- Health: consists of all stocks which belong to the Industries Medical Specialties, Pharmaceuticals: Major, Pharmaceuticals: Other, Pharmaceuticals: Generic, Biotechnology, Hospital/Nursing Management, Managed Health Care, Services to the Health Industry, Medical/Nursing Services.
- Recreation and leisure time: consists of all stocks which belong to the Industries Hotels/ Resorts/Cruiselines, Publishing: Books/Magazines, Movies/Entertainment, Media Conglomerates, Broadcasting, Publishing: Newspapers, Recreational Products, Cable/Satellite TV.
- Transportation: consists of all stocks which belong to the Industries Motor Vehicles, Air Freight/Couriers, Automotive, Aftermarket, Other Transportation, Railroads, Airlines.
- Water and environmental services: consists of all stocks which belong to the Industries Water Utilities, Environmental Services.
- Well-being at home: consists of all stocks which belong to the Industries Electronics/ Appliances, Household/ Personal Care, Home Furnishings, Homebuilding.

**"Industry"** " " means the industry classification as provided by FactSet under the field "FG\_FACTSET\_IND".

**"Category"** is defined as one Theme within one of the two Regions, i.e. 12 Categories in total (6 Themes and 2 Regions).

An "**Affiliated Exchange**" is with regard to an Index Component an exchange, a trading or quotation system on which options and futures contracts on the Index Component in question are traded, as specified by the Index Calculator.

A "**Market Disruption Event**" occurs if

1. one of the following events occurs or exists on a Trading Day prior to the opening quotation time for an Index Component:

A) trading is suspended or restricted (due to price movements that exceed the limits allowed by the Exchange or an Affiliated Exchange, or for other reasons):

1.1. across the whole Exchange; or

1.2. in options or futures contracts on or with regard to an Index Component or an Index Component that is quoted on an Affiliated Exchange; or

1.3. on an Exchange or in a trading or quotation system (as determined by the Index Calculator) in which an Index Component is listed or quoted; or

B) an event that (in the assessment of the Index Calculator) generally disrupts and affects the opportunities of market participants to execute on the Exchange transactions in respect of a share included in the Index or to determine market values for a share included in the Index or to execute on an Affiliated Exchange transaction with regard to options and futures contracts on these shares or to determine market values for such options or futures contracts; or

2. trading on the Exchange or an Affiliated Exchange is ceased prior to the usual closing time (as defined below), unless the early cessation of trading is announced by the Exchange or Affiliated Exchange on this Trading Day at least one hour before

(aa) the actual closing time for normal trading on the Exchange or Affiliated Exchange on the Trading Day in question or, if earlier.

(bb) the closing time (if given) of the Exchange or Affiliated Exchange for the execution of orders at the time the quote is given.

"**Normal exchange closing time**" is the time at which the Exchange or an Affiliated Exchange is normally closed on working days without taking into account after-hours trading or other trading activities carried out outside the normal trading hours; or

3. a general moratorium is imposed on banking transactions in the country in which the Exchange is resident if the above-mentioned events are material in the assessment of the Index Calculator, whereby the Index Calculator makes his decision based on those circumstances that he considers reasonable and appropriate.

## 5. **APPENDIX**

### 5.1 Contact data

#### **Information regarding the Index concept**

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### 5.2 Calculation of the Index – change in calculation method

The application by the Index Calculator of the method described in this document is final and binding. The Index Calculator shall apply the method described above for the composition and calculation of the Index. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Calculator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Calculator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes the Index Calculator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

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