

OFFERING CIRCULAR



**Communauté française de Belgique**  
**€ 10,000,000,000**  
**Euro Medium Term Note Programme**

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Communauté française de Belgique (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed € 10,000,000,000 (or the equivalent in other currencies).

Application may be made to the Luxembourg Stock Exchange and/or Euronext Brussels during a period of twelve (12) months from the date of this Offering Circular for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and/or on Euronext Brussels and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or Euronext Brussels. The regulated markets of the Luxembourg Stock Exchange and Euronext Brussels are regulated markets for the purposes of the Directive 2014/65/EC on markets in financial instruments dated 15 May 2014. References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or Euronext Brussels. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Luxembourg Stock Exchange and/or Euronext Brussels (or on any other stock exchange).

The Notes will be in dematerialised form and will not be exchangeable for bearer notes (whether in global or definitive form) or registered notes. They will be cleared through the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Securities Settlement System**") pursuant to the Belgian law of 6 August 1993 on transactions on certain transferable securities (*loi relative aux opérations aux certaines valeurs mobilières*), as amended. Among others, Euroclear Bank SA/NV, Belgium as operator of the Euroclear System ("**Euroclear Belgium**"), Clearstream Banking AG, Germany ("**Clearstream, Frankfurt**"), Monte Titoli S.p.A., Italy ("**Monte Titoli**"), LuxCSD SA, Luxembourg ("**LuxCSD**"), Interbolsa SA, Portugal ("**Interbolsa**"), SIX SIS Ltd., Switzerland ("**SIX SIS**") and Euroclear France SA ("**Euroclear France**") maintain accounts in the Securities Settlement System (for a list of all the NBB-SSS participants, please refer to <https://www.nbb.be/nl/list-nbb-investor-icsds>). The clearing of Notes through the Securities Settlement System must receive the prior approval of the NBB.

Moody's Investors Services Ltd assigned on 4 December 2020 a rating of A1 to the long-term debt and a rating of Prime-1 for the short term debt of the Issuer (with negative outlook). The Programme was rated by Moody's France SAS on 2 July 2021 with a rating of A1 for the senior unsecured debt and a rating of Prime-1 for the short-term debt. The credit ratings included or referred to in this Offering Circular will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") as having been issued by Moody's France SAS. Moody's France SAS is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<http://www.esma.europa.eu>). Tranches of Notes (as defined in "Summary of the Programme – Method of Issue") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. Whether or not a rating in relation to any Tranche of Notes will be treated as having been assigned by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

This Offering Circular dated 7 July 2021 constitutes an alleviated base prospectus for the purposes of Chapter 2 of Part III of the Luxembourg Act dated 16 July 2019 on prospectuses for securities (as amended from time to time) (the "**Luxembourg Act**"). It does not constitute a prospectus pursuant to Part II of the Luxembourg Act executing Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (as amended, the "**Prospectus Regulation**") into Luxembourg law and does not constitute a prospectus for purposes of the Prospectus Regulation and the Belgian Law of 11 July 2018 on the offer of investment instrument to the public and the admission of investment instruments to trading on a regulated market (as amended from time to time) (the "**Law of 11 July 2018**"). Accordingly, this Offering Circular does not purport to meet the format and the disclosure requirements of the Prospectus Regulation nor of the Law of 11 July 2018, and it has not been, and will not be, submitted for approval to any competent authority within the meaning of the Prospectus Regulation. The Notes issued pursuant to this Offering Circular will therefore not qualify for the benefit of the single European passport procedure pursuant to the Prospectus Regulation. The relevant Pricing Supplement constitutes the Final Terms for the purposes of the listing of the Notes on the Luxembourg Stock Exchange and/or Euronext Brussels.

The Issuer may issue Notes that are intended to qualify as "green bonds" and/or "social bonds" and/or "sustainability bonds" in accordance with relevant applicable principles at the time of issue (such Notes, "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**"). Such Green Bonds or Social Bonds or Sustainability Bonds may be issued on the basis of a framework established by the Issuer and/or may be subject to a review by a third party. The Dealers do not guarantee the "green", "social", and/or "sustainable" nature of the Notes.

Co-Arrangers for the Programme  
**Deutsche Bank Aktiengesellschaft**  
**Belfius Bank SA/NV**

Dealers

<b>Belfius Bank SA/NV</b>	<b>Goldman Sachs International</b>
<b>BIL</b>	<b>HSBC</b>
<b>BNP Paribas Fortis</b>	<b>ING</b>
<b>CBC Banque SA</b>	<b>J.P. Morgan AG</b>
<b>Crédit Agricole CIB</b>	<b>KBC Bank NV</b>
<b>Deutsche Bank</b>	<b>Landesbank Baden-Württemberg</b>
<b>Morgan Stanley</b>	<b>NatWest Markets N.V</b>
<b>TD Securities</b>	

The date of this Offering Circular is 7 July 2021  
This Offering Circular replaces and supersedes the Offering Circular dated 8 July 2020

### *Responsibility for this Offering Circular*

The Issuer having made all reasonable enquiries confirms that this Offering Circular contains all information with respect to the Issuer and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer and the Notes are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

Without prejudice to the preceding paragraph, the Issuer accepts responsibility towards interested parties for the losses which may occur as an immediate and direct result of the absence or inaccuracy of any disclosure required to be made in this Offering Circular pursuant to Article 5 of the Belgian law of 22 July 1991 on treasury notes and certificates of deposit (*loi relative aux billets de trésorerie et aux certificats de dépôt*, hereinafter the “Law of 22 July 1991”). This Offering Circular includes the “prospectus” referred to in Article 5 of the Law of 22 July 1991.

### *Unauthorised information*

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

### *Restriction on distribution*

The distribution of this Offering Circular and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Co-Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Notes may not be offered or sold within the United States.

**PROHIBITION OF SALES TO BELGIAN CONSUMERS** - If the Prohibition of Sales to Belgian Consumers is specified as applicable in the applicable Pricing Supplement, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any Belgian consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended from time to time.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** - The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any

person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**PRODUCT GOVERNANCE UNDER UK MiFIR – The Pricing Supplement** in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment. A distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is, however, responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Nothing stated herein should be construed as limiting the protections granted to potential investors under mandatorily applicable investor protection rules, including any such rules included in UK MiFIR.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

This Offering Circular has not been, and will not be, approved by the Luxembourg *Commission de Surveillance du Secteur Financier* nor by the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers*).

The Co-Arrangers and the Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers or the Co-Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular, the suitability of the Notes or the use of proceeds. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Co-Arrangers or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Co-Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Co-Arrangers.

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent) in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from

time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

In connection with any Tranche (as defined in “Summary of the Programme”), one of the Dealers may act as a stabilising manager (the “Stabilising Manager”). The identity of the Stabilising Manager will be disclosed in the relevant Pricing Supplement. References in the next paragraph to “the issue of any Tranche” are to each Tranche in relation to which a Stabilising Manager is appointed.

In connection with the issue of any Tranche, the Stabilising Manager or any person acting on behalf of the Stabilising Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or person(s) acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date of the relevant Pricing Supplement and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “euro”, “EUR” and “€” are to the lawful currency of the member states of the European Union that adopted the single currency introduced by the Treaty on European Union (as amended), references to “U.S. dollars”, “USD”, “U.S.\$”, “\$” are to the lawful currency of the United States of America and to “pound sterling”, “GBP”, “Sterling” and “£” are to the lawful currency of the United Kingdom.

Amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the Benchmark Regulation). If any such reference rate does constitute such a benchmark, the applicable Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Pricing Supplement (or, if located outside the European Union, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Pricing Supplement to reflect any change in the registration status of the administrator.

## **AMENDMENTS OR SUPPLEMENTS**

This Offering Circular should be read and construed in conjunction with any amendments or supplements to this Offering Circular and each relevant Pricing Supplement which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

## **SUPPLEMENTAL OFFERING CIRCULAR**

The Issuer has given an undertaking to the Luxembourg Stock Exchange and to the Dealers that if, at any time during the duration of the Programme, there is a significant change affecting any matter contained in this Offering Circular (including the “Terms and Conditions of the Notes”) whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of Notes and shall supply to each Dealer and to the Luxembourg Stock Exchange such number of copies of such amendment or supplement hereto or of the replacement Offering Circular as such Dealer and the Luxembourg Stock Exchange may reasonably request. All documents prepared in connection with the listing of the Programme on the Luxembourg Stock Exchange will be available at the specified office of the Luxembourg Listing Agent.

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## SUMMARY OF THE PROGRAMME

*The following summary is qualified in its entirety by the remainder of this Offering Circular. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Pricing Supplement, will be subject to the Terms and Conditions set out on pages 15 to 35.*

<b>Issuer:</b>	Communauté française de Belgique Legal Entity Identifier (LEI) code: 529900LT593XA93OL092
<b>Description:</b>	Euro Medium Term Note Programme
<b>Programme Limit:</b>	Up to € 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Co-Arrangers:</b>	Belfius Bank SA/NV. Deutsche Bank Aktiengesellschaft
<b>Dealers:</b>	Banque Internationale à Luxembourg S.A., Belfius Bank SA/NV, BNP Paribas Fortis SA/NV, CBC Banque SA, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Continental Europe, ING Bank N.V., Belgian Branch, ING Belgium SA/NV, J.P. Morgan AG, KBC Bank NV, Landesbank Baden-Württemberg, NatWest Markets N.V., Morgan Stanley & Co. International plc, The Toronto-Dominion Bank.  The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “ <b>Permanent Dealers</b> ” are to the persons listed above as Dealers and to such additional persons that are appointed as Dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “ <b>Dealers</b> ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.  At the date of this Offering Circular, may only be Dealers: (i) Belgian credit institutions or Belgian investment firms duly licensed by the NBB to underwrite bond issues in Belgium, (ii) credit institutions or investment firms incorporated in another Member State of the European Union which are duly licensed by the relevant authority of their Member State to underwrite bond issues and are authorised to conduct such services in Belgium either through a branch or an establishment or on a cross border basis (after the relevant authority of their Member State has notified the NBB of their intention), or (iii) certain credit institutions or investment firms that are not incorporated in a Member State of the European Union, provided certain conditions are met (including a notification in advance to the NBB).
<b>Paying Agent:</b>	Belfius Bank SA/NV.



<b>Domiciliary Agent:</b>	Belfius Bank SA/NV.
<b>Belgian Listing Agent</b>	Belfius Bank SA/NV.
<b>Luxembourg Listing Agent:</b>	Banque Internationale à Luxembourg S.A.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “ <b>Pricing Supplement</b> ”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	The Notes will be issued in dematerialised form governed by the Belgian law of 2 January 1991 on the market for public debt securities, and monetary policy instruments ( <i>loi relative au marché des titres de la dette publique et aux investissements de la politique monétaire</i> ), as made applicable to debt securities of the Communities and Regions by the Royal Decree of 16 November 1994 (the “ <b>Law of 2 January 1991</b> ”) or under the form of dematerialised treasury notes ( <i>billets de trésorerie</i> ) governed by the Law of 22 July 1991 and the Belgian Royal Decree of 14 October 1991 on the same subject, all as amended from time to time. They will be represented by book entries in the records of the Securities Settlement System or of an approved account holder, within the meaning of article 3 of the Law of 2 January 1991 (an “ <b>Approved Account Holder</b> ”). The Noteholders will not be entitled to exchange the Notes into definitive notes in bearer or registered form.
<b>Clearing Systems:</b>	Securities Settlement System and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Paying Agent and the relevant Dealer.  Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and Euroclear France maintain accounts with the Securities Settlement System.
<b>Initial Delivery of Notes:</b>	Subject to the rules imposed by the Securities Settlement System Regulations, the Notes denominated in euro will be created in the account of the Domiciliary Agent with the Securities Settlement System. An amount thereof, as previously notified to the Domiciliary Agent by those Dealers who are participants in

the Securities Settlement System and elect to receive their Notes in such system (the "**NBB Notes**") will be transferred on the same day from the Domiciliary Agent's account with the Securities Settlement System to the account of the relevant Dealers with the Securities Settlement System, on a "delivery *versus* payment" basis (i.e. against payment by the relevant Dealers of the corresponding subscription funds into the account of the Domiciliary Agent with the Securities Settlement System). The remaining Notes (the "**International Notes**") will be transferred on the same day from the Domiciliary Agent's account with the Securities Settlement System to the account held by the Dealers with Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France on a "delivery *versus* payment" basis (i.e. against payment by the Dealers of the corresponding subscription funds into the account of the Domiciliary Agent with the Securities Settlement System).

The Notes denominated in a currency other than euro will be created in the account of the Domiciliary Agent in the Securities Settlement System. Under current Securities Settlement System Regulations, they cannot be transferred to Dealers in the Securities Settlement System. They will be transferred on the same day, free of payment, to Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, Interbolsa, LuxCSD, SIX SIS and/or Euroclear France's account with the Securities Settlement System. On the basis of this transfer, Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France will credit the Notes to the account held by the Domiciliary Agent with Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France. The Notes will be transferred from the Domiciliary Agent's account at Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France to the account held by the Dealers with Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, Lux CSD, Interbolsa, SIX SIS and/or Euroclear France in accordance with the current Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS or Euroclear France procedures, on a "delivery *versus* payment" basis (i.e. against payment by the Dealers in Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France of the corresponding subscription funds into the account of the Domiciliary Agent with Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France).

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

The Securities Settlement System exclusively clears securities denominated in any lawful currency for which the European Central Bank daily publishes Euro foreign exchange reference rates.

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 100 years from the date of the original issue.

**Denomination:**

Notes will have a denomination of one unit of the currency in which they are denominated. If issued under the form of treasury notes (*billets de trésorerie*), the Notes may only be traded in any nominal amount equal or in excess of €250,000 (or its equivalent in other currencies). However, Notes issued under the form of treasury notes (*billets de trésorerie*) to investors which qualify as public administrations (*administrations publiques*) pursuant to article 6 of the Belgian Royal Decree of 14 October 1991 on treasury notes and certificates of deposit (*arrêté royal relatif aux billets de trésorerie et aux certificats de dépôt*) may be traded in any nominal amount equal or in excess of €100,000 (or its equivalent in other currencies). Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in pound sterling) having a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (the “UK FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

**Zero Coupon Notes:**

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will

	be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
<b>Interest Periods and Interest Rates:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement. Day count fractions in respect of Notes denominated in euro are computed and interest payment dates in respect of all Notes are set in accordance with the rules applicable to the Securities Settlement System.
<b>Redemption Amount:</b>	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in pound sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the UK FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
<b>Redemption by Instalments:</b>	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Other Notes:</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer, and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.
<b>Optional Redemption:</b>	The Pricing Supplement issued in respect of each issue of the Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable to such redemption.
<b>Status of Notes:</b>	The Notes will constitute unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
<b>Cross Default:</b>	See “Terms and Conditions of the Notes - Events of Default”.

**Rating:**

Moody's Investors Services Ltd assigned on 4 December 2020 a rating of A1 to the long-term debt and a rating of Prime-1 for the short term debt of the Issuer (with negative outlook). The Programme was rated by Moody's France SAS on 2 July 2021 with a rating of A1 for the senior unsecured debt and a rating of Prime-1 for the short-term debt. The credit rating included or referred to in this Offering Circular will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "CRA Regulation") as having been issued by Moody's France SAS. Moody's France SAS is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<http://www.esma.europa.eu>).

Tranches of Notes (as defined in "Summary of the Programme – Method of Issue") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Early Redemption:**

Except as provided in "Optional Redemption" above, and provided an Early Redemption Amount is specified in the relevant Pricing Supplement as "Applicable", Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes - Redemption, Purchase and Options".

**Redenomination:**

Notes issued in the currency of any member state of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into euro, all as more fully provided in the relevant Pricing Supplement, pursuant to the "Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination".

**Consolidation:**

Notes of one Series may be consolidated with Notes of another Series as more fully provided in "Terms and Conditions of the Notes– Further Issues and Consolidation".

**Withholding Tax:**

Belgian withholding tax will be applicable to the Notes at the rate of 30 per cent, subject to such relief as may be available under applicable tax treaty or domestic provisions. However all payments by or on behalf of the Issuer of principal and interest on the Notes (subject as stated below in the section on "Belgian Taxation") may be made without deduction of Belgian withholding tax for Notes held by certain eligible investors in an

exempt securities account with the Securities Settlement System or with a participant or sub-participant in such system.

**Governing Law:**

Belgian law.

**Listing:**

Notes issued under the Programme may be listed on the regulated market of the Luxembourg Stock Exchange and/or Euronext Brussels or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.

**Selling Restrictions:**

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. In connection with the offering and the sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Pricing Supplement. See “Subscription and Sale”.

The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

The TEFRA rules do not apply to the Notes.

If the relevant Pricing Supplement specifies the “Prohibition of Sales to Belgian Consumer” as “Applicable”, the Notes are not intended to be offered or sold to Belgian consumers. See “Subscription and Sale”.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes. The text of the Terms and Conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Pricing Supplement. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Conditions and the relevant Pricing Supplement, the latter shall prevail. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by Communauté française de Belgique (the “**Issuer**”) pursuant to an amended and restated agency agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 7 July 2021 between the Issuer, Banque Internationale à Luxembourg S.A. as Luxembourg listing agent, and Belfius Bank SA/NV as paying agent, domiciliary agent, calculation agent and Belgian listing agent and a service contract for the issuance of fixed income securities (as amended, supplemented or novated as at the Issue Date, the “**Clearing Services Agreement**”) dated 3 July 2018 between the Issuer, the National Bank of Belgium and Belfius Bank SA/NV as domiciliary agent, as amended. The paying agent, the domiciliary agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Paying Agent**”, the “**Domiciliary Agent**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement and of the Clearing Services Agreement applicable to them.

References herein to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

Copies of the Agency Agreement and of the Clearing Services Agreement are available for inspection at the specified offices of the Domiciliary Agent and of the Paying Agent.

### 1. **Form, Denomination, Title and Redenomination**

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Instalment Notes, Dual Currency Notes or Partly Paid Notes, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Pricing Supplement.

- (a) **Form:** The Notes are issued in dematerialised form governed by the Belgian law of 2 January 1991 on the market for public debt securities, and monetary policy instruments (*loi relative au marché des titres de la dette publique et aux investissements de la politique monétaire*) as made applicable to debt securities of the Communities and Regions by the Royal Decree of 16 November 1994 (“**Dematerialised book-entry Notes**”), or under the form of dematerialised treasury notes (*billets de trésorerie*) governed by the Belgian law of 22 July 1991 on treasury notes and certificates of deposit (*loi relative aux billets de trésorerie et aux certificats de dépôt*) and the Belgian Royal Decree of 14 October 1991 on the same subject (“**Dematerialised treasury Notes**”), as specified in the relevant Pricing Supplement, all as amended from time to time. The Notes are accepted for clearance through the clearing system operated by the National Bank of Belgium<sup>1</sup> (the “**NBB**”) or any successor thereto (the “**Securities Settlement System**”), and are accordingly subject to the applicable clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities (*loi relative aux opérations sur certaines valeurs mobilières*), its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the clearing (*règlement du système de liquidation de titres*) and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned

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<sup>1</sup> For additional information, please see <http://www.nbb.be/pub/Home?l=fr&t=ho>

in this Condition being referred to herein as the "**Securities Settlement System Regulations**"). The Noteholders will not be entitled to exchange the Notes into definitive notes in bearer or registered form.

- (b) **Denomination:** Notes will have a denomination of one unit of the currency in which they are denominated. If issued as Dematerialised treasury Notes, Notes may only be traded in any nominal amount equal or in excess of € 250,000 (or its equivalent in other currencies). However, Notes issued as Dematerialised treasury Notes to investors which qualify as public administrations (*administrations publiques*) pursuant to article 6 of the Belgian Royal Decree of 14 October 1991 on treasury notes and certificates of deposit (*arrêté royal relatif aux billets de trésorerie et aux certificats de dépôt*) may be traded in any nominal amount equal or in excess of €100,000 (or its equivalent in other currencies). Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in pound sterling) having a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the UK FSMA will have a minimum denomination of £ 100,000 (or its equivalent in other currencies).
- (c) **Title:** Title to the Notes is evidenced by book entries in the holder's securities account with the NBB or with an approved account holder within the meaning of the Belgian law of 2 January 1991 referred to above (each, an "**Approved Account Holder**"). The person who is for the time being shown in the records of the Securities Settlement System or of an Approved Account Holder as the holder of a particular nominal amount of Notes shall for all purposes be treated by the Issuer and the Domiciliary Agent as the holder of such nominal amount of Notes, and the expressions "**Noteholders**" and "**holders of Notes**" and related expressions shall be construed accordingly.
- (d) **Redenomination:** The Issuer may (if so specified in the relevant Pricing Supplement) without the consent of the holder of any Note, by giving at least 30 days' notice in accordance with Condition 11, redenominate into euro (and adjust the aggregate principal amount and the Denomination(s) set out hereon accordingly) all, but not some only, of the Notes of any Series on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating member state in the third stage of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community, as amended from time to time, all as more fully provided in the relevant Pricing Supplement, or events have occurred which have substantially the same effects). The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

## 2. Status

The Notes constitute unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will at all times rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

## 3. Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means: (a) in relation to all Notes other than those denominated in euro, a day (other than a Saturday or Sunday) on which (i) commercial banks and foreign exchange markets settle payments in Belgium and (ii) commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the currency in which the relevant Notes are denominated and (b) in relation to Notes denominated in euro, a day (other than a Saturday or Sunday) (i) on which banks and foreign exchange markets are open for general business in Belgium and (ii) on which the Securities Settlement System is operating and (iii) (if a payment in euro is to be made on that day) which is a day



on which the TARGET system is operating (a “**TARGET Business Day**”), and in relation to both (a) and (b) above, such other day as may be agreed between the Issuer and the relevant Dealer(s) and specified in the Pricing Supplement.

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

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

$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$
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where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$
--

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

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

$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$
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where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

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

where:

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

**“Determination Date”** means the date specified as such hereon or in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date.

**“Euro-zone”** means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty on European Union, as amended.

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

**“Interest Amount”** means:

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

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

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

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or in the relevant Pricing Supplement or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the first day of such Interest Accrual Period if the Specified Currency is Sterling.

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

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon or in the relevant Pricing Supplement.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as amended and supplemented from time to time and as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon or in the relevant Pricing Supplement.

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

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon or in the relevant Pricing Supplement.

**“Reference Rate”** means the rate specified as such hereon or in the relevant Pricing Supplement.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon or in the relevant Pricing Supplement.

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

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 (TARGET 2) System or any successor thereto.

(b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, except as otherwise provided in the relevant Pricing Supplement. The amount of interest payable shall be determined in accordance with Condition 3(i).

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

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(i). Such Interest Payment Date(s) is/are either shown hereon or in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon or in the relevant Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon or in the relevant Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon or in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined

by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- the Floating Rate Option is as specified hereon or in the relevant Pricing Supplement
- the Designated Maturity is a period specified hereon or in the relevant Pricing Supplement and
- the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon or in the relevant Pricing Supplement.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon or in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

- if the Relevant Screen Page is not available or if, sub-paragraph (B)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (B)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- if the paragraph above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the

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

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon or in the relevant Pricing Supplement and interest will accrue by reference to an Index or Formula as specified hereon or in the relevant Pricing Supplement.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 4(b)(i)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon or in the relevant Pricing Supplement.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon or in the relevant Pricing Supplement. Partly Paid Notes will not be issued so long as they may not be cleared through the Securities Settlement System.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall

continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 3 to the Relevant Date (as defined in Condition 6).

(h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**

- (i) If any Margin is specified hereon or in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon or in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(i) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

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

For the purposes of this paragraph, “Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

- (k) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, or any Instalment Amount to be notified to the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. If the Notes are listed on the Luxembourg stock exchange or on Euronext Brussels, the aggregate nominal amount, if any, outstanding on Notes after an early redemption pursuant to Condition 4(b) shall be communicated to the Luxembourg stock exchange or Euronext Brussels, respectively. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 3(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (l) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and in the relevant Pricing Supplement and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (m) **Benchmark replacement:** In addition, notwithstanding the other provisions in this Condition 3, if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate specified in the applicable Pricing Supplement when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Notes:



- (i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the Noteholders) (A) a Successor Rate (as defined below) or, failing which, an Alternative Reference Rate (as defined below), for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread (as defined below);
- (ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 3(m);
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(m));
- (iv) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Noteholders) also specify changes to these Terms and Conditions, including but not limited to (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Notes and (B) the method for determining the fall-back rate in relation to the Notes, in any such case in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable).

If the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Calculation Agent, the Paying Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Terms and Conditions as may be required in order to give effect to the application of this Condition 3(m). No consent shall be required from the Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the Calculation Agent, the Paying Agent and any other agents party to the Agency Agreement (if required or useful); and
- (v) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the Calculation Agent and, in accordance with Condition 11, the Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any).

An Independent Adviser appointed pursuant to this Condition 3(m) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Calculation Agent, the Paying

Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(m).

Without prejudice to the obligations of the Issuer under this Condition 3(m), the Reference Rate applicable during the Interest Period during which the Benchmark Event occurred and the other provisions in this Condition 3 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any).

For the purposes of this Condition 3(m):

**“Adjustment Spread”** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iv) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith, determines to be appropriate.

**“Alternative Reference Rate”** means the rate that the Issuer determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate.

**“Benchmark Event”** means:

- (i) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the relevant Reference Rate stating that it will, by a specified date within the following six months, cease to publish the relevant Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or

- (iii) a public statement by the supervisor or the administrator of the relevant Reference Rate stating that the relevant Reference Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used within the following six months; or
- (v) a public statement by the supervisor or the administrator of the relevant Reference Rate that the relevant Reference Rate will be (or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for the Calculation Agent, the Paying Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any Noteholders using the relevant Reference Rate.

“**IA Determination Cut-Off Date**” means no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period.

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

“**Reference Rate**” means the benchmark or screen rate (as applicable) originally specified in the applicable Pricing Supplement for the purposes of determining the relevant Rate of Interest (or any component part(s) thereof) in respect of the Notes or (if applicable) any other Successor Rate or Alternative Rate (or any component part(s) thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 3 (m);

“**Relevant Nominating Body**” means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

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

#### 4. Redemption, Purchase and Options

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

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 4, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon or in the relevant Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon or in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided hereon or in the relevant Pricing Supplement, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.
- (b) **Early Redemption:**
- "Early Redemption Amount"** has the following meaning:
- (i) Zero Coupon Notes:
- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 4(c) or upon it becoming due and payable as provided in Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon or in the relevant Pricing Supplement.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon or in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 4(c) or upon it becoming due and payable as provided in Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 3(d).
- Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon or in the relevant Pricing Supplement.
- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 4(c) or upon it becoming due and payable as provided in Condition 8, shall be the Final Redemption Amount unless otherwise specified hereon or in the relevant Pricing Supplement.
- (c) **Redemption for Taxation Reasons:** If an Early Redemption Amount is specified in the relevant Pricing Supplement as "Applicable", the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note) on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 4(b) above) (together with interest accrued to the date fixed for redemption), if
- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of Belgium or

any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Domiciliary Agent a certificate signed by the Minister of Finance (or a duly authorised delegate) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) **Redemption at the Option of the Issuer:** If a "**Call Option**" is specified hereon or in the relevant Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon or in the relevant Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon or in the relevant Pricing Supplement.

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

In the case of a partial redemption or a partial exercise of an Issuer's option, the Notes to be redeemed will be selected individually by lot and in accordance with the Securities Settlement System Regulations, not more than 30 days prior to the date fixed for redemption.

So long as the Notes are listed on the Luxembourg Stock Exchange or on Euronext Brussels and the rules of this stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg or Belgium, respectively, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

- (e) **Redemption at the Option of Noteholders:** If a "**Put Option**" is specified hereon or in the relevant Pricing Supplement, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon or in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must (i) deliver or cause to deliver to the Domiciliary Agent a certificate issued by the relevant recognised account holders or the NBB certifying that the relevant Note is held to its order or under its control and blocked by it and (ii) deposit with the Domiciliary Agent or with the Paying Agent a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Domiciliary Agent or from the Paying Agent in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon or in the relevant Pricing Supplement.
- (g) **Purchases:** The Issuer may at any time purchase Notes in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer will forthwith be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 5. Payments

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Foreign Currency**” means any lawful currency for which the European Central Bank daily publishes Euro foreign exchange reference rates.

“**T2S**” means the Eurosystem’s single technical settlement solution enabling CSDs and national central banks to provide core, borderless and neutral securities settlement services in central bank money in Europe.

- (b) **Payments in euro:** All payments in euro or in any Foreign Currency participating in T2S of principal or interest owing under the Notes shall be made through the Domiciliary Agent and the Securities Settlement System in accordance with the Securities Settlement System Regulations and the Clearing Services Agreement.
- (c) **Payment in other currencies:** All payments in any Foreign Currency which is not participating in T2S of principal or interest owing under the Notes shall be made through the Domiciliary Agent and Euroclear Belgium, Clearstream, Frankfurt Monte Titoli, LuxCSD, Interbolsa, SIX SIS and/or Euroclear France (in accordance with the rules thereof, and in accordance with the Securities Settlement System Regulations and the Clearing Services Agreement).
- (d) **Payment subject to fiscal laws:** All payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6. No commissions or expenses shall be charged by the Domiciliary Agent to the Noteholders in respect of such payments.
- (e) **Appointment of Agents:** The Domiciliary Agent, the Paying Agent and the Calculation Agent(s) act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency with any of the Noteholders.

The Issuer reserves the right at any time to vary or terminate the appointment of the Domiciliary Agent the Paying Agent and the Calculation Agent(s), provided however, that the Issuer shall at all times maintain a Domiciliary Agent in the Securities Settlement System, one or more calculation Agent(s) where the Conditions so require, a Luxembourg Paying Agent so long as the Notes are listed on the Luxembourg Stock Exchange, a Belgian Paying Agent so long as the Notes are listed on Euronext Brussels, and such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such change shall promptly be given to the Noteholders in accordance with Condition 11.

- (f) **Non-Business Days:** If any date for payment in respect of any Note is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in

the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon or in the relevant Pricing Supplement and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 6. Taxation

All payments of principal and interest by or on behalf of the Issuer and/or by a clearing system and/or a participant in a clearing system in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, if a “**Tax Gross-Up**” is specified in the relevant Pricing Supplement as Applicable, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

- (a) **Other connection:** to, or to a third party on behalf of, a Noteholder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Note or
- (b) **Payment to non-Eligible Investors:** to, or to a third party on behalf of, a Noteholder who on the date of acquisition of such Note, was not an Eligible Investor or who was an Eligible Investor on the date of acquisition of such Note but, for reasons within the Noteholder’s control, ceased to be an Eligible Investor or at any relevant time on or after the issue of the Notes, for reasons within the Noteholder’s control, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities or
- (c) **Payment by another financial institution:** held by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by holding the relevant Note in a securities account with another financial institution in a Member State of the European Union.

As used in this Condition, “**Eligible Investor**” means those entities which are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax and which hold the Notes in an exempt account in the Securities Settlement System.

As used in these Conditions, “**Relevant Date**” in respect of any Note, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 7. Prescription

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

## 8. Events of Default

If any of the following events (“**Events of Default**”) occurs, the holder of any Note may give written notice to the Issuer at the specified office of the Domiciliary Agent or of the Paying Agent, that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (a) **Non-Payment:** default is made for more than 14 days (in the case of interest) or 7 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Issuer at the specified office of the Domiciliary Agent or of the Paying Agent by any Noteholder or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds € 25,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates) or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer and is not discharged or stayed within 90 days or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) or
- (f) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of Belgium is not taken, fulfilled or done or
- (g) **Moratorium:** the Issuer declares a general moratorium on the payment of its indebtedness or
- (h) **Repudiation:** the Issuer disaffirms, repudiates or rejects, in whole or in part, or challenges the validity of, the Notes or
- (i) **Existence:** the Issuer ceases to exist prior to the repayment in full of the Notes or the payment in full of all sums due under the Notes or
- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any or more of its obligations under any of the Notes.



## 9. Meeting of Noteholders and Modifications

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

In this Condition, “**Extraordinary Resolution**” means a resolution passed at a meeting duly convened and held in accordance with the terms set out in the Agency Agreement by a majority of at least 75 per cent of the votes cast.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.*

- (b) **Modification of the Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement and/or the Clearing Services Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

## 10. Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such notes to “**Issue Date**” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 11, without the consent of the Noteholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro

(if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 11. Notices

Notices to the Noteholders shall be valid if (i) delivered by or on behalf of the Issuer to the Securities Settlement System for communication by it to the Securities Settlement System participants and (ii) if published on its website ([www.budget-finances.cfwb.be](http://www.budget-finances.cfwb.be)). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Securities Settlement System and (ii) publication on its website.

The Issuer shall further ensure that all notices are duly published in a manner which complies with the rules and regulations of the Luxembourg Stock Exchange (i.e. published on the website of the Luxembourg Stock Exchange or in a newspaper having general circulation in Luxembourg), Euronext Brussels and of any stock exchange or other relevant authority on which the Notes are listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

Notices to be given by any Noteholders shall be in writing and given by lodging the same with the Domiciliary Agent or the Paying Agent.

## 12. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, as the case may be, to the extent of the amount in the currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

## 13. Governing Law, Jurisdiction, Waiver of immunity, Direct Rights

- (a) **Governing Law:** The Notes are governed by, and shall be construed in accordance with, Belgian law.
- (b) **Jurisdiction:** The French speaking Courts of Brussels (Belgium) are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and, accordingly, any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- (c) **Waiver of immunity:** The Issuer hereby irrevocably and unconditionally to the fullest extent possible waives with respect to the Notes, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents, to the fullest extent possible, to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any suit, action or proceeding, provided

however that the properties of the Issuer may not be subject to any compulsory enforcement unless these properties are manifestly of no use to the performance of the public service duties of the Issuer or for the continuity of any public service.

- (d) **Direct Rights:** To the extent necessary, the Issuer grants to each Noteholder such rights against the Issuer provided for in Article 24 of the law of 15 July 1998 modifying various legal provisions on financial instruments and clearing systems (*Loi modifiant diverses dispositions légales en matière d'instruments financiers et de systèmes de compensation de titres / Wet tot wijziging van sommige wettelijke bepalingen inzake financiële instrumenten en effectenclearingstelsels*).

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used to finance the Issuer's activities unless otherwise specified in the relevant Pricing Supplement. The relevant Pricing Supplement may indicate that the net proceeds of an issue of the Notes will be used by reference to a framework for the issuance of Green Bonds or Social Bonds or Sustainability Bonds referred to therein.

## GREEN / SUSTAINABLE / SOCIAL BONDS

The Issuer may issue Notes that are intended to qualify as "green bonds", "sustainability bonds" and/or "social bonds" in accordance with relevant applicable principles at the time of issue (such Notes, "Green Bonds", "Sustainability Bonds" or "Social Bonds"). Such Green Bonds, Sustainability Bonds or Social Bonds may be issued on the basis of a framework established by the Issuer and/or may be subject to a review by a third party.

The Social Bond Framework as adopted by the Issuer in June 2021, is available on the website of the Issuer at [http://www.budget-finances.cfwb.be/index.php?eID=tx\\_nawsecuredl&u=0&g=0&hash=557b7dae80325878891b2ef17a0b18de4cf09253&file=fileadmin/sites/dgbf/upload/dgbf\\_super\\_editor/dgbf\\_editor/Service\\_general\\_des\\_Finances/service\\_de\\_la\\_dette/documents/Benchmark\\_2021/Jun21\\_CFB\\_Social\\_Finance\\_Framework\\_final\\_.pdf](http://www.budget-finances.cfwb.be/index.php?eID=tx_nawsecuredl&u=0&g=0&hash=557b7dae80325878891b2ef17a0b18de4cf09253&file=fileadmin/sites/dgbf/upload/dgbf_super_editor/dgbf_editor/Service_general_des_Finances/service_de_la_dette/documents/Benchmark_2021/Jun21_CFB_Social_Finance_Framework_final_.pdf)

The second party opinion on the Social Bond Framework, as performed by ISS ESG on request of the Issuer, is available on the website of the Issuer at [http://www.budget-finances.cfwb.be/index.php?eID=tx\\_nawsecuredl&u=0&g=0&hash=f821da3ef5d95de99800faedcc2bdab362bc52d6&file=fileadmin/sites/dgbf/upload/dgbf\\_super\\_editor/dgbf\\_editor/Service\\_general\\_des\\_Finances/service\\_de\\_la\\_dette/documents/Benchmark\\_2021/Final\\_SPO\\_-\\_CFWB\\_01.pdf](http://www.budget-finances.cfwb.be/index.php?eID=tx_nawsecuredl&u=0&g=0&hash=f821da3ef5d95de99800faedcc2bdab362bc52d6&file=fileadmin/sites/dgbf/upload/dgbf_super_editor/dgbf_editor/Service_general_des_Finances/service_de_la_dette/documents/Benchmark_2021/Final_SPO_-_CFWB_01.pdf)

Neither the framework nor the second party opinion are incorporated by reference in or form part of this Offering Circular.

Neither the Issuer nor any Dealer makes any representation as to the suitability of the Notes or any documentation provided in connection therewith to fulfil the environmental or social objectives of such instrument. Where a third party opinion is issued, neither the Issuer, nor the person issuing such opinion, nor any Dealer accept any form of liability for the substance of such opinion, the use of such opinion, and/or the information provided in it. Where the Issuer does not comply with its obligations in respect of the green or social nature of the Notes, where applicable, such non-compliance will not constitute an event of default. A withdrawal of a green opinion, where issued, or any loss of qualification as Green Bond, Sustainability Bonds or Social Bond under any relevant principles, may affect the value of the relevant Notes and/or may have consequences for investors that have portfolio mandates to invest in green and/or social assets.

The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "sustainable", "green" or equivalently-labelled project or a loan that may finance such project, is currently under development. In June 2020, the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation") was adopted. On this basis, the European Commission is tasked to establish the actual classification by defining technical screening criteria, in the form of delegated acts, for each relevant environmental objective and sector respectively. Taking into account the requirements of the Taxonomy Regulation, on 21 April 2021, the College of Commissioners reached a political agreement on the first of such delegated acts (the EU Taxonomy Climate Delegated Act), which aims to support sustainable investment by making it clearer which economic activities most contribute to meeting the EU's environmental objectives. The College of Commissioners reached a political agreement on the text of the Delegated Act on 21 April 2021, which was formally approved on 4 June 2021 for scrutiny by the legislators. A second delegated act for the remaining objectives should be published in the course of 2022. The publication of the first Delegated Act was accompanied by the adoption of a Commission Communication on "EU taxonomy, corporate sustainability reporting, sustainability preferences and fiduciary duties: Directing finance towards the European Green Deal" that aimed at delivering key messages on how the sustainable finance toolbox facilitates access to finance for the transition. In 2021, the European Commission should adopt another delegated act specifying the information companies subject to the non-financial reporting directive (NFRD) will have to disclose on how, and to what extent, their activities align with those considered environmentally sustainable in the EU taxonomy.

## DESCRIPTION OF THE ISSUER

### General

Since June 2011, the official name of Communauté française de Belgique (“CFB”) has been changed in “Federation Wallonia-Brussels” (*Fédération Wallonie-Bruxelles*) pursuant to a decision of the Government and the Parliament. However, as the Constitution of the Kingdom of Belgium has not been accordingly modified, all legal documents should keep using the legal designation “French Community of Belgium” (*Communauté française de Belgique*).

CFB is an entity of the Belgian Federal State. In addition to the federal level, the Federal State consists of three Communities (French, Flemish and German) and three Regions (Wallonia, Flanders and Brussels). Each entity has its own constitutionally protected powers and both legislative and executive institutions, except that the Flemish Community and the Flemish Region largely merged their respective institutions.

CFB’s main mission is to organise education, cultural matters and certain social matters. Its revenues (excluding new borrowings) in 2020 were of € 9,829.85 million and expenditures (excluding debt repayment) amounted to € 11,859.3 million, as stated in the internal reports made by the Administration. These figures are related to the Community’s Central Administration excluding the legal entities distinct from the CFB but falling within its consolidation sphere. The Belgian Court of Audit (*Cour des comptes*) will review the figures during the second semester of 2021 and will publish a report in October 2021.

For additional information, please refer to the following website: <http://www.budget-finances.cfwb.be/>.

### Powers<sup>2</sup>

CFB’s powers extend to persons and institutions established in Wallonia (excluding the German-speaking districts thereof) and to certain French-language institutions in the bilingual (French/Dutch) Brussels Region. It services an estimated 4.6 million persons out of the 11.5 million inhabitants in Belgium (based on 2021 Statbel figures).

The powers of CFB are determined by the Constitution of the Kingdom of Belgium and the special law of 8 August 1980 on institutional reforms (*Loi spéciale de réformes institutionnelles / Bijzondere wet tot hervorming der instellingen*), as amended (the “**Institutional Reform Law**”), and comprise the entire educational system (excluding pensions), culture (including, *inter alia*, fine arts, performing arts, radio and television, and sports), the use of languages and certain social affairs (including youth aid, early childhood, promotion of health, and social aid to prisoners). Since the 6th State Reform, CFB is also competent for Houses of Justice. For the various matters for which it is responsible, CFB is also competent for national and international cooperation, and scientific research.

In 1993 (Decree II Saint-Quentin<sup>3</sup>) and in 2014 (Decree Sainte-Émilie<sup>4</sup>), CFB transferred the exercise of some of its powers to the Walloon Region and the French Community Commission of the Brussels-Capital Region (*Commission communautaire française de la Région de Bruxelles-Capitale*). This transfer mainly concerned school buildings, sports infrastructure, tourism, professional training and social promotion, as well as health policy and welfare aid (transferred in 1993); and family allowances, health care infrastructure and elderly care (transferred in 2014). Following the sixth state reform, the Decree Sainte-Émilie provides that an additional endowment will be annually

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<sup>2</sup> For additional information, see <http://www.federation-wallonie-bruxelles.be/>

<sup>3</sup> See: *Décret du 5 juillet 1993 de la Communauté française relatif au transfert de l'exercice de certaines compétences de la Communauté française à la Région wallonne et à la Commission communautaire française*, MB 10 septembre 1993. ; *Décret du 7 juillet 1993 de la Région wallonne relatif au transfert de l'exercice de certaines compétences de la Communauté française à la Région wallonne*, MB 10 septembre 1993. *Décret du 8 juillet 1993 de la Commission communautaire française relatif au transfert de l'exercice de certaines compétences de la Communauté française à la Commission communautaire française* MB 10 septembre 1993.

<sup>4</sup> See: *Décret spécial du 3 avril 2014 de la Communauté française relative aux compétences de la Communauté française dont l'exercice est transféré à la Région wallonne et à la Commission communautaire française*, MB 25 juin 2014 ; *Décret du 11 avril 2014 de la Région wallonne relatif aux compétences de la Communauté française dont l'exercice est transféré à la Région wallonne et à la Commission communautaire française*, MB 12 mai 2014 ; *Décret du 4 avril 2014 de la Commission communautaire française relatif aux compétences de la Communauté française dont l'exercice est transféré à la Région wallonne et à la Commission communautaire française*, MB 25 juin 2014.

allocated to the Walloon Region and the French Community Commission within the Brussels-Capital Region. This endowment is neutral for CFB. However, the Decree Sainte-Émilie provides specifically that the Walloon Region and the French Community Commission within the Brussels-Capital Region will take over a part of the consolidation efforts accompanying the sixth state reform and which are reflected in the calculations of flows to CFB.

The endowment of the Decree II Saint-Quentin (agreement of 1993) is maintained in chapter V of the expenditure budget of CFB (approximately € 476 million in 2018) and the endowment of the Decree Sainte-Émilie (agreement of 2014) is outlined in a particular section of the budget and corresponds to a large part of the endowments “*nouvelles compétences transférées*” (amounting to € 3.6 billion in 2019). Subsequently, the budget of the CFB in the strict sense is not altered by any in and out movements which are fully offset.

## Political Institutions

The parliament of CFB<sup>5</sup> is a unicameral assembly with 94 members. 75 out of the 94 are the elected members of the Walloon Region parliament and 19 are French-speaking elected members from the Brussels Region parliament. The parliament of CFB exercises the legislative powers of CFB by way of decrees that have the force of law and votes on the budget and the accounts of CFB.

The government of CFB<sup>6</sup> has 5 members and is politically accountable to the parliament. It is entrusted with executive authority and implements the decrees adopted by the parliament. As a result of the elections of 26 May 2019, the government is formed by a coalition of the *Parti Socialiste* (PS), the *Mouvement réformateur* (MR), and *Ecolo*, which together control 71.3% of the seats in parliament.

## Financing

### *Legal Framework*

The financing of CFB is governed by the special law of 16 January 1989 on the financing of the communities and regions (*loi spéciale relative au financement des Communautés et Régions*), which was amended in 1991, 1993, 2001, 2006 and 2014 (the “**Financing Law**”).

The core principles of the 2014 amendment of the Financing Law, which implements the financial flows as agreed upon in the 6<sup>th</sup> reform of the Belgian Federal State, are: no structural impoverishment of one or more federated entities; ensure long-term viability of the Federal State; reinforce accountability of the federated entities with respect of their competences and policies; take into account the externalities, the sociological reality and the role of the Region of Bruxelles-Capitale; take into account population and students as criteria; maintain solidarity between entities, free of perverse effects; ensure the financial stabilization of the entities; take into account the efforts to be made by all the entities to consolidate public finances.

Pursuant to the Financing Law, the budget of CFB is financed through non-fiscal revenues, allocations from the Federal State of certain national tax collections derived from the value added tax (“**VAT**”) and the income tax for physical persons (“**IPP**”), a transition mechanism (applicable for the period 2015-2033) and borrowings. The resources allocated to CFB by the LSF were restructured in 2014.

Without going into details one can note that:

- The compensatory allocation to the RTT is now part of the VAT mass and has disappeared as such.
- The refinancing of the communities existing since 2001, including the link of the growing VAT mass is divided into two pieces. The first remains in the VAT mass, the second incorporates the IPP mass.
- A transition mechanism ensures the neutrality of this calculation method compared to the previous method, so that in 2015 the means of CFB to finance its traditional skills are the same with both methods.

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<sup>5</sup> For additional information, see <http://www.pfwb.be/>

<sup>6</sup> 17/09/2019 – Arrêté du Gouvernement de la Communauté française fixant la répartition des compétences entre les ministres et réglant la signature des actes du Gouvernement, MB 27/09/2019.

- A series of new allocations is defined in the amended Financing Law such as family allowances (Article 47/5 and 47/6), elderly care (Article 47/7), health care (Article 47/8), hospital infrastructure (Article 47/9), houses of justice (Article 47/10), etc.

CFB has no authority to levy taxes.

For more details, please see: « Exposé général du budget de la CFB pour l'année budgétaire 2020 » (pp. 6-76)<sup>7</sup>.

The mechanism dealing with the CFB revenues and the calculation of the communities endowments flowing from the Federal level are confirmed by the new Financing Law, which is underlined by the fact that the endowments relating to these new competences are already transferred for a large part to the French regional entities which exercise them (see Decree Sainte-Émilie). Most of the CFB revenues (more than 98%) remain therefore perfectly predictable and certain. The amounts are enshrined in the law and are essentially indexed according to GDP and CPI, and are confirmed in article 54 of the Financing Law.

The Financing Law, as well as the Institutional Reform Law, can only be amended through a legislative process requiring a two-third majority in each federal assembly (Chamber and Senate) and a majority of votes in each language group within these assemblies.

#### Overview

The following chart shows important financial indicators for 2017, 2018, 2019 and 2020, structured as generally agreed by the financial community<sup>8</sup>.

€ million	2020 realised	%	2019 realised	%	2018 realised	%	2017 realised	%	
<b>REVENUES</b>									
Intergovernmental revenues	9.236,0	94,0%	10.094,0	97,0%	9.939,4	97,1%	9.661,2	97,4%	
Other	593,6	6,0%	312,6	3,0%	292,4	2,9%	262,8	2,6%	
<b>Total revenues</b>	<b>9.829,6</b>		<b>10.406,6</b>		<b>10.231,8</b>		<b>9.924,0</b>		
<i>of which :</i>									
<i>Operating</i>	9.829,4	100,0%	10.405,6	100,0%	10.230,6	100,0%	9.923,0	100,0%	
<i>Capital</i>	0,2	0,0%	1,0	0,0%	1,2	0,0%	1,0	0,0%	

<b>EXPENDITURES</b>									
Administration	817,5	6,9%	575,7	5,2%	555,7	5,2%	494,8	4,8%	
Culture and non-profit	1.655,5	14,0%	1.576,2	14,4%	1.520,6	14,2%	1.410,6	13,6%	
Education, research and formation	8.419,3	71,0%	8.092,2	73,7%	7.929,0	74,2%	7.829,2	75,3%	
Debt service (*)	169,4	1,4%	172,0	1,6%	159,1	1,5%	174,1	1,7%	
Transfers	479,2	4,0%	476,7	4,3%	467,2	4,4%	467,2	4,5%	
Other	318,3	2,7%	88,8	0,8%	55,6	0,5%	27,7	0,3%	
<b>Total expenses</b>	<b>11.859,3</b>		<b>10.981,7</b>		<b>10.687,3</b>		<b>10.403,6</b>		
<i>of which :</i>									
<i>Operating</i>	11.636,5		10.776,3		10.487,9	98,1%	10.099,8	97,1%	
<i>Capital</i>	222,8		205,4		199,4	1,9%	303,8	2,9%	

<b>FINANCING DEFICIT/SURPLUS</b>	- 2.029,7		- 575,1		- 455,5		- 479,6	
Expenses (without Debt Service)	11.689,8		10.809,7		10.528,1		10.229,5	

<sup>7</sup> See: <http://www.budget-finances.cfbw.be/>

<sup>8</sup> For the fiscal year 2017, see the report of 30 October 2018 "Contrôle du compte général de la Communauté française pour l'année 2017" provided by the National Audit Office to the Parliament. For the fiscal year 2018, see the report of 29 October 2019 "Contrôle du compte général de la Communauté française pour l'année 2017" provided by the National Audit Office to the Parliament of CFB. Internal calculations for the 2019 realizations.



Transfers from the Federal Government represent 94.0% of the overall resources of CFB in 2020. The Federal Government is responsible for the collection of the national taxes which finance these transfers.

Borrowings (20.1% of the revenues in 2020) are contracted in order to finance the gross balance of the budget (*i.e.* net balance and repayment of the debt). CFB's debt position is described in more detail under section "Debt of the Issuer" below.

#### *Transfers from the Federal Government*

##### (e) **General**

The main transfers by the Federal Government to CFB are based on allocations of collections of VAT (in 2020, 66.80% of CFB's overall revenue) and IPP (in 2020, 26.33% of CFB's overall revenue).

The transfer amounts are calculated on the basis of provisional allocations integrating several parameters and made available to CFB by way of advances in twelve equal instalments at the start of each month. In case the transfer amounts are not or not fully paid on the monthly due date, Article 54, paragraph 2, of the Financing Law provides that CFB is entitled to borrow the amounts due by the Federal Government from a pre-agreed credit institution. Such borrowings benefit from the guarantee of the Federal State. At the end of each year differences based on final amounts for the parameters are calculated and settled between CFB and the Federal Government.

As a result of an amendment to the Financing Law in 2001 which purported to provide additional revenues to the three Communities (the so-called "**Saint-Polycarpe Agreement**"), the allocation mechanisms from VAT have been revised as from 2002.

In addition, the Federal Government co-finances the education of foreign university students (0.83% of CFB's overall revenue in 2020) through transfers to CFB.

##### (f) **Allocation of VAT Collections** including a part of the Compensatory Grant for RTT (from 2015)

The amount of VAT collections that are allocated to the Communities is annually adjusted to inflation (by reference to the consumer price index) and further corrected to take into account the demographic evolution. This overall adjusted amount is shared between CFB and the Flemish Community on the basis of the actual number of pupils and students in their respective education systems (which in 2019 resulted in an allocation of 42.47% to CFB and 57.53% to the Flemish Community; and respectively 42.46% and 57.44% in 2020).

As a result of the Saint-Polycarpe Agreement, the aggregate allocation to the Communities was in the period 2002-2012 be increased annually and cumulatively with the following amounts: € 198,314,819.82 (2002), € 148,736,114.86 (2003), € 148,736,114.86 (2004), € 371,840,287.16 (2005), € 123,946,762.39 (2006) and € 24,789,352.48 (each year from 2007 until, and including, 2011). In addition, the amount for both Communities together has increased through adjustment to 91% of real national GDP growth as from 2007.

The additional financing resulting from the Saint-Polycarpe Agreement is shared between CFB and the Flemish Community partly pro rata the actual number of pupils and students in each of the respective Communities' education systems and partly pro rata the amount of actual IPP collections in each of the respective Communities. The part of the additional financing allocated on the basis of number of students was 60% in 2003, but, since 2009, it annually decreased by 5% and then by 10%, such that as from 2012 the entire additional financing is now allocated pro rata the IPP collections in each of the Communities.

Until 2002 the RTT was a tax levied by each of the Communities and was benefiting to their respective public radio and television networks. From 2002 the RTT has become a regional tax. CFB instead receives an annual compensatory grant calculated as a lump sum (equal to the average of RTT collections in the 1999-2001 period) which is adjusted for inflation by reference to the general consumer price index.

These calculations resulted for 2020 in an allocation of € 6,566.4 million to CFB.

**(g) Allocation of IPP Collections**

The collections of IPP to be allocated to CFB are adapted to inflation and real national GDP growth on the following basis. With respect to each of CFB and the Flemish Community, the amounts allocated to each of them in the previous budget year are first adjusted to inflation (by reference to the consumer price index) and real national GDP growth relating to the budget year concerned. These amounts are subsequently added up and the sum is expressed as a percentage of the total collections of IPP collected in both Communities. The amount of IPP allocated to each Community is the result of applying that percentage to the amount of IPP actually collected in the Community and budget year concerned.

This calculation resulted for 2020 in an allocation of € 2,588.3 million to CFB.

**(h) Allocation for the financing of foreign university students**

The amount of this allocation is only annually adjusted to inflation (by reference to the consumer price index).

This calculation resulted for 2020 in an allocation of € 81.3 million to CFB.

**(i) Some other allocations** transferred from the Federal Government for the exercise of some of the new powers of the CFB and which were not transferred to the Walloon Region and the French Community Commission of the Brussels-Capital Region.

As from 2018, a part of the amount of the allocation 47/8 (Health Care) is adjusted annually to CPI, to GDP and to demographical parameters. The calculation for 2020 resulted in an allocation of € 24.1 million to CFB.

As from 2018, the amount of the allocation 47/10 (Houses of Justice) is adjusted annually to CPI and to GDP. The calculation for 2020 resulted in an allocation of € 35.7 million to CFB.

The other allocations 47/5, 47/6, 47/7, part of 47/8, 47/9 and 47/11 are adjusted annually to CPI, and/or to GDP, and/or to specific demographical parameters and are mostly directly transferred to the Walloon Region and the French Community Commission of the Brussels-Capital Region in execution of the Decree Sainte-Emilie. As mentioned above, these calculations resulted for 2020 in allocations amounting to about € 3.4 billion.

## **Expenditures**

Education, research and training together represented about 71% of CFB's overall expenses in 2020. A significant part of the education budget (80%) is devoted to the payment of teaching staff salaries.

The expenditure relating to culture and social affairs (about 14% in 2020) essentially consists of grants or subsidies to various institutions entrusted with the implementation of these matters, such as RTBF (the French-language public radio and television network) and the child care institution ONE ("*Office de la Naissance et de l'Enfance*").

The amounts transferred to the Walloon Region and to the French Community Commission of the Brussels-Capital Region (4% in 2020) correspond to payments owed by CFB to these entities following the transfer to these entities of the exercise of certain powers of CFB in 1993.

The item "General Services" (6.9% in 2020) covers the operating costs of CFB's institutions and central administration.

Overall, personnel costs (relating to teachers and civil servants) represented in 2020 around the two-thirds of the total expenditure of CFB.

Interest expenses accounted for 1.4% of overall expenses.

## **Recent Developments and impact of the crisis on revenue**

The impact of the COVID crisis on the 2021 budget can be observed mainly in the reduction of the CFB's revenue, due to the decrease in GDP growth in 2020, estimated at -7.4%. This automatically reduced the endowments, which

represent approximately 95% of the financing of the CFB, as allocated in 2020 by the federal government. However, since these allocations are indexed from year to year to economic growth, the reduction by one year leads to an automatic reduction of the allocations expected in subsequent years, and therefore also in 2021.

The allocations entered in the 2021 budget are therefore based on the negative growth rate in 2020, but also on the estimated GDP growth in 2021 6.5%, published by the “*Bureau federal du Plan*” in September 2020. This rebound did not fully compensate for the recession in 2020.

In addition, given the resurgence of the coronavirus pandemic at the end of the year 2020 and the new containment measures that again reduced the economic activity in the country, it is to be feared that the final review of economic growth, both for the year 2020 and 2021, will be done on the downside. If applicable, the revision of the calculation of revenue will be taken into account when adjusting the 2021 budget.

The long term debt position of CFB remained stable from 2003 to 2008, which confirms the intention of CFB to meet its financial commitments.

Since 2009, the budget deficit had to be borrowed so that the consolidated debt amount increased with € 356.5 million to reach € 3,236.2 million in December 2009 (Debt Ratio<sup>9</sup> = 40.1%); increased with € 810.5 million to reach € 4,046.7 million in December 2010 (Debt Ratio = 50.4%); increased with € 259.7 million to reach € 4,306.4 million in December 2011 (Debt Ratio = 49.0%); increased with € 193.1 million to reach € 4,499.4 million in December 2012 (Debt Ratio = 49.3%); increased with € 252.5 million to reach € 4,751.9 million in December 2013 (Debt Ratio = 51.6%); increased with € 257.2 million to reach € 5,009.1 million in December 2014 (Debt Ratio = 53.8%); increased with € 324.2 million to reach € 5,333.3 million in December 2015 (Debt Ratio = 57.2%); increased with € 304.0 million to reach € 5,637.3 million in December 2016 (Debt Ratio = 58.4%); increased with € 343.6 million to reach € 5,980.9 million in December 2017 (Debt Ratio = 60.3%); and increased with € 283.6 million to reach € 6,264.4 million (Debt Ratio = 61.3%) in December 2018. In December 2019, the long term debt position increased with € 532.9 million to reach € 6,797.3 million (Debt Ratio = 65.3%). In December 2020, the long term debt position increased with € 1,767.9 million to reach € 8,565.2 million (Debt Ratio = 88.9%).

The methodology used to determine the financing balance of public bodies was changed substantially in application of the accounting guidelines of the European Commission; the result was an expansion of the scope of community consolidation since 2003 (with the ESA 1995), as a series of corrections have been integrated into the calculation of the financing balance. The historical financing balances for the years 2001 to 2009 are those calculated by the State Audit Office (*Institut des Comptes Nationaux – ICN*) and other public audit institutions and are published by the High Council of Finance (*Conseil supérieur des Finances – CSF*) in its successive reports. All reports from the CSF are available at the following address: <https://www.highcounciloffinance.be/en>.

All the reports of the *Conseil supérieur des Finances* reflect that CFB consistently exceeded the objectives that were assigned to it in the framework of the cooperation agreements entered into between the Federal State and the federated entities (*entités fédérées / deelstaten*) in the field of financing balance, as showed in the table below.

Year	Objectives (in € million)	Achievements (in € million)	
2001	- 79.0	- 57.1	ICN/CSF
2002	- 99.0	- 88.9	ICN/CSF
2003	- 28.7	- 28.9	ICN/CSF
2004	- 40.5	- 11.5	ICN/CSF
2005	- 6.5	- 6.6	ICN/CSF
2006	1.0	7.3	ICN/CSF

<sup>9</sup> Debt Ratio = Consolidated Debt / Revenues.

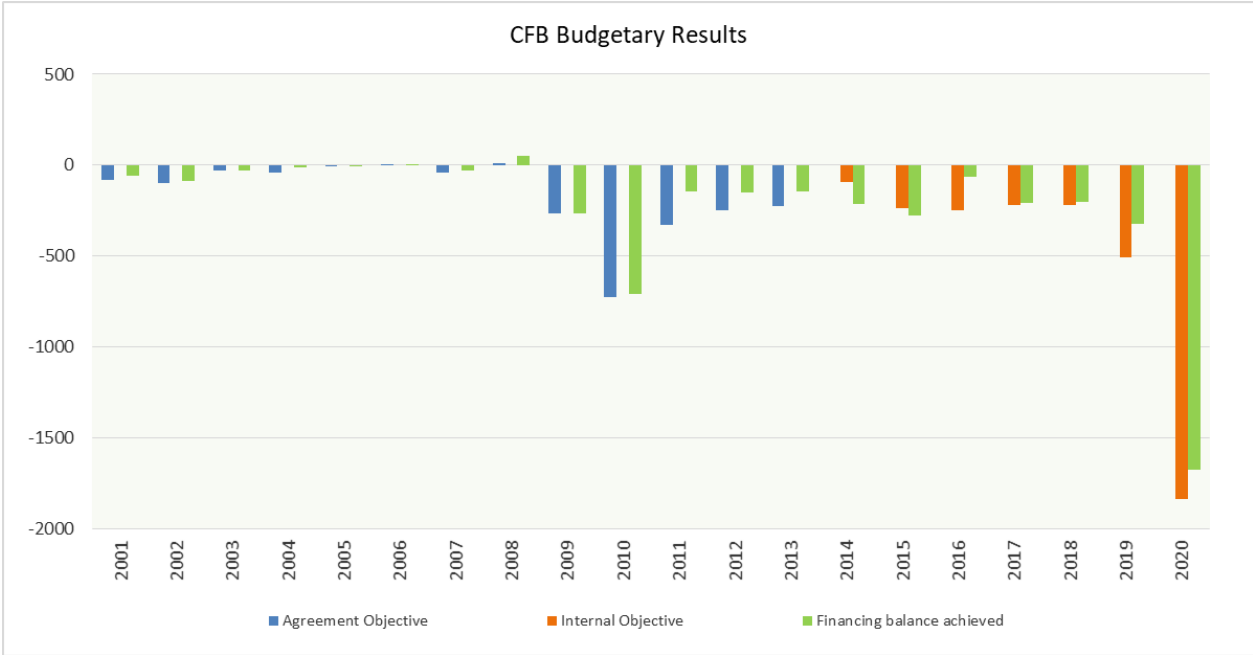
2007	- 40.2	- 32.6	ICN/CSF
2008	8.4	58.6	ICN/CSF
2009	- 266.5	- 265.2	ICN/CSF
2010	- 727.1	- 708.7	ICN/CSF
2011	- 328.0	- 145.6	ICN/CSF
2012	- 250.15	- 152.9	ICN/CSF
2013	- 228.0	- 142.8	ICN/CSF

Following the economic and financial crisis which impacted CFB as from 2009, a new cooperation agreement was entered into on 15 December 2009 and another one on 3 February 2010 between the Federal State and the federated entities with a view to achieving the balance in the budget for 2015 and a maximum deficit of 3% of the GDP in 2012. Because of the banking and financial crisis, and thereafter the euro zone crisis, other agreements have been concluded and some of the objectives assigned to the CFB have been reviewed: the objective of € - 548.0 million for 2011 agreed in February 2010 has been replaced by an objective of € - 328.0 million in February 2012 (and a realization of € - 145.6 million as calculated by the National Accounts Institute) ; the objective of € - 438.1 million for 2012 agreed in February 2010 has been replaced by an objective of € - 359.5 million in June 2012 and of € - 250.2 million in November 2012 (and a realization of € - 152.9 million). The objective for the fiscal year 2013 has been set at € - 228.0 million in July 2013; the realizations amounted to € - 142.8 million as calculated by the Institute. The effective introduction of ESA 2010<sup>10</sup> and the methodological adjustments made by ICN upon request of Eurostat have generated among others another enlargement of the perimeter of CFB but also an adjustment of the objectives to be reached by the Kingdom in general and by each entity, expressed to Europe in medium-term perspective: returning to balance. In this perspective, the Government of the CFB also sets annual targets in the context of the successive budgetary adjustments, the aim of which is to return to structural balance in the medium term. The annual targets are internal to CFB and have not been negotiated with the other entities of the Kingdom. Compared to the objectives set out in the notes to the Government, relating to the preparation of the respective adjusted budgets, the achievements can be presented as follows:

Year	Objectives (in € million)	Achievements (in € million)	
2014	-92.3	-214.3	Eurostat Notification April 2021
2015	-239.0	-275.6	Eurostat Notification April 2021
2016	-246.3	-65.8	Eurostat Notification April 2021
2017	-221.1	-207.7	Eurostat Notification April 2021
2018	-220.9	-202.7	Eurostat Notification April 2021
2019	-507.6	-323.1	Eurostat Notification April 2021
2020	-1,837.7	-1,676.8	Eurostat Notification April 2021

See below the chart representing the budgetary results compared to the objectives of the successive cooperation agreements (up to 2013) then internal objectives (since 2014), as mentioned mainly in the reports published by the *Conseil supérieur des Finances* and/or in the budgetary results calculated and published by the *Institut des Comptes Nationaux* and/or in the reports published by the *Cour des comptes*.

<sup>10</sup> The European System of National and Regional Accounts (ESA 2010) is the newest internationally compatible EU accounting framework for a systematic and detailed description of an economy and was implemented as from September 2014. From that date onwards the data transmission from Member States to Eurostat will follow ESA 2010 rules. The ESA 2010 was published in the Official Journal as Annex A of Regulation (EU) No 549/2013



## DEBT OF THE ISSUER

### Institutional Framework

#### *The Financing Law*

CFB is permitted to borrow funds, in any currency, by virtue of Article 49§1 of the Financing Law. Pursuant to Article 15 of the Institutional Reform Law, such borrowings do not benefit from the guarantee of the Federal State.

Public issues of debt instruments by CFB need to comply with a calendar set by the Federal Government for the public issues of debt by all federated entities (following consultation of the Community and Regional Governments) and are subject to prior approval of the Federal Minister of Finance.

Private borrowings and the issue of short-term debt instruments by CFB only require prior notification to the Federal Minister of Finance. However, the Federal Minister of Finance may seek the advice from an expert group within the High Council of Finance on the need to limit the borrowing capacity of CFB in order to protect the economic and monetary union, avoid internal and external monetary imbalances and a structural deterioration of the financing needs of the entity concerned. The expert group can also issue such advice at its own initiative. Following receipt of advice by the expert group and after consultation with CFB, the Federal Government can suspend CFB's authority to borrow for a period of up to two years. During such suspension, any borrowing by CFB is subject to the prior approval of the Federal Minister of Finance. The latter legal provisions have of course never been applied to the CFB or, to our knowledge, to any other Belgian community or regional entity.

#### *CFB Budget Minister*

The finances of CFB are managed by the CFB Budget Minister. His powers to enter into borrowings and other financial transactions on behalf of CFB are set out in the budget decree relating to revenues (*Décret contenant le budget des recettes*) adopted annually by CFB's parliament.

### CFB Debt Position

#### *Overview*

The following table gives an overview of the evolution of CFB's debt position and the major components thereof as of 31 December 2018, 2019 and 2020.

€ million	31/12/2018	31/12/2019	31/12/2020
Direct Debt (1)	6,756.5	7,238.5	8,726.7
University Debt (2)	12.1	11.2	10.4
<i>Long-term Community Debt (3) = (1) + (2)</i>	6,768.6	7,249.8	8,737.1
Issues(+)/Investments(-) of treasury commercial paper (4)	-393.8	-319.4	-
Current Account Debit (5)	18.3		-
Current Account Credit (6)		4.5	171.9
<i>Short-term Community Debt (7) = (4) + (5) - (6)</i>	-375.5	-323.8	-171.9
Community Debt held by the <i>Fonds Ecureuil</i> (8)	128.6	128.6	-
<b>Total Community Consolidated Debt (9) = (3) + (7) - (8)</b>	<b>6,264.4</b>	<b>6,797.3</b>	<b>8,565.2</b>

The table above and the description below do not include guaranteed debt and the debt for the purposes of building cultural or sports infrastructures, which amounted to € 38.5 million as of 31 December 2015, to € 30.0 million as of 31 December 2016, to € 21.2 million as of 31 December 2017, to € 12.2 million as of 31 December 2018, to € 6.1 million as of 31 December 2019 and to 0 million as of 31 December 2020 (fully amortized in 2020).

As of 31 December 2020, CFB's long-term debt amounted to € 8,737.1 million.

CFB's long-term debt consists of its direct and indirect debt. The indirect debt is borrowings by universities which are considered as CFB debt from a budget perspective.

#### *Direct Debt*

As of 31 December 2020, CFB's direct debt accounted for 99.88% of its entire long-term debt.

Until 1994, CFB's direct debt consisted solely of borrowings for its own financing needs. Since 1994, the financings of indirect debt repayments are integrated into the direct debt. In addition, according to public accounting standards, the re-borrowing for debt repayment does not constitute a debt increase.

As a result, the annual variation in the volume of direct debt reflects both the financings of any budget deficits (*déséquilibre budgétaire à financer*) and borrowings used for the repayment of the indirect debt.

#### *Indirect Debt*

Indirect debts, which as of 31 December 2020 accounted for 0.12% of CFB's total long-term debt, are debts of entities other than CFB, which are included in CFB's budget and debt.

CFB's indirect debt consists of debt which the French-language universities borrowed in order to finance certain property investments. There are two types of university borrowings: those financing educational infrastructure (which are fully integrated in CFB's indirect debt) and those financing the construction of buildings accommodating students when they are not attending courses (student residences, university restaurants, etc.) for which only interest payments above 1.25% are taken into account in CFB's budget.

The indirect debt is gradually reducing as such borrowings are no longer entered into and repayments thereof are refinanced through direct debt.

## **Financing Sources**

### *General*

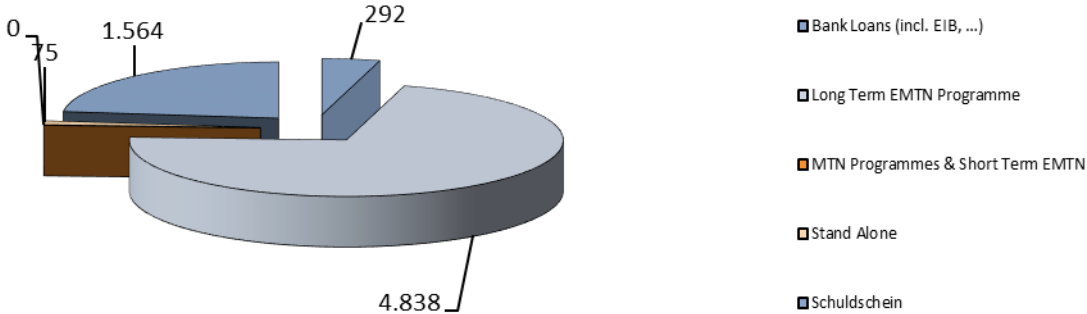
CFB's main financing sources are the use of *Schuldschein* loans, the issue of treasury certificates (*billets de trésorerie*), the accrued use of its EMTN Programme, together with a few (traditional or structured) bank borrowings and stand alone issues.

If needed, CFB can use confirmed credit lines that are made available to it.

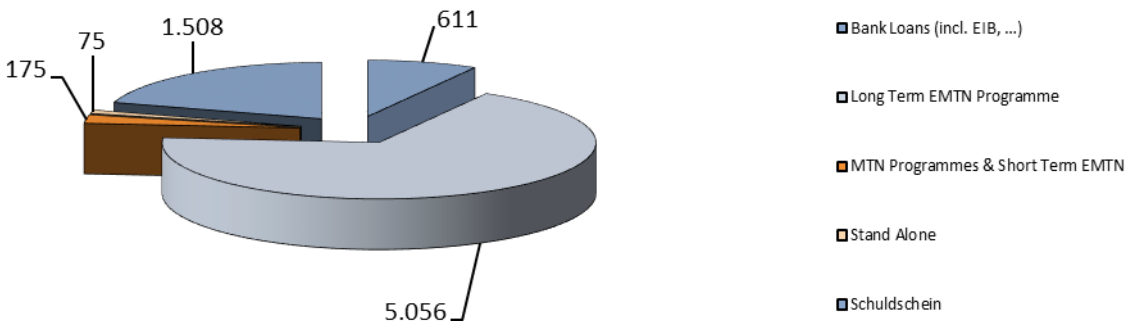
It should be noted that the increase of the EMTN Programme limit from € 1,500,000,000 in 2003, to € 2,500,000,000 in 2008, to € 4,000,000,000 in 2010, to € 5,000,000,000 in 2013, to € 6,500,000,000 in 2018 and to € 8,000,000,000 in 2020 has been decided in order to materialise CFB's intention to use this financing source more frequently, if possible and when needed. Therefore, in 2021, the EMTN Programme limit has been fixed at € 10,000,000,000

The following charts show the percentage breakdown of the use of these sources as of 31 December 2018, 2019 and 2020 for CFB's total debt.

Different types of wrappers as of 31/12/2018

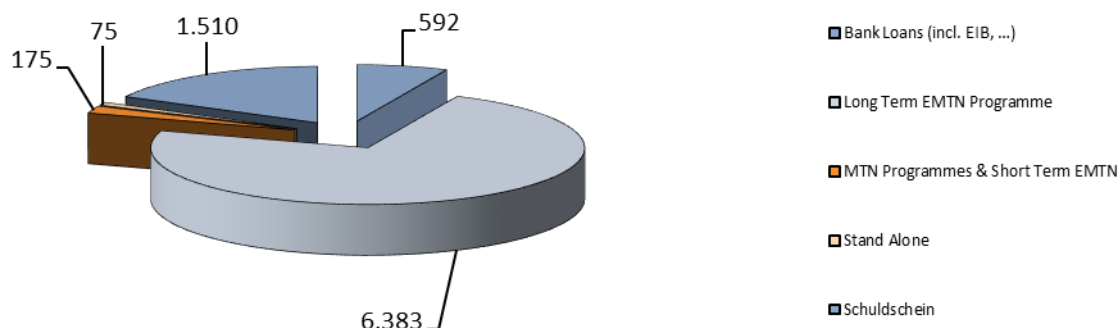


Different types of wrappers as of 31/12/2019





## Different types of wrappers as of 31/12/2020



### *Treasury Certificate Programmes*

CFB has three domestic debt securities programmes in place under which it issues short, medium and long term treasury certificates. Under these programmes CFB may issue short and long term securities for up to € 4,000 million.

### *Confirmed Credit Facilities*

As from June 2020, CFB has no more credit facilities.

### *Bank Borrowing*

CFB has entered into borrowings with an increasingly varied panel of financial institutions.

Since 1995, such borrowings also include “structured loans” which aim to lower the financing cost and achieve CFB’s objectives regarding the average duration of its debt. The derivative instruments entered into in connection with such loans are varied and include swaptions, calls, and options with activating or deactivating barrier.

### *EIB Loan Agreement for an amount of in total € 600 million*

In December 2020 and in April 2021, CFB entered into two new loan agreements with European Investment Bank for a total amount of € 600 million.

The purpose of this loan is to realize an investment program worth more than € 1.3 billion that will be spread over several years in the sectors of education, research, sports, culture, aid to youth, etc. These investment projects were already included in the CFB’s plans and budget projections that take into account the needs linked to the population boom. This new loan agreement allows the CFB to diversify its sources of financing at attractive conditions and confirms the long-term relationship between both entities (a first loan agreement was signed in 2016).

The main terms of the financing are characterized by their flexibility: tranches of € 50 million to € 150 million with a fixed or floating rate, which can be activated until 31/12/2025 and with a maturity of up to 20 years. In addition, there is no booking fee or reservation fee.

On 6 February 2018, CFB has activated the first loan agreement signed in 2016 for an amount of € 130 million with a maturity of 9 years (Fixed Rate Loan with payment *in fine*). In March 2019, another tranche of € 120 million with a maturity of 20 years has been borrowed (Fixed Rate Loan with annual constant repayment of capital) and in December 2019 a third tranche of € 50 million has been borrowed with a maturity of 15 years (Fixed Rate loan with annual constant repayment of capital).

### *CEB Loan Agreement for an amount of € 300 million*

In 2019, a loan agreement has been signed with the Council of Europe Development Bank for an amount of € 300 million. In the continuity of the loan agreement entered with the EIB, CEB extended a substantial € 300 million loan to the CFB in order to finance a variety of education facilities in Brussels and Wallonia. The CFB has put in place a social investment program in the education sector with the purpose of tackling the challenges related to rapid demographic changes. The program of the CFB addresses the issue of the increasing number of pupils and students enrolled in schools and academic institutions, and responds to specific needs in terms of upgrading facilities in the education sector, including innovative measures to increase energy efficiency and modern solutions to improve the learning environment. It will also contribute to the integration of migrant and refugee children into the education system. Funds provided by the CEB will contribute to the implementation of the above-mentioned program. This Loan Agreement allows CFB to improve its access to attractive and flexible financing solutions (no booking / reservation fee). On 6 December 2019, CFB has activated the loan agreement for an amount of € 150 million with a maturity of 19 years (Fixed Rate Loan with annual constant repayment of capital). A second tranche of 150 million was activated in June 2021 with a maturity of 10 years (bullet). It is expected to renew the loan agreement later this year. Discussions will start after the summer 2021.

## **Debt Management**

### *Strategy*

In managing its debt and treasury, CFB pursues the following guiding principles:

- (a) *Centralised debt management.* All transactions relating to CFB's debt, both direct and indirect, are carried out by CFB's Debt Department and reflected within the debt budget.
- (b) *Management of the interest rate curve.* CFB monitors, and aims to maintain, on a continuing basis an optimal division of the fixed and variable interest rate components of its debt in view of the evolution of the interest rate curve.
- (c) *Active but prudent use of derivative instruments.* CFB uses derivative instruments, primarily interest rate swaps, for managing the interest rate curve and hedging positions in the various components of its debt.
- (d) *Development of financing programmes.* CFB seeks to diversify its financing sources through the development of financing programmes in order to achieve lower financing costs, higher flexibility and a larger investor base.
- (e) *Taking advantage of withholding tax exemption.* CFB invests its surplus cash in public debt securities issued by the Belgian Federal State and other federal entities thus taking advantage of the withholding tax exemption which it enjoys since 1995 with respect to such investments.

### *CFB Debt Agency*

Ministerial decisions with regard to debt and cash management are implemented by the Debt Agency. On April 2017, the Government of the CFB has approved the creation of a Debt Agency for the CFB in order to broaden access to liquidity and to provide a framework for specific procedures that are more suited for the financial market environment. In the same way as the Federal Debt Agency, this agency is part of the public administration.

The strategic aims of debt management are discussed within the Treasury Council. This consultative body is chaired by the Budget Minister and consists of other Community Ministers (or their representatives), the Finance Inspection (*Inspection des Finances*), the National Audit Office (*Cour des comptes*.<sup>11</sup>) as well as external experts.

The Debt Agency is subject to external supervision by *inter alia* the Finance Inspectorate, the National Audit Office and an external auditor approved by the FSMA.

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<sup>11</sup> For additional information, see <http://www.courdescomptes.be/>

## Cash Balance Management

CFB's cash balance consolidates all the bank accounts from which the revenue and expenditure transactions of itself or its dependent entities are carried out.

CFB benefits from a relatively regular and predictable rate of revenue collection and expenditure disbursement, which is mainly due to the transfer of most revenues (including VAT and IPP allocations) by the Federal Government to CFB in twelve instalments at the start of each month and the significant proportion of salary payments within the total expenditures.

CFB finances short-term cash needs through the sale of short-term investments or the issue of short-term treasury certificates under any of CFB's programmes. In 2015, 19 commercial paper (or EMTN short term) issues were made for a total sum of approximately € 2,597.0 million at a weighted average rate of 0.02%,<sup>12</sup> and with a weighted average maturity of 3.4 days. The conditions at the end of the year were such that the CFB could not issue short-term notes during the months of November and December 2015. The trend towards the end of 2015 was continued and was accentuated the following year. Consequently, no short-term notes could be issued in 2016, especially since the Community treasury had an account surplus. Alternatively CFB may make use of its € 2,500 million committed overdraft bank facilities (without reservation or non-utilisation fee). However, CFB traded at the end of July 2017 a 4-day issue for an amount of € 150 million at a negative interest rate (-0.05%). In order to comply with the decree provisions applicable to the "Fonds Ecureuil", two issues of € 125.1 million from 30 December 2019 to 3 January 2020 and € 3.5 million from 31 December 2019 to 3 January 2020 were concluded at 0% interest. Since 2020, the cash balance from the "Fonds Ecureuil" is fully integrated in the treasury accounts of CFB.

Short-term cash surpluses are either left on account or invested in public debt securities issued by the Belgian Federal State and other federal entities.

In 2016, as well as in 2015, no investment at a negative rate seemed possible, whereas the creditor rates were contractually floored at 0% in the Cashier Protocol of the Community entity. The situation remained the same during the year 2017. However, given a cash forecast of a significant credit balance at 31 December 2017, the CFB closed a very short-term investment transaction at the end of December 2017 with the Federal Treasury for an amount of € 267 million. This being a cross-operation where the lender is a Belgian public entity, the amount could be deducted from the Belgian debt. This gesture of federal loyalty by the CFB contributed to the improvement of the Kingdom's debt ratio at the end of 2017, to the benefit of all Belgian borrowing entities. This short-term operation with the Federal Treasury has been repeated, at a rate of 0.00%, in 2018 (€ 518 million from 28 December 2018 to 7 January 2019) and in 2019 (€ 448 million from 27 December 2019 to 3 January 2020). In 2020, no specific transaction was made with the Federal Debt Agency.

## Moody's Rating Action

On 10 December 2020, Moody's Investors Service has changed the long term rating of CFB from Aa3 with negative outlook to A1 with a negative outlook. The Prime-1 short-term issuer rating<sup>13</sup> was confirmed.

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<sup>12</sup> Six issues were concluded with a negative yield during the second half of the year 2015.

<sup>13</sup> For additional information, see Moody's Credit Opinion, 10 December 2020

## BELGIAN TAXATION

The following is a summary of certain Belgian tax consequences of the purchase, ownership and disposal of the Notes, and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes.

The summary is based on Belgian tax laws and practice in effect on the date of this Offering Circular, which are subject to change, potentially with retrospective effect. Potential investors in the Notes should consult their own tax advisers as to the Belgian and other tax consequences prior to the purchase, ownership and disposal of the Notes including, in particular, the effect of any state, or local tax laws.

For the purpose of the following general description, a Belgian resident is: (a) an individual subject to Belgian personal income tax (*impôt des personnes physiques*) (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); (b) a legal entity subject to Belgian corporate income tax (*impôt des sociétés*) (i.e., a company that has its registered seat, its principal establishment, or effective place of management in Belgium); or (c) a legal entity subject to Belgian legal entities tax (*impôt des personnes morales*) (i.e., an entity other than a legal entity subject to corporate income tax having its registered seat, its principal establishment, or its effective place of management in Belgium). A non-resident is a person who is not a Belgian resident.

### Belgian Withholding Tax

Under current Belgian withholding tax legislation, all payments by or on behalf of the Issuer of interest are generally subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30 per cent. Both Belgian domestic tax law and applicable tax treaties may provide for a lower or zero rate subject to certain conditions.

In this regard, “**interest**” means (i) the periodic interest income, (ii) any amount paid by, or on behalf of the Issuer in excess of the issue price in respect of the relevant Notes (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer) and, (iii) in case of a disposal of the Notes between two interest payment dates to any third party, excluding the Issuer, the *pro rata* part of accrued interest corresponding to the holding period.

Under Belgian domestic law, payments of interest and principal under the Notes by or on behalf of the Issuer may normally be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the “**Eligible Investors**”, see hereinafter) in an exempt securities account (an “**X Account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the Securities Settlement System. Euroclear Belgium, Clearstream, Frankfurt, SIX SIS, Monte Titoli, LuxCSD, Interbolsa, and Euroclear France are Participants for this purpose.

Holding the Notes through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the Securities Settlement System must enter the Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax, as amended from time to time (*Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include, inter alia:

- (a) Belgian resident companies referred to in article 2, § 1, 5°, b) of the Belgian Income Tax Code of 1992 (*Code des impôts sur les revenus 1992*) (“**BITC**”);

- (b) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of article 262, 1° and 5° of the BITC;
- (c) state regulated institutions (*institutions parastatales*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2° of the Royal Decree implementing the Belgian Income Tax Code 1992 (*Arrêté royal d'exécution du code des impôts sur les revenus 1992*);
- (d) non-resident investors provided for in article 105, 5° of the Royal Decree;
- (e) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same Royal Decree;
- (f) tax payers provided for in article 227, 2° of the BITC which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;
- (g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC;
- (h) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (i) Belgian resident corporations, not provided for under (a), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (b) and (c) above.

The above categories summarise the detailed definitions set forth in Article 4 of the Royal Decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.

Participants in the Securities Settlement System must keep the Notes which they hold on behalf of non-Eligible Investors in a non-exempt securities account (an “**N-Account**”). In such instance, all payments of interest are subject to withholding tax, set at a rate of 30 per cent as at the date of this Offering Circular. This withholding tax is withheld by the NBB from the interest payment and paid to the Belgian tax authorities.

Transfers of Notes between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-account (to an X-account) gives rise to the payment by the transferor "non-Eligible Investor" to the NBB of withholding tax on the accrued fraction of interest calculated from the date of issuance or from the last interest payment date up to the transfer date.
- A transfer from an X-account to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the date of issuance or from the last interest payment date up to the transfer date.
- Transfers of Notes between two X-accounts do not give rise to any adjustment on account of withholding tax.

- Transfers of Notes between two N-accounts give rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the pro rata interest accrued from the date of issuance or from the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on such amount.

These adjustment mechanics are such that parties trading the Notes on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

Upon opening of an X-Account with the Securities Settlement System or with a Participant, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Eligible Investors, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However Participants are required to make annual declarations to the Securities Settlement System as to the eligible status of each investor for whom they held notes in an X-Account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Notes that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These reporting and identification requirements do not apply to Notes held by Eligible Investors in Euroclear Belgium, Clearstream, Frankfurt, SIX SIS, Monte Titoli, LuxCSD, Interbolsa, Euroclear, France or any other central securities depository (as defined in article 2,1,1 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories) as Participants to the Securities Settlement System (each a “**NBB-CSD**”), provided that the relevant NBB-CSD (i) only holds X Accounts and (ii) is able to identify the holders for whom they hold Notes in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

## **Capital Gains and Income Tax**

### *Belgian Resident Individuals*

For individuals who are subject to the Belgian personal income tax (*impôt des personnes physiques*) and who hold the Notes as a private investment, payment of the 30 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*précompte mobilier libérateur*). This means that they do not have to declare the interest on the Notes in their personal income tax return, provided that the withholding tax has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may choose to declare interest in respect of the Notes in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30 per cent (or at the relevant progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower). The Belgian withholding tax levied may be credited against the income tax liability.

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the Notes, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest (as defined above in the section “Belgian Withholding Tax”). Capital losses realised upon the disposal of the Notes held as non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

### *Belgian Resident Corporations*

Interest attributed or paid to corporate Noteholders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian corporate income tax ("*Vennootschapsbelasting*" / "*Impôt des sociétés*"), as well as capital gains realised upon the sale of the Notes are taxable at the ordinary corporate income tax rate of in principle 25 per cent. as of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020. Furthermore, small companies, within the meaning of Article 1:24, §§ 1 to 6 of the Belgian Code of Companies and Associations, are taxable at the reduced corporate income tax rate of 20 per cent. for the first EUR 100,000 of their taxable base, again as of assessment year 2021, subject to conditions.

The withholding tax retained by, or on behalf of, the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable. Capital losses realised upon the sale of the Notes are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185bis of the BITC.

#### *Belgian Resident Legal Entities*

Belgian legal entities subject to the Belgian legal entities tax (*Impôt des personnes morales*), which do not qualify as Eligible Investors, will not be subject to any further taxation on interest in respect of the Notes over and above the Belgian withholding tax retained. Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities themselves (which withholding tax then generally also constitutes the final taxation in the hands of the relevant investors).

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the Notes unless the capital gains qualify as interest (as defined above in the section Withholding Tax). Capital losses are in principle not tax deductible.

#### *Organisations for Financing Pensions*

Interest and capital gains derived by OFP (*Organismes de Financement de Pensions*) are in principle exempt from Belgian corporate income tax. Capital losses realised on the Notes are in principle not tax deductible.

Any Belgian withholding tax levied on the interest will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable.

#### *Belgian Non-Residents*

Noteholders who are not residents of Belgium for Belgian tax purposes and are not holding the Notes through a Belgian establishment and do not conduct Belgian professional activities will not incur or become liable for Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of Notes provided that they qualify as Eligible Investors and that they hold their Notes in an X-Account.

If the Notes are not held through an X-Account by the Tax Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30 per cent, possibly reduced pursuant to Belgian domestic tax law or applicable tax treaties, on the gross amount of the interest.

A non-resident company having allocated the Notes to the exercise of a professional activity in Belgium through a Belgian establishment is subject to in substance the same rules as a Belgian resident corporation (see above).

### **Tax on stock exchange and repurchase transactions**

A stock exchange tax (*Taxe sur les opérations de bourse*) 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.

The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.12 per cent. with a maximum amount of Euro 1,300 per transaction and per party for transactions notably in debt instruments as described in article 121, §1, 1° of the Code of miscellaneous taxes and duties (*Code des droits et taxes divers*) or 0.35 per cent. with a maximum amount of Euro 1,600 per transaction and per party for transactions in other securities. 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.

The acquisition of Notes upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

Pursuant to the Law of 25 December 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such case, the tax on stock exchange transactions is due by the ordering private individual or legal entity (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due) unless that individual or entity can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium have the possibility to appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a "**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and to comply with the reporting obligations and the obligations relating to the order statement (*bordereau*) in that respect.

The tax on stock exchange transactions will not be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of miscellaneous taxes and duties (*Code des droits et taxes divers*).

In addition, under the exemptions provided for in articles 126/1, 9° and 139bis, 2° of the Code of miscellaneous taxes and duties (*Code des droits et taxes divers*), no tax on stock exchange transactions shall be payable if the Notes qualify as treasury notes (*billets de trésorerie*) issued in accordance with the Belgian Law of 22 July 1991.

## **Exchange of information – Common Reporting Standard**

### *International developments*

Following recent international developments, the exchange of information is now governed by the Common Reporting Standard ("**CRS**") in addition to the U.S. Foreign Account Tax Compliance Act ("**FATCA**") with respect to U.S. persons.



On 10 December 2020, 110 jurisdictions had signed the multilateral competent authority agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

49 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 (**early adopters**). More than 50 jurisdictions have committed to exchange information as from 2018, two jurisdictions as from 2019, three jurisdictions 2020 and four as from 2021.

Under the CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

FATCA preceded the CRS/DAC2 and concerns a comparable system of exchange of information with respect to accounts held by US persons with financial institutions outside of the US (or accounts held by non-US passive entities with US controlling persons).

### *Belgium*

Belgium has implemented DAC2, the CRS and FATCA, by means of the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the "**Law of 16 December 2015**").

As a result of the Law of 16 December 2015, the mandatory exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States, (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other non-EU States that have signed the MCAA, as of the respective date determined by Royal Decree.

In a Royal Decree of 14 June 2017, as amended, it has been determined that the automatic provision of information has to be provided as from 2017 (for the 2016 income year) for a first list of 18 foreign jurisdictions, as from 2018 (for the 2017 income year) for a second list of 44 jurisdictions, as from 2019 (for the 2018 income year) for an additional jurisdiction, and as from 2020 (for the 2019 income year) for 6 additional jurisdictions.

The Notes are subject to DAC2 and to the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Notes for tax residents in another CRS contracting state (or for specified US persons insofar as FATCA is concerned) shall report financial information regarding the Notes (e.g. in relation to income and gross proceeds) to the Belgian competent authority who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

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

## Tax on Securities Accounts

The Law of 17 February 2021 introducing an annual tax on securities accounts has been published in the Belgian Official Gazette on February 25, 2021. The law introduces an indirect tax on securities accounts (the “**Tax on Securities Accounts**”) which applies to securities accounts held by resident individuals, companies, legal entities and Belgian establishments of non-resident entities, irrespective as to whether these accounts are held, with a financial intermediary which is established or located in Belgium or abroad. The tax also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary established or located in Belgium.

Belgian resident and non-resident individuals, companies and legal entities will be taxed at a rate of 0.15 per cent. on the average value of taxable financial instruments held on one or more securities accounts during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. No Tax on Securities Accounts will be due provided that the average value of the taxable financial instruments on those accounts amounts to less than € 1,000,000 during the specific reference period. If, however, the average value of the taxable financial instruments on those accounts amounts to Euro 1,000,000 or more, the Tax on Securities Accounts will be due on the entire average value of the taxable financial instruments on those accounts during the specific reference period (and, hence, not only on the part which exceeds the Euro 1,000,000 threshold). However, the amount of the Tax on Securities Accounts is limited to 10 per cent. of the difference between the average value of the taxable financial instruments on those accounts and Euro 1,000,000.

The nature of the financial instruments held on the securities accounts is irrelevant. It is the total value of the taxable financial instruments held on the securities account that is relevant. Each securities account is assessed separately. When multiple holders hold a securities account, each holder shall be jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the BITC, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (vi) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

Belgian intermediaries, in the meaning of article 201/3, 7° of the Code of miscellaneous taxes and duties (*Code des droits et taxes divers*), are liable for the withholding, the filing of the tax return and the payment of the tax. In the absence of Belgian intermediary, the account holder will be liable for the filing of the tax return and payment of the tax.

The law on the Tax on Securities Accounts entered into force on February 26, 2021. The first reference period will start on the day of the entry into force and will end on 30 September 2021. The law also provides for certain anti-abuse provisions, retroactively applying as from 30 October 2020: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. The latter covers the splitting of a securities account into multiple securities accounts held with the same intermediary and the conversion of taxable financial instruments held on a securities account, into registered financial instruments.

There are various exemptions, such as securities accounts held by specific types of regulated entities for their own account.

It is expected that the value of the Notes will have to be taken into account in determining the value of a securities account.

Prospective investors are strongly advised to follow up and to seek their own professional advice in relation to this new annual Tax on Securities Accounts and the possible impact thereof on their own personal tax position.

## **The Proposed Financial Transactions Tax**

On 14 February 2013, the European Commission published a proposal for a Council Directive (the **Draft Directive**) on enhanced cooperation in the area of financial transaction tax (the **FTT**). Pursuant to the Draft Directive, the FTT shall be implemented and enter into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain) (the **Participating Member States**). In December 2015, Estonia withdrew from the group of states willing to introduce the 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 once the FTT enters into force.

The Draft Directive has a 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 the Notes should, however, be exempt.

Under the Draft Directive, 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.

In 2019, Finance Ministers of the Member States participating in the enhanced cooperation indicated that they were discussing a new FTT proposal based on the French model of the tax and the possible mutualisation of the tax as a contribution to the EU budget. According to the latest draft of this new FTT proposal (submitted by the German government), the FTT would be levied at a rate of at least 0.2 per cent. of the consideration for the acquisition of ownership of shares (including ordinary and any preference shares) admitted to trading on a trading venue or a similar third country venue, or of other securities equivalent to such shares (the **Financial Instruments**) or similar transactions (e.g. an acquisition of Financial Instruments by means of an exchange of Financial Instruments or by means of a physical settlement of a derivative). Only transactions with Financial Instruments that have been issued by a company, partnership or other entity whose registered office is established within one of the Participating Member States and with a market capitalisation of at least Euro 1 billion on 1 December of the year preceding the respective transaction would be covered. The FTT would be payable to the Participating Member State in whose territory the issuer of a Financial Instrument has established its registered office. According to the latest draft of the new FTT proposal, the FTT would not apply to straight notes. Like the Draft Directive, the latest draft of the new FTT proposal also 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).

However, the FTT proposal remains subject to negotiation between the Participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Notes.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 7 July 2021 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Co-Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

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

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

### Selling Restrictions

#### United States

The Notes have not been and will not be registered under the United Securities Act of 1993, as amended (the “**Securities Act**”), and, subject to certain exceptions, Notes may not be offered or sold within the United States. Each of the Dealers has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes within the United States except as permitted by the Dealer Agreement.

The Notes are being offered and sold outside the United States in reliance on Regulation S.

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

#### Belgium

Unless the relevant Pricing Supplement specifies the “Prohibition of Sales to Belgian Consumers” as “Not Applicable”, the Issuer will request each Dealer to represent, warrant and agree, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Pricing Supplement in relation thereto to any Belgian consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended from time to time.

For the purposes of the provision above, the expression “offer” in relation to any Notes 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 any Notes.

#### United Kingdom

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

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes

of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the UK FSMA by the Issuer;

- (ii) 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 UK FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the UK FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the UK FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Luxembourg**

The Notes are not offered to the public in or from Luxembourg and each Dealer has represented and agreed that it will not offer the Notes or cause the offering of the Notes or contribute to the offering of the Notes to the public in or from Luxembourg, unless all the relevant legal and regulatory requirements concerning a public offer in or from Luxembourg have been complied with. In particular, this offer has not been and may not be announced to the public and offering material may not be made available to the public.

### **Singapore**

Each of the Dealers acknowledges that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Dealers represents and agrees that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than :

- a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA;
- b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1° of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or
- c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- d) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- e) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

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

### **Switzerland**

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSa") and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. The Offering Circular does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

### **Canada**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering

### **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed subsequently under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each

jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefore.

## FORM OF PRICING SUPPLEMENT

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

Pricing Supplement dated [•]

### Communauté française de Belgique

**Legal Entity Identifier (“LEI”): 529900LT593XA93OL092**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the € 10,000,000,000 Euro Medium Term Note Programme**

[<sup>14</sup>[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*].<sup>15</sup>. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**OR**

[<sup>16</sup>[**MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]; **EITHER** <sup>17</sup>[and (ii) all channels for distribution of the [Notes] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services].<sup>18</sup>] **OR** <sup>19</sup>[(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]].

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<sup>14</sup> Include this legend if following the ICMA 1 “all Notes to all professionals” target market approach.

<sup>15</sup> If a negative target market is deemed necessary, wording along the following lines could be included: “The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].”

<sup>16</sup> Include this legend if parties have agreed to a retail target market. This may be the case if (1) the manufacturers have decided to follow the ICMA 2 retail approach which would only be the case in relation to a low denomination issue and for notes which are not ESMA complex or certain ESMA complex Notes only (as explained in the ICMA 2 paper) (2) a more detailed bespoke target market assessment and review is intended or (3) an alternative proportionate approach is to be followed.

<sup>17</sup> Include for Notes that are not ESMA complex.

<sup>18</sup> This list may not be necessary, especially for Notes that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

<sup>19</sup> Include for certain ESMA complex Notes. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute “complex” products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.



[*Consider any negative target market*].<sup>20</sup> Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].<sup>21</sup>.]

**[UK MiFIR Product Governance** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), professional clients [and retail clients], as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**") and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients [and retail clients] are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "distributor")/distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [The target market assessment is valid for the period of the Offer only.]

**[PROHIBITION OF SALES TO BELGIAN CONSUMERS** - Notes issued under the Programme are not intended to be offered, sold or otherwise made available to and will not be offered, sold or otherwise made available to any Belgian consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended from time to time.]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 7 July 2021 [and the supplemental Offering Circular dated [•]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the Offering Circular dated 8 July 2020. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 7 July 2021 [and the supplemental Offering Circular dated [•]], save in respect of the Conditions which are extracted from the Offering Circular dated 8 July 2020 and are attached hereto].

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.*]

1	Issuer:	Communauté française de Belgique
2	(i) Series Number:	[•]
	(ii) [Tranche Number:	[•]

<sup>20</sup> If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>21</sup> If the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]

3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) [Tranche:	[•]
5	(i) Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>in the case of fungible issues only, if applicable</i> )]
	(ii) [Net proceeds:	[•] ( <i>Required only for listed issues</i> )]
6	(i) Specified Denominations:	[•]
	(ii) Calculation Amount:	[•]
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•]
8	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9	Interest Basis:	[[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other ( <i>specify</i> )] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other ( <i>specify</i> )]
11	Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]

12	Put/Call Options:	[Put] [Call] [(further particulars specified below)]
13	Tax Gross-Up	[Applicable/ Not Applicable]
14	Status of the Notes:	Unsecured and unsubordinated Notes
15	Listing and admission to trading:	[Luxembourg Regulated Market/Euronext Brussels/Other ( <i>specify</i> )/None]
16	Method of distribution:	[Syndicated/Non-syndicated]
17	Green, Sustainability and/or Social Bonds	[the Notes will be a [Green Bond [and] / Social Bond [and] / Sustainability Bond] as from the Issue Date / Not Applicable]

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

18	<b>Fixed Rate Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Rate [(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year [adjusted in accordance with <i>[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]</i> /not adjusted]
	(iii) Fixed Coupon Amount [(s)]:	[•] per [•] in nominal amount
	(iv) Broken Amount:	<i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate – Securities Settlement System Regulations specify methods for computing Broken Amounts]</i>
	(v) Day Count Fraction (Condition 3(a)):	[30/360 / Actual/Actual (ICMA) / other]
	(vi) Determination Date(s) (Condition 3(a)):	[•] in each year. <i>[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon].*</i>
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]

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\* Only to be completed for an issue where Day Count Fraction is Actual/Actual (ICMA)

19	<b>Floating Rate Note Provisions</b>	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p>
	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[•]
	(iii) Interest Period Date:	[...]
		<i>(Not applicable unless different from Interest Payment Date)</i>
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
	(v) Principal Financial Centre(s) (Condition 3(a)):	[•]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i> ]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):	[•]
	(viii) Screen Rate Determination (Condition 3(c)(iii)(B)):	
	– Reference Rate:	[•]
	– Interest Determination Date(s):	[•]
	– Relevant Screen Page:	[•]
	(ix) ISDA Determination (Condition 3(c)(iii)(A)):	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	– [ISDA Definitions]:	[2000/2006]
	(x) Linear Interpolation:	[Not Applicable/ Applicable – the Rate of Interest for the [long/ short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
	(xi) Margin(s):	[+/-] [•] per cent. per annum
	(xii) Minimum Rate of Interest:	[•] per cent. per annum
	(xiii) Maximum Rate of Interest:	[•] per cent. per annum

	(xiv) Day Count Fraction (Condition 3(a)):	[•]
	(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
20	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Amortisation Yield (Condition 4(b)):	[•] per cent. per annum
	(ii) Any other formula/basis of determining amount payable:	[•]
21	<b>Index Linked Interest Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Index/Formula:	[Give or annex details]
	(ii) [Calculation Agent] responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[•]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[•]
	(iv) Interest Period(s):	[•]
	(v) Specified Interest Payment Dates:	[•]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
	(vii) Principal Financial Centre(s) (Condition 3(a)):	[•]
	(viii) Minimum Rate of Interest:	[•] per cent. per annum
	(ix) Maximum Rate of Interest:	[•] per cent. per annum
	(x) Day Count Fraction (Condition 3(a)):	[•]
22	<b>Dual Currency Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]

- (ii) [Calculation Agent] responsible for calculating the Rate(s) of Interest and Interest Amount(s): [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]

**PROVISIONS RELATING TO REDEMPTION**

**23 Call Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [•] per Calculation Amount
  - (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]

**24 Put Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]

**25 Final Redemption Amount of each Note**

[•] per Calculation Amount

**26 Early Redemption Amount**

[Applicable/Not Applicable]

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 4(c)) or on event of default (Condition 8) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•] per Calculation Amount
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 4(c)): [Yes/No]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

27	Form of Notes:	[Dematerialised book-entry Notes/Dematerialised treasury Notes]
28	Financial Centre(s) (Condition 5(f)) or other special provisions relating to Payment Dates:	[Not Applicable/ <i>Give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 18(ii), 19(iv) and 21(vii) relate</i> ]
29	Talons for future coupons or receipts to be attached to definitive notes (and dates on which such Talons mature):	[Not applicable]
30	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>give details</i> ]
31	Details relating to Instalment Notes:  amount of each instalment, date on which each payment is to be made:	[Not Applicable/ <i>give details</i> ]
32	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable]
33	Consolidation provisions:	[Not Applicable]
34	Other terms or special conditions:	[Not Applicable/ <i>give details</i> ]
<b>YIELD (for Fixed Rate Notes only)</b>		
35	Indication of yield:	[•]
<b>DISTRIBUTION</b>		
36	(i) If syndicated, names of Managers:	[Not Applicable/ <i>give names</i> ]
	(ii) Stabilising Manager (if any):	[Not Applicable/ <i>give name</i> ]
	(iii) Dealer's Commission:	[•]
37	If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i> ]
38	Additional selling restrictions:	[Not Applicable/ <i>give details</i> ]
39	Prohibition of Sales Belgian Consumers	[Applicable / Not Applicable]

## FLOATING RATE NOTES ONLY – BENCHMARKS

40 [Benchmarks

Amounts payable under the Notes will be calculated by reference to [•] which is provided by [•]. As at [•],[•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). [As far as the Issuer is aware the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]

## OPERATIONAL INFORMATION

41 ISIN:

[•]

[CFI Code:

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Available]]

[FISN:

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Available]]

42 Common Code:

[•]

43 Clearing system(s) (specify clearing system where Notes have primary clearance):

[Securities Settlement System/Other (specify)]

44 Delivery:

Delivery [against\*/free of] payment

45 The Agents appointed in respect of the Notes are:

[•]

46 Reasons for the Offer and use of proceeds

[Financing the Issuer's activities]/[Describe specific purpose, including, if relevant, by reference to a green/social/sustainability bond framework of the Issuer as made available on the Issuer's website]

## GENERAL

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\* Delivery can only be against payment for Notes denominated in euro.



- 47 Additional steps that may only be taken following approval by a Resolution in accordance with Condition 9(a): [Not Applicable/*give details*]
- 48 The aggregate principal amount of Notes issued has been translated into euro at the rate of [•], producing a sum of (for Notes not denominated in euro): [Not Applicable/euro [•]]

#### **[LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the € 10,000,000,000 Euro Medium Term Note Programme of Communauté française de Belgique.]

#### **[STABILISING**

In connection with this issue, [*insert name of Stabilising Manager*] (the “**Stabilising Manager**”) or any person acting on behalf of the Stabilising Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date of the relevant Pricing Supplement and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular [and the Supplemental Offering Circular dated [•]] referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*

## GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the establishment of the Programme. The establishment of the Programme was authorised by the Budget Minister (*Ministre du Budget*) of the Issuer in accordance with Article 3 of the Decree of 9 December 2020 of the French Community containing the income budget of the French Community for the year 2021 (*Décret contenant le budget des recettes de la Communauté française pour l'année budgétaire 2021*);

Issues of Notes under the Programme will be approved by a Minister of the Issuer. A Minister of the Issuer shall not proceed with any issue of Notes unless, and to the extent, he has been authorised to do so by a budget or other decree enacted by the Parliament of the Issuer and in effect at the time of the issue.

Before making any issue under the Programme, the Issuer will obtain all necessary consents, approvals and authorisations and will proceed with the issue in compliance with, in particular, Articles 49, 50, 51 and 52 of the Law of 16 January 1989 on the financing of the communities and regions (*loi spéciale relative au financement des Communautés et Régions*), as amended from time to time. In particular:

- (a) in the case of public issues of Notes, the Issuer will comply with the calendar set by the Federal Government for the public issues of debt by all federal entities (following consultation of the Community and Regional Governments) and the Federal Minister of Finance will have given his consent to the issue;
  - (b) in the case of private issues of Notes and the issue of short-term Notes, the Issuer will notify in advance the Federal Minister of Finance; if the Federal Minister of Finance has sought the advice from the expert group within the High Council of Finance on the need to limit the borrowing capacity of the Issuer in order to protect the economic and monetary union, avoid internal and external monetary imbalances and a structural deterioration of the financing needs of the Issuer, or if the expert group has issued such advice at its own initiative and as a consequence the Federal Government has decided to suspend the Issuer's authority to borrow for a period of up to two years, the Federal Minister of Finance will have given his consent to the issue.
- (2) Except as disclosed in this Offering Circular, there has been no significant change in the financial position of the Issuer since 31 December 2020 and no material change in the financial position or prospect of the Issuer since 31 December 2020.
- (3) The Issuer is not and has not been involved in any legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position of the Issuer, nor is the Issuer aware that any such proceedings are pending or threatened.
- (4) The Issuer is not or has not been involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Notes nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
- (5) Most credit institutions and securities firms established in Belgium as well as Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and Euroclear France are participants in the Securities Settlement System and Approved Account Holders. In respect of Notes that are not denominated in euro, Approved Account Holders are limited to the NBB, Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS, Euroclear France and the Domiciliary Agent. Investors can thus hold their Notes in securities accounts in Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and Euroclear France in the same way as they would for any other types of securities. For practical purposes, the Notes can be held and cleared in Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and Euroclear France in accordance with their usual procedures. Certain types of Belgian investors (being

- those that are not eligible for holding “X-accounts” – see ‘Taxation’), however, may not hold their Notes through Euroclear, Clearstream, Frankfurt which is also a participant in the Securities Settlement System and which will be responsible for the withholding of tax).
- (6) Notes have been accepted for clearance through Euroclear Belgium, Clearstream, Frankfurt, Monte Titoli, LuxCSD, Interbolsa, SIX SIS and Euroclear France. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for each Series of Notes will be set out in the relevant Pricing Supplement.
  - (7) The Legal Entity Identifier (LEI) of the Issuer is 529900LT593XA93OL092.
  - (8) The Pricing Supplement for each Tranche of Notes must be sent in draft form to the NBB in advance for approval. Admission of Notes in the Securities Settlement System is discretionary.
  - (9) For so long as Notes may be issued pursuant to this Offering Circular, a copy of this Offering Circular (together with any Supplement to this Offering Circular) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the principal office of the Issuer and the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the offices of the Domiciliary Agent, the Paying Agent, the Luxembourg Listing Agent and the Belgian Listing Agent:
    - (i) the Agency Agreement;
    - (ii) the Dealer Agreement;
    - (iii) the budget of the Issuer;
    - (iv) each Pricing Supplement for Notes that are listed on the Luxembourg Stock Exchange, on Euronext Brussels or any other stock exchange;
    - (v) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular;
    - (vi) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the Luxembourg Stock Exchange;
    - (vii) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on Euronext Brussels; and
    - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular.
  - (10) Benchmark regulation – Amounts payable under the Floating Rate Notes may be calculated by reference to Reference Rates including EURIBOR or LIBOR which are respectively provided by the European Money Markets Institute (“EMMI”) and ICE Benchmark Administration Limited (“ICE”) or other reference rates as indicated in the relevant Pricing Supplement. As at the date of this Offering Circular, ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the “**Benchmarks Register**”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”) while EMMI does not appear on the Benchmarks Register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The relevant Pricing Supplement in respect of an issue of Floating Rate Notes will specify whether the administrator appears on the register of administrator and benchmarks established and maintained by the European Securities and Markets Authority pursuant to the Benchmark Regulation and whether, as

far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply in relation to such benchmark administrator.

- (11) The execution of the annual budget of the Issuer is subject to a review by the Belgian Court of Audit ("*Cour des comptes*"<sup>22</sup>), a separate institution that advises the Parliament of the Issuer.

The definitive budget regulation ("*loi des comptes*") is adopted by the Parliament after verification by the Belgian Court of Audit.

- (12) The net proceeds of the issue of the Notes will be used to finance the Issuer's activities unless otherwise specified in the relevant Pricing Supplement. The relevant Pricing Supplement may indicate that the net proceeds of an issue of the Notes will be used by reference to a framework for the issuance of Green Bonds, Social Bonds or Sustainability Bonds referred to therein.

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<sup>22</sup> For additional information, see <http://www.courdescomptes.be/>.

### Address of the Issuer

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#### **Deutsche Bank Aktiengesellschaft**

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**Legal Advisers**

**To the Issuer**

*in respect of Belgian law*

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**To the Dealers**

*in respect of Belgian law*

**Jones Day**

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