

**DATE [●]**

**[●]**  
**(as Lender)**

***FLEMISH COMMUNITY***  
***VLAAMSE GEMEENSCHAP***  
**(as Borrower)**

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**SCHULDSCHEIN**

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This **LOAN AGREEMENT** is made on [●]

Between

[●]

(hereinafter also the **Lender**)

and

**FLEMISH COMMUNITY  
VLAAMSE GEMEENSCHAP**

(hereinafter also the **Borrower**)

relating to a loan in an aggregate amount of EUR [●] (in words Euro [●] million) (the **Loan**).

**Clause 1  
(Loan Agreement (Schuldscheindarlehen))**

1. The Borrower shall receive from the Lender the Loan, evidenced by this Schuldschein (hereinafter also referred to as **Schuldschein**) in the total nominal amount of

EUR [●]

2. The proceeds of the Loan will be used by the Borrower for its general financing requirements.

**Clause 2  
(Payment of the Loan)**

The Loan will be paid out to the Borrower on [●] (the **Disbursement Date**) by crediting the IBAN BE61 3751 1109 7617 of the Borrower with **ING Belgium** Bank, BIC: BBRUBEBB provided that the Borrower shall deliver to the Lender the documents according to the provisions set out in Clause 9.2.

**Clause 3  
(Interest)**

1. The loan shall bear interest on the full nominal amount of the Loan at the rate of [●] per cent per annum (the **Rate of Interest**) from (and including) the Disbursement Date until (but excluding) the Redemption Date (as defined below);
2. Interest on the full nominal amount of the Loan shall be due and payable with respect to each Interest Period annually in arrears on each Interest Payment Date. **Interest Payment Date** shall mean [●] of each year beginning with the end of the first Interest Period (as defined below) following the Disbursement Date up to the Redemption Date (as defined below). If any Interest Payment Date falls on a day which is not a Business Day (as defined below), interest shall be payable on the immediately following Business Day.
3. The period from (and including) the Disbursement Date to (but excluding) the First Interest Payment Date and each period thereafter beginning on (and including) an Interest Payment Date up to (but excluding) the following Interest Payment Date are referred to herein as an **Interest Period**. The expression **Business Day** shall, for the purposes of this Loan, mean a day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System is operational. **First Interest Payment Date** shall be [●].
4. The interest amount with respect to the Loan for an Interest Period shall be calculated by applying the Rate of Interest to the principal amount of the Loan, multiplied by the actual number of days in the Interest Period divided by the actual number of days (365 or 366) in the respective interest year (Actual/Actual ICMA). The product of such calculation shall be rounded to the nearest EURO cent.
5. The Loan shall cease to bear interest upon the expiry of the day preceding the Redemption Date, subject however to clause 5 below.

**Clause 4  
(Redemption)**

1. The Loan shall be redeemed on [●] (the **Redemption Date**) at par at its full nominal amount of EUR [●].
2. Save as otherwise provided in this Agreement, the Borrower shall not be entitled to terminate the Loan Agreement prior to the Redemption Date. The application of § 489 I of the German Civil Code (BGB) is expressly excluded.

**Clause 5  
(Interest for delay)**

1. If on due date principal shall not have been paid or not have been paid in full, the Borrower is obliged to pay as interest for delay an interest rate of 0.25% per annum above the Rate of Interest (as defined in Clause 3 above) on the due amount from the due date on. Interest on overdue amounts shall, at the Lender's option, be paid either together with the respective overdue amounts or at intervals of minimum 3 months as the Lender may specify and shall be calculated from (and including) the due date until (but excluding) the date at which the respective overdue amount has been credited to the Lender's account.

2. In addition to payments pursuant to paragraph 1, if on due date interest shall not have been paid or not have been paid in full, the Borrower is obliged to pay in favour of the Lender a lump sum compensation in settlement of indemnification claims calculated at a rate of 0.25% per annum above the Rate of Interest (as defined in Clause 3 above) on the due amount from (and including) the due date on. Compensation amounts shall, at the Lender's option, be paid either together with the respective overdue amounts or at intervals of minimum 3 months as the Lender may specify and shall be calculated from the due date until the date at which the respective overdue amount has been credited to the Lender's account.

**Clause 6**  
**(Early redemption for specific taxation purposes)**

1. If as a result of a future change of the laws applicable in Belgium or a change in their application or official interpretation, the Borrower should be required to pay additional amounts as set forth in clause 12 on the next following payment due in respect of the Loan, the Borrower may, upon the giving of not less than 30 days' notice, redeem the Loan at its full nominal amount on the Interest Payment Date which precedes the Interest Payment Date on which the Borrower would be obliged to withhold amounts according to clause 12 for the first time.
2. Any notice given in relation to clause 6.1. shall be made by registered mail to the Lender and the Paying Agent (for delivery to each assignee).
3. The costs associated with any liquidation or redeployment of deposits (if any) pursuant to this Agreement shall be borne by the Borrower. Such costs shall be the amount equal to the amount of the present value of the difference, if positive, between:-
  - (a) the amount of interest which would normally have been due in respect of any principal amount received or recovered by the Lender prior to the Redemption Date if such principal amount had been repaid on the Redemption Date; and
  - (b) the sum of (i) the amount of interest actually earned by the Lender on such principal amount on the redeployment of such amount from the date of actual receipt or recovery thereof by the Lender from the Borrower until the Redemption Date and (ii) the amount of interest on such principal amount included in the sum actually received or recovered by the Lender from the Borrower.

**Clause 7**  
**(Illegality)**

1. In the event that by reason of any change in applicable law, regulation or regulatory requirement or in the interpretation or application thereof it becomes unlawful for the Lender to fund, make available or maintain the Loan or otherwise to give effect to its obligations as contemplated by this Agreement, the Lender shall inform the Borrower to that effect whereupon, if the foregoing shall occur before the date of disbursement of funds hereunder, the liability of the Lender to make, fund or maintain the Loan shall forthwith cease and, whenever the same shall occur, the Borrower shall prepay for the account of the Lender the Loan forthwith (or at the expiration of such period as the Lender shall at its discretion specify) and the Borrower will so prepay the same together with interest accrued up to the date of prepayment.

2. If the event described in paragraph 1 hereinabove occurs on or before the date of disbursement of funds, the Lender shall reimburse to the Borrower all costs and fees in connection with the negotiation and the execution of this Agreement borne by this latter. The costs associated with the subscription for another loan by the Borrower shall also be borne by the Lender. Such costs shall be the amount equal to the value of the difference, if positive, between:
  - (a) the interest rate due by the Borrower in respect of the other loan subscribed by the Borrower in replacement of this Loan for the same principal amount; and
  - (b) the interest rate which would normally have been due by the Borrower in respect of this Loan.

The Borrower shall use its best efforts in order to subscribe for another loan with an interest rate corresponding to interest rates in use in the ordinary course of the market at that time.

### **Clause 8 (Increased Cost)**

1. If by reason of any change after the date of this Agreement in law or in its interpretation or administration and/or compliance with any request from or a requirement of any central bank or other fiscal, monetary or other authority, there is an increase in the cost to the Lender of funding or maintaining the Loan or the Lender becomes liable to make any payment (not being a tax imposed on the net income of the Lender) on or calculated by reference to the Loan, then the Borrower shall on demand of the Lender promptly pay such amounts sufficient to indemnify the Lender against such increased cost or such liability.
2. If the Lender gives such notice the Borrower may prepay with a fifteen days prior written notice the Loan in full on any Business Day following the date that notice is given together with interest accrued to the date of prepayment.

### **Clause 9 (Representations, Warranties and Conditions Precedent)**

1. The Borrower represents and warrants to the Lender
  - a) that it is a public law entity, under the laws of the Kingdom of Belgium (**Belgium**), duly organised and validly existing under the constitutional laws of Belgium and has the power to own its assets and carry on its business as it is being conducted;
  - b) that it enters into and performs the transactions contemplated by the Schuldschein Loan in compliance with (i) the Special Act of 16 January 1989 on the financing of the Regions and Communities, (ii) the Flemish Community Decree of **19<sup>th</sup> December** on the Flemish Community's general budget, and (iii) all applicable public law principles and rules, and in particular, the public procurement rules, the general principles of good governance (equal treatment, transparency) and the laws on the use of languages by administrative authorities;
  - c) that it has the power to enter into and perform the transactions contemplated by, and has taken all necessary action to authorise the entry into and the performance of the transactions contemplated by this Loan;

- d) that the Loan has been executed on behalf of the Borrower by persons authorised to do so and shall constitute valid, binding and enforceable obligations of the Borrower in accordance with their respective terms;
  - e) that the entry into and the performance of the transactions contemplated by the Loan, in all terms, by the Borrower do not violate any applicable limit of the Flemish Community set in regard to the indebtedness;
  - f) that this Loan Agreement, the creation and issue by the Borrower of this Loan, the performance by the Borrower of its obligations hereunder and the compliance by the Borrower with the terms and conditions hereof and thereof, do not violate any provisions of any law, regulation or any order of any governmental, judicial or public body or authority; or conflict with any document which is binding upon the Borrower or any of its assets;
  - g) that all consents, approvals, authorisations or other orders of all regulatory authorities in the Kingdom of Belgium so far as required for the issue of this Loan and the performance by the Borrower of its obligations hereunder have been obtained and are in force;
  - h) that the Borrower is or was not involved in, nor has it knowledge of any judicial or arbitration proceedings which could have, or have had in the last two fiscal years a material adverse effect on the financial situation of the Borrower or the Borrower's ability to perform its obligations under the Loan and so far as it is aware, no such litigation or arbitration proceedings are threatened;
  - i) that no event has occurred in relation to the Borrower which would be an event as further described in Clause 14 of this Loan Agreement or which with lapse of time and/or notice would be capable of becoming such an event;
  - j) that the most recent budget of the Borrower:
    - (i) have been prepared in accordance with the Belgian laws on the Regions and Communities accounts, and the accounting principles and practices generally accepted in Belgium consistently applied (as in force at the date on which the accounts were drawn up);
    - (ii) fairly represent the financial condition of the Borrower as at the date on which they were drawn up; and
    - (iii) have been approved by the Decree of the Flemish Community dated 18th December 2015
  - k) the Borrower has provided the Lender with all information which is material in the context of the Lender entering into this Loan and all information (financial or otherwise) contained in this Loan or in any statement supplied by the Borrower to the Lender and in connection with this Loan is, to the Borrower's knowledge, true in all material respects as of the date of this Loan or, if provided at a later date, the date on which such information (financial or otherwise) is provided and is not, by the omission of information or otherwise, misleading in any material respect; and
  - l) there are as of the date hereof no stamp, registration, documentary or other taxes or duties of any kind or other governmental charges payable under the laws of Belgium in connection with the execution, performance of the transactions contemplated by, or enforcement of the Loan.
2. The obligation of the Lender to disburse the Loan pursuant to Clause 1 and 2 is subject to the condition precedent that the Lender shall have received in form and substance satisfactory to him on or prior the Disbursement Date the following documents:

- a) certified copies of all authorisations required for the Loan if any;
- b) legal opinion that the format of this Agreement is legally valid and constitutes binding and enforceable obligations of the Borrower under the laws of the Kingdom of Belgium applicable thereto and all required resolutions and authorisations therefore have been obtained;
- c) list of authorised signatories of the Borrower.

**Clause 10**  
**(Assignment of the Loan)**

1. The Borrower may not assign or transfer the whole or any part of its rights or obligations under this Agreement unless specific written agreement from the Lender, not being unreasonably withheld.
2. The Loan may be assigned by the Lender at any time in whole or in partial amounts of at least EUR 1,000,000. Any partial assignment of the Loan will be subject to there being no increased cost or liabilities arising from the proposed assignment. Except for the first assignment any further assignments pursuant to this clause 10.2. shall be notified to the Borrower and the Paying Agent by the relevant assignor no later than 30 Business Days prior to a due date for payment under the Loan by using a certificate substantially in the form of Schedule 1 hereto (the *Assignment Certificate*).
3. For the avoidance of doubt, any partial assignment in accordance with clause 10.2 shall include a pro rata share of accrued interest.

**Clause 11**  
**(Payments)**

1. All payments under this Agreement shall be made by or on behalf of the Borrower to the Lender or any assignee without any deduction of whatsoever nature and free of any charges in EUR. This obligation comprises the timely transfer of monies which shall be made under any and all circumstances and irrespective of any present or future payment or clearing agreement, and regardless of the nationality, domicile or residence of the claimant and without requiring the execution of any other formality.
2. In the event of an Assignment the obligations of the Borrower shall be deemed fulfilled with regard to an Assignee only upon the proceeds being received by or credited to the account of such Assignee, provided, however, that timely notification of the assignment to the current assignee has been made in accordance with Clause 10.2. [●] or another bank operating this function in Germany will be Paying Agent and or Calculation Agent, as the case may be, pursuant to a Paying and Calculation Agency Agreement (the *Paying and Calculation Agency Agreement*).

**Clause 12**  
**(Taxation)**

1. All payments of principal and interest on the Loan shall be made without any withholding or deduction for or on account of any present or future taxes, duties or governmental charges of whatever nature imposed, levied or collected by or in Belgium (or any province or other political

subdivision or relevant authority in Belgium), unless the Borrower is required by law to withhold or deduct such taxes, duties or charges. In such event, the Borrower shall pay such additional amounts as shall be necessary to ensure that the net amounts received by the Lender after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable without such withholding or deduction. The Borrower shall, however, not be required to pay such additional amounts in respect of the Loan on account of such taxes, duties or governmental charges:

- (a) which are imposed, levied or collected solely by reason of the Lender or assignee having a connection with Belgium other than the mere fact of being the Lender or assignee or the mere receipt of payment of principal or interest in respect thereof; or
  - (b) if the Lender or assignee is able to avoid such withholding or deduction by making a declaration of non-residency or any similar claim for exemption to the relevant tax authority.
2. Any reference herein to interest and/or principal in respect of the Loan shall be deemed to include any additional amounts which may be payable under the provisions of this Clause 12.

### **Clause 13 (Status/ Undertaking)**

1. The Loan constitutes a direct, unconditional and general obligation of the Borrower and shall rank at least *pari passu* with all other unsecured indebtedness for borrowed moneys of the Borrower.
2. The Borrower will not create or permit to subsist any pledge, mortgage, charge, encumbrance or any other security interest on the whole or any part of its present or future property, assets or revenues to secure any currently existing indebtedness for borrowed moneys unless the same pledge, mortgage, charge, encumbrance or other security interest is granted equally and rateably at the same time to secure the Loan.
3. The Borrower shall obtain, or cause to be obtained, any authorisation, consent or approval of, and make any declaration to any competent authority in Belgium which may at any time be required with respect to this Agreement, its validity or enforceability or its performance by the Borrower.

### **Clause 14 (Early Termination)**

1. The Lender (or any assignee) shall be entitled to terminate the Agreement for cause and to demand immediate redemption of its share in the Schuldschein Loan at par plus accrued interest and any other amounts payable hereunder in particular in any of the following events:
  - (a) the Borrower fails to pay any interest in respect of the Loan for more than 30 days following the due date thereof; or
  - (b) the Borrower fails to fulfil any of its other obligations arising from the Loan and such failure shall not be remedied within 30 days after the Borrower has received a notice by the Lender or any assignee to that effect; or
  - (c) any representation, warranty or statement which is made (or deemed or acknowledged to have been made) by the Borrower in this Agreement or which is contained in any certificate,

statement, legal opinion or notice provided under or in connection with this Agreement proves to be incorrect in any material respect; or

- (d) the Borrower becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts or if the Borrower is adjudged or declared in liquidation or otherwise insolvent; or
  - (e) the Borrower commences any proceedings (including convening a meeting of its creditors) under any reorganisation, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect relating to or governing debtors, or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors or by express act indicates its consent to, approval or acquiescence in any such proceeding for itself or any part of its property; or
  - (f) any authorisation, approval or consent required in connection with the signing, performance, validity and/or enforceability of this Agreement being withdrawn or modified in a manner unacceptable to the Lender, or, for any reason whatsoever, ceasing to be in full force and effect.
2. In the event specified under (b) above, however, the right to declare the Loan due shall terminate if the situation giving rise to it has been cured prior to a notice being given by the Lender or an assignee. Any notice to be given hereunder by the Lender or an assignee to the Borrower shall be given in writing in English to the Borrower, delivered by hand or registered mail with copy to the Paying Agent.

#### **Clause 15 (Waiver of the Borrower)**

The Borrower hereby waives any right of set-off against the claims arising from this *Schuldscheindarlehen* as well as the exercise of any pledge, right of retention or other rights through which the claims of the Lender could be prejudiced to the extent that such rights belong to the reserved assets (*gebundenes Vermögen*) of an insurer within the meaning of § 125 of the German Insurance Supervisory Law (*Versicherungsaufsichtsgesetz*) or belong to funds covering the debt securities (*Deckungsmasse für Schuldverschreibungen*) and have been set up on the basis of German law, the same applies *mutatis mutandis* in the event of composition or insolvency proceedings.

#### **Clause 16 (Waiver of Sovereign Immunity of the Borrower)**

The Borrower to the fullest extent permitted by applicable laws hereby waives and agrees not to claim any immunity from suits and proceedings (including actions in rem) in the Kingdom of Belgium or any other jurisdiction and from all forms of execution or attachment (including attachment prior to judgement and attachment in aid of execution) to which it or its property or any of its assets is now or may hereafter become entitled under the laws of any jurisdiction and declares that such waiver shall be effective to the fullest extent permitted by such laws.

Under Belgian law the obligations of the Borrower may not be subject to any compulsory enforcement against its assets located within the Kingdom of Belgium except for those properties or assets that are not necessary for the performance of the Borrower's public services task or for the continuity of any public service. Assets of the Borrower held outside the Kingdom of Belgium may be attachable under

the laws of the relevant jurisdiction where such assets are located provided that the laws of such jurisdiction do not recognize an unwaivable immunity of foreign states from enforcement.

**Clause 17  
(Information)**

Approved budgets and other financial information on the Flemish Community are published on the website of the Flemish Community: <http://fin.vlaanderen.be>. Should the address of the website change, the Lender and the Paying Agent will be informed of the new address.

**Clause 18  
(Miscellaneous)**

1. The Borrower shall bear any taxes, duties or governmental charges of whatever nature imposed, levied or collected by or in Belgium (or any province or other political subdivision or relevant authority in Belgium) and all costs and fees in connection with the execution and performance of this Agreement.
2. Any amendment of or change to this Agreement (including this clause 18 (2)) must be made in writing.
3. Any non-exercise or late exercise of rights by the Borrower, the Lender or any assignee shall not constitute a waiver of such rights or consent to any breach of contract. The total or partial non-exercise of rights shall not prevent the Lender or an assignee from exercising such rights later.
4. Any notice or communication under or in connection with this Agreement shall be in writing and shall be delivered personally, or by registered mail, telex or fax to the addresses given in this Agreement. Proof of posting or dispatch of any notice or communication to the Borrower shall be deemed to be proof of receipt:
  - (a) in the case of a letter, on the fifth Business Day after posting (provided the postal service is in normal operation);
  - (b) in the case of a telex, fax or cable, on the Business Day immediately following the date of dispatch.

**Addresses for notices:**

Lender:

Borrower: Flemish Community  
Department of Finance and Budget  
Phoenix Building  
Koning Albert II-laan 19, bus 6  
B – 1210 Brussels  
België

Attention: Koen Algoed  
Email: [departementfb@fb.vlaanderen.be](mailto:departementfb@fb.vlaanderen.be)

Telephone: +32 493 31 63 02  
Telefax: -+32 2 553 58 02

5. All notices or communications under or in connection with this Agreement shall be in the English language or, if in any other language, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

**Clause 19**  
**(Applicable Law and Jurisdiction)**

1. This Agreement shall be governed by the laws of Germany. The Borrower has waived any right of sovereign immunity in accordance with clause 16 above.
2. The Borrower submits to the exclusive jurisdiction of the courts in Frankfurt am Main.

**Clause 20**  
**(Partial Invalidity)**

Should any of the provisions of this Agreement be or become invalid, in whole or in part, the other provisions of this Agreement shall remain in force. Invalid provisions shall, according to the intent and purpose of this Agreement, be replaced by such valid provisions which in their economic effect come as close as legally possible to that of the invalid provisions.

**Clause 21**  
**(Copies)**

This Agreement is executed in two copies, one each for the Borrower and the Lender. In order to furnish proof of any claim the presentation of this Agreement is not required.

***FLEMISH COMMUNITY***

\_\_\_\_\_  
Name: Matthias Diependaele  
Title: Minister for Finance and Budget,  
Housing and Immovable Heritage

***[LENDER]***

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Name: [●]  
Title: Director

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Name: [●]  
Title: Manager

**Schedule 1: Form of Assignment Certificate**

[Lender]

has granted

***FLEMISH COMMUNITY***

a (*Schuldschein*) loan of EUR [...] bearing interest of [...] according to the Loan Agreement dated [...] (the “Loan Agreement”).

[...] assigns the above (*Schuldschein*) loan of EUR ..... (euro ...million) effective on \_\_\_\_\_ with interest and all rights and obligations resulting out of the Loan Agreement to \_\_\_\_\_ .

\_\_\_\_\_  
(*Name of assignee*)

The \_\_\_\_\_ (assignee) hereby accepts the assignment and declares itself to be bound by clause 10 of the Loan Agreement.

The laws of Germany in all respects govern this assignment agreement.

Place, Date

\_\_\_\_\_  
[ Lender ]

\_\_\_\_\_  
(*assignee*)