

**INFORMATION MEMORANDUM**

**DATED:** September 2015



**VRIJE UNIVERSITEIT BRUSSEL**  
AS ISSUER

---

**EUR 130,000,000.00**  
**BELGIAN MULTY-TERM TREASURY NOTES PROGRAMME**

---

**BELFIUS BANK SA/NV**  
AS DEALER

**BELFIUS BANK SA/NV**  
AS ARRANGER, DOMICILIARY AGENT  
AND CALCULATION AGENT



## TABLE OF CONTENTS

<b>IMPORTANT NOTICE.....</b>	<b>3</b>
<b>TAX.....</b>	<b>5</b>
<b>INTERPRETATION.....</b>	<b>5</b>
<b>DOCUMENTS INCORPORATED BY REFERENCE.....</b>	<b>5</b>
<b>RISK FACTORS.....</b>	<b>6</b>
<b>CERTIFICATION OF INFORMATION CONCERNING THE ISSUER.....</b>	<b>14</b>
<b>SUMMARY OF THE PROGRAMME.....</b>	<b>15</b>
<b>DESCRIPTION AND INFORMATION CONCERNING THE ISSUER.....</b>	<b>18</b>
<b>TERMS AND CONDITIONS OF TREASURY NOTES.....</b>	<b>33</b>
<b>TAXATION.....</b>	<b>47</b>
<b>SELLING RESTRICTIONS.....</b>	<b>51</b>

## IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the **Information Memorandum**) contains summary information provided by Vrije Universiteit Brussel (the **Issuer**) in connection with a Programme for the issuance of Treasury Notes (*billets de trésorerie / thesauriebewijzen*) (the Belgian Multi-Term Treasury Notes Programme, or the **Programme**) under which the Issuer may issue and have outstanding at any time treasury notes (*billets de trésorerie/thesauriebewijzen*) (the **Treasury Notes**) to a maximum aggregate principal amount of 130,000,000.00.

The Issuer has, pursuant to a Dealer Agreement, appointed Belfius Bank SA/NV as arranger for the Programme (the **Arranger**), and appointed Belfius Bank SA/NV as Dealer for the Treasury Notes (the **Dealer**), and authorised and requested the Dealer to circulate this Information Memorandum on its behalf to purchasers or potential purchasers of Treasury Notes.

The Issuer has confirmed to the Arranger and the Dealer that to the best of their knowledge, the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading in any material respect.

No person is authorised by the Issuer or the Dealer to give any information or to make any representation not contained in this Information Memorandum and any information or representation not contained herein must not be relied upon as having been authorised.

Neither the Arranger nor the Dealer has independently verified the information contained in the Information Memorandum. Accordingly no representation or warranty or undertaking, whether express or implied, is made and no responsibility or liability is accepted by the Arranger or the Dealer as to the authenticity, origin validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent supplement, agreement, document, material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger and/or the Dealer or the Issuer that any recipient should purchase Treasury Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum or change in such information coming to the Arranger's or Dealer's attention. Neither the delivery of the Information Memorandum nor any offer or sale made on basis of the information contained in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time

subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

The Issuer accepts responsibility for the Information Memorandum and its supplements and any updates if any. In particular, the Issuer will be responsible towards interested parties for losses which may occur as an immediate and direct result of the absence or inaccuracy of any matters that are required to be contained in the Information Memorandum pursuant to the Law (as defined in the Terms and Conditions) and the Royal Decree (as defined in the Terms and Conditions). For the avoidance of any doubt, this Information Memorandum constitutes a “*prospectus*” for the purposes of Article 5 of the Law.

Neither the Arranger nor the Dealer accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute or contain an offer or invitation to any person to purchase Treasury Notes, nor may it be used for such purposes. The distribution of this Information Memorandum and the offering for sale of Treasury Notes or any interest in such Treasury Notes may be restricted by law. Persons obtaining this Information Memorandum or any Treasury Notes or any interest in such Treasury Notes or any rights in respect of such Treasury Notes are required by the Issuer, the Arranger and the Dealer to inform themselves about and to observe any such restrictions. In particular but without limitation, such persons are required, when relevant, to comply with the restrictions on offers or sales of Treasury Notes and on distribution of this Information Memorandum and other information in relation to the Treasury Notes set out under the chapter *Selling Restrictions* commencing on page 51.

In the case of any doubt about the content or meaning of the Information Memorandum, the Treasury Notes or about the risks involved in purchasing the Treasury Notes, investors should consult a specialised financial adviser.

The Domiciliary Agent will, in connection with its appointment or under the Treasury Notes, act solely for and upon the instructions of the Issuer and the Dealer, and the Dealer will, in connection with his appointment or under the Treasury Notes, act solely for and upon the instructions of the Issuer. Each of the Dealer and the Domiciliary Agent will incur no liability for or in respect of any action taken, or not taken, by them pursuant to the Law and/or the Royal Decree, nor will they have any obligations towards, or a relationship of agency or trust with any of the holders or beneficial owners of or interests in, Treasury Notes.

Under the Programme, the Issuer may issue Treasury Notes outside the United States pursuant to Regulation S (*Regulation S*) of the United States Securities Act of 1933, as amended from time to time (the *Securities Act*).

**THE TREASURY NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).**

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the *FSMA*)) received in connection with the issue or sale of any Treasury Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

## TAX

No comment is made or advice given by the Issuer, the Arranger or the Dealer in respect of taxation matters relating to the Treasury Notes and each investor is advised to consult its own professional adviser.

## INTERPRETATION

Capitalised terms used in the Information Memorandum shall, unless the context otherwise requires, have the meaning given to them in the chapter Terms and Conditions of Treasury Notes below.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and shall form an integral part of, this Information Memorandum:

- the most recently published annual report of the Issuer (the current year, year n-1) and the annual report of the Issuer for the preceding year (the previous year, year n-2); copies and updates are available on the following websites:
  - Vrije Universiteit Brussel: <http://www.vub.ac.be/pers/jaarverslag>
  - UZ Brussel: <http://www.uzbrussel.be> (section “*Over het UZ Brussel*”)
- all documents required to be incorporated herein under the Law (as defined in the Terms and Conditions) and the Royal Decree (as defined in the Terms and Conditions), including, but not limited to, the documents required to be produced by the Issuer pursuant to Article 22 of the Royal Decree ; and
- all other documents that are expressly incorporated in this Information Memorandum.

Any statement contained in this Information Memorandum or in a document incorporated by reference in this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, or by implication or otherwise). Except as provided above or elsewhere in this Information Memorandum, no other information, including information on the website(s) of the Issuer, is incorporated by reference in this Information Memorandum.

This Information Memorandum (and the most recently annual financial statements of the Issuer, and the information to be prepared by the Issuer in accordance with Article 22, §1 of the Royal Decree) will be available for inspection at the registered office of the Issuer and the Dealer. The Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Dealer at its office as set out at the end of this Information Memorandum.

## **RISK FACTORS**

In purchasing Treasury Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Treasury Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Treasury Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Treasury Notes issued under the Programme are described below, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Treasury Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Treasury Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision, and consult with their own professional advisers if they consider it necessary.

### **Risk factors in relation to the Issuer**

#### ***Legal status of the Issues***

The Issuer has been established as a legal entity under private law pursuing public interest goals (*privaatrechtelijke rechtspersoon opgericht met een doel van algemeen belang*) and with legal personality acquired under the law of 12 August 1911<sup>1</sup>, as amended by the law of 28 May 1970. It is unclear whether it is subject to Belgian bankruptcy legislation. Notwithstanding the Event of Default (d), it should be noted that an acceleration or early termination of the Treasury Notes as a result of the Issuer applying for or being subject to such insolvency proceedings may not be enforceable.

#### ***The activities of the Issuer also include the management of a university hospital***

In Belgium, some universities (including the Issuer) are organized as one legal entity covering multiple subdivisions, such as entities entrusted with educational or research missions, spin offs and a university hospital.

As a consequence, investors should note that the general activities of the Issuer are not limited to the field of education, but are extended to all activities of these subdivisions.

In particular, the university hospital (UZ Brussel) forms in terms of amounts and staff an important part of the Issuer.

---

<sup>1</sup> Wet tot toekenning van de rechtspersoonlijkheid aan de "Katholieke Universiteit te Leuven - Université catholique de Louvain", aan de "Vrije Universiteit Brussel", aan de "Université libre de Bruxelles", en waarbij aan de "Katholieke Universiteit te Leuven - Université catholique de Louvain" machtiging wordt verleend een Franstalige en een Nederlandstalige universiteit op te richten

Based on the act of hospitals of 23 December 1963, as amended from time to time, all hospitals must keep separate accounts and prove the costs of each service. The funds of the university hospital and the funds of the university (education) should be clearly distinguished and for each of those two entities a government administrator (*regeringscommissaris*) is appointed to watch over this principle of 'separation'.

Nevertheless this does not prohibit the different entities of the Issuer to provide (temporary) liquidity to each other, nor does it rule out the eventuality that the Issuer has to use its own funds to cover a deficit of one of the subdivisions.

***The Issuer's revenues pertaining to the University's hospital activities mainly depend on the amount of subsidies received from the Belgian federal Government***

The federal government (the department of Accounts and Hospital Management) is responsible for establishing and distributing the annual financial subsidies for the hospitals in Belgium (from the federal budget means). Those subsidies are, together with the medical and doctors' fees, the most important funding source of a hospital. Besides, some of the investments of the hospital and the education costs of the doctors are partially funded by the Flemish Community.

***The Issuer's revenues pertaining to the University's educational and research activities mainly depend on the amount of subsidies received from the Government of the Flemish Community***

The revenues of the Issuer consist primarily of subsidies (+/- 74 % of the revenues) from the Flemish Community and tuition fees (+/- 3% of the revenues). Subsidies from the Flemish Community are determined following a financing model in the decree of 14 March 2008 on the financing and functioning of colleges and universities in Flanders (*Decreet betreffende de financiering van de werking van de hogescholen en de universiteiten in Vlaanderen*). The subsidies are based on credits selected by the students and output financing where the return from students is included (number of credits acquired and diplomas awarded).

A proportional reduction in the number of students and the credits of students in any given year would decrease the subsidies and tuition fees, and could consequently have a material impact on the revenues and the financial performance of the Issuer.

Besides, the manner by which university colleges are financed by the government (amongst other based upon the decree of 14 March 2008 on the financing and functioning of colleges and universities in Flanders) can change. Such legislative changes could have a materially adverse effect on the Issuers' results of operations, profitability, financial condition, prospects and its ability to comply with its obligations under the Treasury Notes.

***The successfulness of the Issuer depends on the ability to attract and retain qualified personnel.***

The Issuer's success also depends on the ability to attract and retain highly qualified personnel: professors, assistant professors, faculty members and healthcare staff. The Issuer may have difficulty hiring qualified personnel and retaining such personnel once hired. In addition, key personnel may leave and subsequently compete against the Issuer. The loss of the services of any key personnel or the failure to attract and retain other qualified and experienced personnel on acceptable terms could impair the ability of the Issuer to successfully sustain and grow its activities, which could have a material adverse effect on the results of operations.

***The Issuer could be adversely affected by property loss and unforeseen business interruption.***

Damage and loss caused by fire, accidents, power outages, IT system and network malfunction, natural disasters, terrorism, political unrest, enhanced national security measures, conflicts, severe weather or other disruptions at the facilities or the Issuer or within its premises, could impair the operations of the Issuer. Furthermore, such events could injure or kill individuals or damage or destroy third party property or the environment, which could, among other things, lead to considerable financial costs for the Issuer. The realisation of any of these risks could have a material and adverse effect on the activities and the financial condition of the Issuer, which could in turn adversely affect the ability to fulfil the obligations under the Treasury Notes.

***Unsatisfactory student experience or patient experience may negatively influence the market position of the Issuer.***

Unsatisfactory student experience may lead to loss of reputation in relation to national and international competitors. Risk may be particularly high in the case of overseas students taking one-year courses.

Same applies to patient experience in the Issuer's hospital. Although the Issuer's policy is to employ qualified physicians and healthcare professionals, the Issuer is unable to prevent its physicians and staff from committing human error during their treatment of patients.

Such occurrences may cause the Issuer's reputation to suffer, which in turn may have an adverse effect on the Issuer's financial condition and operations.

***The Issuer may face increasing competition from other universities or hospitals.***

The Issuer's university competes with other universities in Belgium, especially those that want to expand their international students base by offering English taught education programmes. The academic success of the Issuer therefore also depends on its ability to offer attractive programmes at competing prices, failing which the number of international students may decrease in the future.

The Issuer's hospital as well competes with other private hospitals, public hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organizations and hospitals affiliated with universities. It will also have to compete with any future healthcare facilities located in the Brussels' Region. Some of these competitors may be more established and may have greater financial, personnel and other resources than the Issuer. Others may better price their services or offer greater convenience or better services or amenities than the Issuer or compete with the Issuer for doctors and other medical professionals.

Those events may adversely affect the financial results and operations of the Issuer.

***The Issuer benefits from an immunity of execution in respect of its assets used for public services.***

In accordance with article 1412bis of the Belgian Judicial Code, the Issuer benefits from an immunity of execution that may not be waived in respect of its assets that are used (entirely or partially) in the performance by the Issuer of public services. As a result, such assets are protected against claims of the Issuer's creditors (including holders of Treasury Notes) seeking to attach such assets in satisfaction of their claims. Such assets cannot become the subject of a forced sale instructed by the Issuer's creditors.



## **Factors which are material for the purpose of assessing the market risks associated with Treasury Notes issued under the Programme**

### ***The Treasury Notes may not be a suitable investment for all investors***

The Treasury Notes may not be a suitable investment for all investors. Investing in the Treasury Notes may entail several risks. Each potential investor in the Treasury Notes must determine the suitability of that investment in light of its own circumstances. In case of doubt, potential investors should consult their financial and legal advisers about the risks of investing in the Treasury Notes and the suitability of this investment in light of their particular situation. In particular and without limitation, each potential investor may wish to consider, either on its own or with the help of its financial or other advisors, whether it:

- (a) has sufficient knowledge and experience to understand the specific merits and risks of the business or activities of the Issuer;
- (b) has sufficient knowledge and experience to make a meaningful evaluation of the Treasury Notes, the merits and risks of investing in the Treasury Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (c) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Treasury Notes and the impact the Treasury Notes will have on its overall investment portfolio;
- (d) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Treasury Notes, including Treasury Notes with principal or interest (if any) payable in Euros or any other currency (in particular when such currency is different from the potential investor's currency);
- (e) understand thoroughly that the value of the Treasury Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events, including factors affecting capital markets generally;
- (f) understands thoroughly that in the event of a default by the Issuer, it might not receive the amounts to which would have been entitled to and could lose all or part of the capital invested;
- (g) understands thoroughly the terms and conditions of the Treasury Notes; and
- (h) is able to fully evaluate (either alone or with the help of a financial adviser) possible scenarios for economic market developments, interest rate changes or other factors that may affect its investment and its ability to bear the applicable risks.

### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Treasury Notes are subject to legal restrictions, (2) Treasury Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Treasury Notes. Financial institutions should consult their legal advisers or the appropriate authorities to determine the appropriate treatment of Treasury Notes under any applicable risk-based capital or similar rules.

### ***Risks related to Treasury Notes generally***

#### *Change of law*

The terms and conditions of the Treasury Notes are based on the laws of the Kingdom of Belgium in effect as at the date of issue of the relevant Treasury Notes. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Kingdom of Belgium or administrative practice after the date of issue of the relevant Treasury Notes.

#### *Relationship with the Issuer*

All notices and payments to be delivered to the holders of Treasury Notes will be distributed by the Issuer to such holders of Treasury Notes in accordance with the terms and conditions of the Treasury Notes. In the event that a holder of Treasury Note does not receive such notices or payments, its rights may be prejudiced but it may not have a direct claim against the Issuer therefor.

### ***Risks related to the market generally***

#### *The secondary market generally*

Treasury Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Treasury Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Treasury Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Treasury Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Treasury Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Treasury Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Treasury Notes, (2) the Investor's Currency equivalent value of the principal payable on the Treasury Notes and (3) the Investor's Currency equivalent market value of the Treasury Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Treasury Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Treasury Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Treasury Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Treasury Notes. A credit rating is not a recommendation to buy, sell or hold the Treasury Notes and may be revised or withdrawn by the rating agency at any time.

#### *Potential conflicts of interest*

Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Dealer (or/and certain affiliates of the Dealer) and that it might have conflicts of interests which could have an adverse effect to the interests of the holders of Treasury Notes. The Dealer may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Within the framework of a normal business relationship with its banks, the Issuer entered or/and may enter into facilities agreements with the Dealer or certain affiliates of the Dealer. Such facilities agreement(s) may include different or additional terms or covenants in favour of the lenders under the facilities agreements compared to the terms and conditions of the Treasury Notes.

It should be noted that Jos Clijsters, chairman of the board of directors of Belfius Bank SA/NV, is vice-president of the Board of Directors and president of the General Meeting of the Issuer.

#### *Risks related to Taxation*

##### *EU Directive on the taxation of savings income*

The EU has adopted a directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (as amended, supplemented or replaced from time to time, hereinafter “Savings Directive”). Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual resident in that other Member State or to (or for the benefit of) certain limited types of entities established in that other Member State. However, for a transitional period, Austria instead is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU

countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the EU Council of Ministers has adopted a Council Directive pursuant to which Member States are required, as from 1 January 2016, to extend the scope of the requirements described above to (among other things) (i) payments made under certain financial instruments and life insurance contracts that are considered equivalent to debt claims (ii) certain payments that are made to entities or legal arrangements (such as trusts) established outside the EU, where an individual resident in a Member State other than that of the paying agent is regarded as the beneficial owner of that payment and (iii) payments made to certain entities or legal arrangements established in the EU which are treated as paying agents on receipt of interest payments.

Investors should note that the European Commission is proposing to repeal the Savings Directive, since it has been overtaken by other EU legislation with a wider scope of automatic information exchange (including information on savings related income).

#### *Belgian Withholding Tax*

If the Issuer, the National Bank of Belgium (“**NBB**”), the Domiciliary Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Treasury Notes, the Issuer, the NBB, the Domiciliary Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Subject to, and within the limits of, the Terms and Conditions applicable to the Treasury Notes (and more specifically the sections “*Taxation, Grossing-up*” and “*Early redemption for tax reasons*” of the Terms and Conditions of the Treasury Notes), the Issuer will pay such additional amounts as may be necessary in order that the net payment received by each holder of Treasury Notes in respect of the Treasury Notes, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Issuer in respect of the Treasury Notes, will equal the amount which would have been received in the absence of any such withholding taxes, provided the holder of a Treasury Note is an Exempted Investor (as defined below) and holds such Treasury Note through an X-Account or Exempt Account, on which the payments are credited, unless such deduction or withholding is required by subsequent legislation.

#### *Financial Transaction Tax*

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “**Draft Directive**”) on a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

Pursuant to the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity

of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Prospective holders should therefore note, in particular, that any sale, purchase or exchange of the Treasury Notes could become subject to the FTT at a minimum rate of 0.1% provided the abovementioned prerequisites are met.

The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted (the “**FTT Directive**”), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the FTT Directive might deviate from the FTT Directive itself.

Notwithstanding the European Commission proposals, a statement dated 6 May 2014 made by the participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available.

Prospective holders of the Treasury Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Treasury Notes.

## CERTIFICATION OF INFORMATION CONCERNING THE ISSUER

### 1. PERSONS RESPONSIBLE FOR THE INFORMATION MEMORANDUM

Vrije Universiteit Brussel, established pursuant to the law of 12 August 1911 (*Wet tot toekenning van de rechtspersoonlijkheid aan de Vrije Universiteit Brussel en aan de Université libre de Bruxelles*), as published in the Official Gazette on 21 August 1911 (as amended from time to time), having its registered office at Pleinlaan 2, 1050 Brussel, Belgium, registered with the crossroads bank for enterprises under number 0449 012 406, hereby validly represented by Nic Van Craen, General Manager (the *Issuer*).

### 2. DECLARATION OF THE PERSONS RESPONSIBLE FOR THE INFORMATION MEMORANDUM

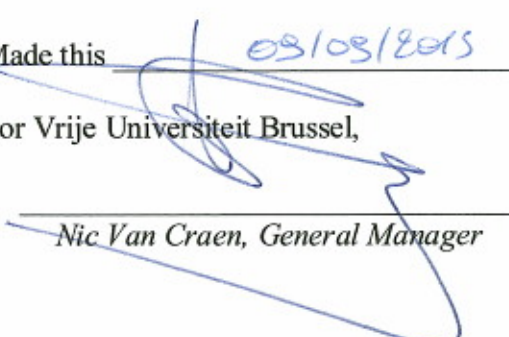
The undersigned, acting as duly authorised officer of Vrije Universiteit Brussel as Issuer under this Multi-Term Treasury Notes Programme, having made all reasonable enquiries confirms that, to the best of his knowledge and belief:

- the Information Memorandum, including any annex and any supplement thereto, contains all information with respect to the Issuer and the Treasury Notes to be issued which is material in the context of the Programme;
- the information with respect to the Issuer and the Treasury Notes contained in the Information Memorandum is true and accurate in all material respects and is not misleading;
- the opinions and intentions expressed in the Information Memorandum and the supplements thereto are honestly held; and
- there are no other facts the omission or occurrence of which would, in the context of the Programme and the issuance of Treasury Notes thereunder, make any of such information or the expression of any such opinions or intentions misleading.

In accordance with the terms of the Royal Decree of 14 October 1991 relating to "*billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen*", as amended from time to time, the Issuer accepts responsibility for the information contained in the Information Memorandum and any future annex and supplement thereto, and acknowledge that they shall be responsible towards interested parties for the damage and losses arising immediately and directly from the absence or inaccuracy of any matters which Article 5 of the Law of 22 July 1991 relating to *billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen*, as amended from time to time, and Section II of Chapter II of the Royal Decree, require to be contained herein. The Issuer confirms that they comply and will at all times comply with all (financial or other) requirements of the Law and Royal Decree.

Made this 08/08/2015, on behalf of the Issuer.

For Vrije Universiteit Brussel,

  
\_\_\_\_\_  
Nic Van Craen, General Manager

## SUMMARY OF THE PROGRAMME

This summary must be read as an introduction and does not purport to be complete. The information in this summary is correct at the date of this Information Memorandum but may be updated or superseded at any time in accordance with the Terms and Conditions of the Treasury Notes; you are kindly invited to consult the Terms and Conditions for a full understanding. Furthermore any decision to invest in the Treasury Notes should not be based hereon. In case of any discrepancy between this summary and the Terms and Conditions, the Terms and Conditions shall prevail.

<b>Name of the Programme</b>	Vrije Universiteit Brussel.
<b>Type of Programme</b>	Belgian Multi-Term Treasury Notes Programme.
<b>Name of the Issuer</b>	Vrije Universiteit Brussel.
<b>Purpose of the Programme</b>	The proceeds of the Treasury Notes issued under the Programme will be used for general funding purposes.
<b>Maximum Outstanding Amount</b>	EUR 130,000,000.00.
<b>Maturity of the Programme</b>	Undetermined.  The Programme may be terminated by the Issuer or the Arranger at any time, subject to 30 days prior written notice to that effect, provided that the Terms and Conditions will remain in full force and effect with respect to Treasury Notes issued under the Programme for so long as such Treasury Notes shall remain outstanding.
<b>Remuneration</b>	Treasury Notes issued under this Programme may be Discount Treasury Notes, Fixed Rate Treasury Notes, Floating Rate Treasury Notes or Zero Coupon Notes.
<b>Characteristics and Form of the Treasury Notes</b>	The Treasury Notes issued under the Programme will be issued in accordance with the Belgian Law of 22 July 1991 relating to treasury notes and certificates of deposit as amended from time to time and the Royal Decree of 14 October 1991 relating to treasury notes and certificates of deposit, as amended from time to time.  The Treasury Notes will be exclusively issued in dematerialised form.  In accordance with Article 5 § 5 of the Law, the Terms and Conditions as incorporated in this Information Memorandum are enforceable to the subscribers and acquirers of Treasury Notes issued under the Programme.
<b>Specified Currency of the</b>	Treasury Notes may only be denominated in Euro.

## **Treasury Notes**

### **Maturity of the Treasury Notes (the *Tenor*)**

Subject to compliance with any applicable legal and regulatory requirements (including the rules of the Clearing System), the Treasury Notes shall have a definite tenor, which may not be less than one day and there is no maximum Tenor provided that the Maturity Date of any Treasury Note may not surpass the legal existence of the Issuer (as specified in the Issuer's constitutional documents).

### **Minimum issuance amount**

The Minimum Amount of the Treasury Notes may at no time whatsoever, be less than the minimum amount stipulated by or established in accordance with Article 4 of the Law, as amended from time to time, and/or stipulated by or established in accordance with the Royal Decree, as amended from time to time, and will comply with any applicable legal and regulatory requirements.

The Minimum Amount of the Treasury Notes may differ depending on the legal form of the Issuer and of the holder of the issued Treasury Notes. At present, the Minimum Amount is determined as follows:

- The minimum amount of the Treasury Notes may at no time whatsoever, be less than the EUR 250,000.00, or
- If both the Issuer and the investor form part of the “*government*” sector for the application of the European System of National and Regional Accounts (ESA 95), the minimum amount of the Treasury Notes may not be less than EUR 100,000.00.

### **Minimum Denomination of the Treasury Notes**

Multiples of 1,000 in the Specified Currency provided however that an investor may not have a position in any Treasury Notes that is less than the Minimum Amount.

### **Status of the Treasury Notes**

The Treasury Notes shall represent direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will at all times, rank *pari passu* among themselves and with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

### **Governing law**

The Treasury Notes and the Guarantee shall be governed by and construed in accordance with the laws of the Kingdom of Belgium.

### **Listing**

The listing of Treasury Notes issued under the Programme, if any, shall be subject to compliance with all applicable laws, regulations (including stock exchange regulations) and requirements of any relevant authority.



<b>Settlement System</b>	<p>The Treasury Notes will be cleared and settled through the securities settlement system operated by the National Bank of Belgium.</p> <p>Delivery is also possible through other clearing systems like Euroclear or Clearstream, Luxembourg.</p>
<b>Rating(s) of the Programme</b>	The Programme has not been assigned any rating by any of the rating agencies.
<b>Domiciliary Agent</b>	Belfius Bank SA/NV.
<b>Arranger</b>	Belfius Bank SA/NV.
<b>Dealer</b>	Belfius Bank SA/NV.
<b>Selling restrictions</b>	<p>The Treasury Notes shall and may not be offered or sold (either on issue or at any time thereafter) to investors in any jurisdiction where such offer or sale would not be authorised, constitute a public offering of securities, or would require any further action to be taken.</p> <p>More specifically, but without limitation, potential investors are hereby informed that limitation on the offer, sale or purchase of Treasury Notes may exist in or with respect to their jurisdiction.</p> <p>For further information, please consult the Section <i>Selling Restrictions</i> starting on page 51.</p> <p>Potential investors will undertake to comply with all applicable laws and regulations of such jurisdictions and will accept responsibility accordingly.</p>
<b>Taxation</b>	<p>Persons or institutions defined in Article 4 of the Royal Decree of 26 May 1994, as amended from time to time, that benefit from an exemption from Belgian withholding tax, will have a securities account opened in the Clearing System (or with a Custodian) on which no Belgian withholding tax is due or will be levied (a so-called <i>X-Account</i>).</p> <p>Persons or institutions that are not defined in Article 4 of the Royal Decree of 26 May 1994, as amended from time to time, do not benefit from an exemption from Belgian withholding tax, and will have a securities account opened in the Clearing System (or with a Custodian) on which a Belgian withholding tax is due and will be levied (a so-called <i>N-Account</i>).</p> <p>A grossing-up clause does apply for <i>Exempted Investors</i>.</p> <p>For further information, please consult the Section <i>Taxation</i> starting on page 47.</p>
<b>Involvement of national authorities</b>	The National Bank of Belgium is involved solely as operator of the Clearing System.

## DESCRIPTION AND INFORMATION CONCERNING THE ISSUER

### 1. General information

Legal Name	Vrije Universiteit Brussel
Legal form	Legal entity under private law pursuing public interest goals
Rating of the Issuer	At the date of this Information Memorandum, the Issuer was not assigned any short- and long-term finance ratings by any rating agencies.
Date of establishment	The Issuer was established pursuant to the law of 12 August 1911 (Wet tot toekenning van de rechtspersoonlijkheid aan de Vrije Universiteit Brussel en aan de Université libre de Bruxelles), as published in the Official Gazette on 21 August 1911 (as amended from time to time) and as changed by the law of 28 May 1970 as published in the Official Gazette on 25 June 1970.
Registered office	The Issuer has its registered office at Pleinlaan 2, 1050 Brussels, Belgium.
Registration	The Issuer is registered with the Crossroads Bank for Enterprises under number 0449 012 406
Purpose and Activities	In accordance with Article 3 of its Organic Statute, as published in the State Gazette on November 6 <sup>th</sup> , 2014 (as amended from time to time), the Issuer has the following mission: <ul style="list-style-type: none"><li>- Developing, transferring and applying a high level of academic education and scientific research , free from any prejudice;</li><li>- The social integration of this in the spirit of social engagement;</li><li>- The critical formation of everyone in light of the bear responsibility in the community.</li><li>- The transfer of knowledge to strengthen the innovative power of the social and economic sectors.</li></ul>
Management	Paul De Knop – Rector Eddy Van Gelder – Chairman of the Board Els Consuegra – Deputy- Chairman of the Board Yvette Michotte – Vice Rector for Educational Policy Patrick De Baetselier – Vice Rector for Research Policy Viviane Jonckers – Vice Rector for Student Affairs Jan Cornelis – Vice Rector for International Policy Nic Van Craen – General manager
Website	<a href="http://www.vub.ac.be">www.vub.ac.be</a>

All references in this Information Memorandum to “Vrije Universiteit Brussel” or “VUB” refer to the Issuer.

## 2. History and development

The Vrije Universiteit Brussel is a dynamic and modern university with almost two centuries of history.

The Vrije Universiteit Brussel is the offshoot of the French-speaking Université Libre de Bruxelles (ULB) that was founded in 1834 by a Brussels lawyer with Flemish origins, Pierre-Théodore Verhaegen. He wanted to establish a university that would be independent from the state and the church and where academic freedom would reign.

Although some courses at the ULB's Faculty of Law were already being taught in Dutch in 1935, it was not until 1963 that almost all the faculties offered courses in Dutch. The Dutch-speaking university was finally split off from its French-speaking counterpart on 1 October 1969.

With the act of 28 May 1970, the Vrije Universiteit Brussel and the Université Libre de Bruxelles officially became two separate legal, administrative and scientific entities.

From the launch of Vrije Universiteit Brussel, also the need was identified for a proprietary hospital (UZ Brussel). Its foundations have remained relevant to this day as they relate to the university's mission, notably research, education and service.

## 3. Activities of the Vrije Universiteit Brussel

- 14 200 students - 10% PhD-students
- More than 20% international students
- More than 120 nationalities on campus
- Excellent services for international students
- Largest Dutch employer in Brussels
- 233 million operating budget -24% non-governmental funding
- Education and Research Excellence
- University Hospital
- VUB has been a pioneer in education as the first in Belgium to offer Communication Studies, (Applied) Computer Science, Biomedical Science, Gerontology, Photonics and adult education.

The Vrije Universiteit Brussel consists of two divisions: the university and the university hospital. The mission, the principles and the working are defined by the Organic Statute published in the State Gazette of November 6<sup>th</sup>, 2014 (as amended from time to time).

The university and the university hospital are spread over three green campuses in the Brussels Capital Region and one campus in Flanders. It counts over 14,000 students, 3,000 of whom are international representing over 120 nationalities. VUB offers high-quality English-taught graduate programs, supported by outstanding research. The campus has everything a student needs: an extensive library, modern computer labs, sport facilities, restaurants, a job service, cultural activities and language courses.

With all fields of study being represented, students can go above and beyond their own discipline: they exchange experiences, cultures, ideas and values. At the VUB, students have

easy access to their lecturers and assistants. Faculty members are available and open to answering students' questions through an open-door policy. Small group workshops are also used to ensure close interaction and hands-on experience.

The hospital's clinical excellence, scientific commitment and human-centric tuition ensure the highest degree of competence in many fields. The hospital is closely associated with the Vrije Universiteit Brussel, notably the Medicine and Pharmacy Faculties. As a top-rate hospital, UZ Brussels has gained recognition at national and international level.

With its 700 beds, each year UZ Brussel admits more than 25,000 patients and treats 400,000 outpatients, both national and international. Academically included, the University Hospital is run by 3,450 staff with a broad focus on 10 expert research domains. The Brussels University Hospital is proud to be the pioneer in 'circle of life' care.

The university hospital UZ Brussel belongs to the legal entity Vrije Universiteit Brussel.

In accordance with the Law on hospitals and other health care institutions, coordinated on July 10, 2008, and under the relevant provision of the Organic Statute of the Vrije Universiteit Brussel as published in the State Gazette on November 6<sup>th</sup>, 2014 (as amended from time to time); the board of directors of the Vrije Universiteit Brussel has delegated the organization, operation and management of UZ Brussel to the Executive Board at UZ Brussel. The University Hospital prepares separate financial statements. The financials for Vrije Universiteit Brussel reflect the financial situation of the University. Vrije Universiteit Brussel does not prepare consolidated accounts. The VUB offers students more than just a great educational experience. Brussels, the heart of Europe and the capital of Belgium is an open invitation to exploring a truly international city. With its 1.1 million inhabitants, of whom 31% are of foreign origin, Brussels is the center of international politics and business. Major political EU institutions are based in Brussels, offering a wide range of career opportunities. The VUB Career Center provides guidance and resources to its students and alumni looking for jobs and internships.

This cosmopolitan city has something to offer for every taste and interest. Visit a museum, enjoy the many events and festivals, get to know the Belgian cuisine with its famous chocolate and world renowned beers, relax in one of the many parks that make Brussels one of the greenest cities in the world, learn a new language, or just make friends from all over the world. In this officially bilingual city (Dutch and French) most people also speak English. Thanks to its expertise and strategic location, the VUB is the ideal partner for prestigious research and education with an outlook on Europe and the world.

### **3.1. Education at Vrije Universiteit Brussel**

VUB organizes more than 40 English-taught programs, supported by outstanding research. Everything is available on-site, near Brussels' bustling city center: an extensive library, modern computer labs, state-of-the-art sports facilities, exciting restaurants, interesting cultural activities, language courses and an invaluable job service.

## Faculties and programmes

In VUB's eight faculties, students can choose to study and explore beyond their own discipline. The University's open-door policy allows students to interact closely with professors, assistant professors and faculty members. Small group workshops are in place to provide interactive training and hands-on experience. All course units offered at VUB have been allocated ECTS-credits and all programs are accredited.

- Faculty of Economic and Social Sciences and Solvay Business School (ES)
- Faculty of Science and Bio-engineering Sciences (WE)
- Faculty of Engineering (IR)
- Faculty of Medicine and Pharmacy (GF)
- Faculty of Law and Criminology (RC)
- Faculty of Psychology and Educational Sciences (PE)
- Faculty of Arts and Philosophy (LW)
- Faculty of Physical Education and Physiotherapy (LK)

Academic bachelor degrees give access to master programmes. Some master degrees will give access to advanced master programmes also known in Flanders as “master-after-master” (at least another 60 ECTS credits after obtaining a master diploma). VUB has an offer of highly specialized postgraduate certificate programmes that do not lead to a degree/diploma. They are accessible to prospective students who have obtained at least a 4 year bachelor degree (equivalent to 240 ECTS) or master degree. Most of these programmes take one year, and in some cases even less.

VUB was the first university in Belgium to offer a whole range of new programs: communication sciences, computer sciences, biomedical sciences, gerontology, adult education, photonics, herpetology,...

A complete list of English taught degree and non-degree programmes offered at the Vrije Universiteit Brussel (VUB) can be found in the Course Catalogue.

- Master programmes in English: <http://www.vub.ac.be/en/study/masters>
- Advanced Master programmes in English: <http://www.vub.ac.be/en/study/advanced-masters>

The Doctoral Training Program offers a structural framework to acquire and develop skills that support both research and teaching abilities, and proves valuable outside the academic environment.

Internationalization is one of the top priorities in the strategic plan of VUB. VUB takes the lead in recruiting high-level international students and professors by offering an attractive international and English taught education portfolio. Exchange of case studies, cultures, ideas and values is an enriching experience for all students. Researchers are integrated in internationally renowned research teams. The international focus is clearly visible through partnerships with e.g. Vesalius College (which offers bachelor programs based on the American educational philosophy), Institute for European Studies (which is an academic Jean Monnet Centre of Excellence and a policy think tank that focuses on the European Union in an

international setting), and Brussels Diplomatic Academy (which prepares students for a career in diplomacy and international business).

### **Flexibility as key educational concept**

The key educational concept at the VUB is flexibility. The system of majors and minors enables students to plan their studies in a way that best meets their interests, by supplementing the chosen main subject with a choice of additional courses. Many courses are also adapted for working students. An open-door policy and small group workshops ensure close interaction and hands-on experience.

VUB incorporates the principle of Free Inquiry in its daily operation, education, research, community engagement and outreach policy. 'Vrij' means 'Free' and this really tells you a lot about the aims of our university:

- promotion of research and thought without dogmas or prejudices
- studying in an open atmosphere of tolerance, diversity and equal opportunities
- independent and critically-thinking individuals who can cope with our fast-changing world
- nurturing of early adopters of new technologies
- source of new creative talent that goes beyond the obvious

Being a student at VUB means learning in an open atmosphere of tolerance and diversity; it means growing into independent and critically-thinking individuals. VUB is a pioneer in education, always ready to go beyond the obvious and to meet the upcoming needs of society.

Being a middle sized university has its advantages. First of all, it allows frequent personal contact between students, teachers and teaching assistants. Students are given the opportunity to ask their questions directly to their professors both in class and outside class. This is part of a real direct-contact culture that is well embedded within the university. Additionally, students are strongly encouraged to interact with each other through group assignments within the curriculum and through the various extracurricular activities. VUB alumni are therefore excellent critical thinkers and articulate persons able to network and function remarkably well in society.

### **Quality control**

At VUB, students have a voice, also when it comes to quality control. To maintain our high educational standards, students anonymously assess their courses every year. Suggestions for improvement are carefully examined and adjustments are made accordingly. The most recent educational assessment indicated that 88% of the students were 'satisfied' to 'very satisfied' with their courses. VUB does not only check the quality of education at its own initiative, but is also regularly being checked by others. These checks take the form of so-called education visitations organized by the Flemish Interuniversity Council (Vlaamse Interuniversitaire Raad, VLIR). Every university program in Flanders is periodically subjected to this form of inspection.

### **3.2. Research at Vrije Universiteit Brussel**

VUB considers that university education has per definition to be coupled with research. All Masters and Bachelors at VUB are supported by research, also those that are not covered by the

special research programs mentioned as examples below. This is the unique property of university education, distinguishing it from other forms of higher education.

VUB's 2014 funding budget for research amounted to 86 million EUR, resulting from competition in calls for proposals, based on scientific merit and networking with societal, cultural and economic stakeholders. 33 % of this amount comes from non-governmental sources. VUB respects the choice of research themes by individual researchers and/or research groups. Fundamental research is a spontaneous process characterized by academic freedom. The unique property of VUB is that everybody gets involved in the quality driven research culture of one of our 150 research groups constituting nine core clusters. All cluster themes illustrate our commitment to create impact on society: city dynamics, the circle of life, societal challenges, big data and smart engineering, brain & behavior, smallest particles, fighting diseases, environmental issues.

More than any other university, VUB benefits from an ideal location in the center of Europe and a favorable international and European context to get involved in economic, societal and cultural activities in the Brussels Capital Region, the Flanders Region, Europe and the world. This is an extra motivation for VUB to invest in entrepreneurship, cultural diplomacy, science communication and technology/knowledge transfer.

At VUB we advocate the maintenance and development of our own quality-driven research culture, with respect for diversity of hypotheses and approaches, personal initiative and long-term thinking. International experts commissioned by the Flemish University Council confirmed this through an assessment of our research.

### **Research programmes at Vrije Universiteit Brussel**

#### *- ERC grants*

Excellence is illustrated by the ERC (European Research Council) grant holders that are selected on one feature: excellence. Obtaining an ERC grant is an outstanding performance and one of the most competitive challenges for a researcher.

#### *- Methusalem*

Research coordinators that have attained seniority and outstanding performance receive Methusalem funding by VUB. Methusalem groups are quite large groups and have proven excellence, through the development of sound and mature research methods.

#### *- Odysseus*

The Foundation for Scientific Research (FWO) provides grants for attracting excellent researchers from abroad, the so called Odysseus grants in the context of brain gain and collaboration with foreign institutes and universities. Excellent researchers choose VUB for (i) its unique setting in biotechnology, including first class experimental equipment (e.g. MRI), (ii) VUB's long lasting research in collaboration with CERN (e.g. the experimental verification of the Brout-Englert-Higgs particle) and several other projects (e.g. Ice Cube), (iii) the theoretical research in "big science" and (iv) the research themes and expertise in the field of social sciences, including some unique data bases and repositories.

#### *- VUB research fellows*

Another category of researchers are the VUB research fellows that are financed by VUB's research council.

- *Strategic Research Program (SRP) groups*

The support of SRP groups is a more recent initiative at VUB. SRP is an alternative for project oriented internal research competition. SRPs have to present a strategic research plan that can be carried out in a period of 5 year. These can be considered as major research groups that receive extra funding on top of the basic research funding that every department gets for supporting the academic bachelors and masters with the required research.

### **Vrije Universiteit Brussel is member of strategic research centers**

VUB fully collaborates and is co-founder of some strategic research centers. Also here there are opportunities for international students and researchers to collaborate with renowned research centers through VUB.

- Interuniversity Micro Electronics Center (IMEC)- [www.imec.be](http://www.imec.be)
- Institute of Broad Band Technology (iMinds)- <http://www.iminds.be/en>
- Vlaams Instituut voor Biotechnologie (Flemish institute for biotechnology (VIB) <http://www.vib.be/en/>
- Strategic institute Innovative Materials (SIM) <http://www.sim-flanders.be/>
- Flanders Make (manufacturing industry)- <http://www.flandersmake.be/>
- Flanders Food - <http://www.flandersfood.com/>

### **Supporting spin-off activities**

VUB has launched together with the University of Ghent the first interuniversity Venture Capital fund in Belgium, Qbic, for spin-off companies of three universities. Qbic Fund seeks to invest in spin-off companies of the universities of Ghent, Brussels and Antwerp, leveraging the creativity of more than 8.500 researchers. This strategic alliance provides a sufficient level of critical mass to set up a sizeable, professionally managed fund. The fund mainly targets life sciences, new materials, clean-tech and ICT start-ups. Currently the fund is looking for partnerships in international contexts. More information can be found on the website [www.Qbic.be](http://www.Qbic.be).

### **3.3. VUB University Hospital**

The hospital's clinical excellence, scientific commitment and human-centric tuition ensure the highest degree of competence in many fields. The hospital is closely associated with the Vrije Universiteit Brussel, notably the Medicine and Pharmacy Faculties. As a top-rate hospital, UZ Brussels has gained recognition at national and international level. The strong university character is illustrated by the clinical research topics listed in a separate brochure: Biomedical research at the University Medical Center– UMC Brussels.

The university hospital not only provides a platform for the education of students in the medical professions (doctors, biomedical scientists, pharmacists, physiotherapists, psychologists, social assistants, nurses etc), or the development of new medical techniques or innovative treatments, but also for the best possible, accessible medicine governed by the right of self-determination. Following an intense expansion phase lasting about 20 years, there followed a consolidation phase which focused on strengthening the hospital internally and externally. Working from this



mission, the hospital of Vrije Universiteit Brussel has matured into a fully-fledged partner amidst the (university) hospital landscape of Flanders and Brussels.

Thanks to its long-standing experience, UZ Brussels has gained expertise in the following areas:

- Centre for Cardiovascular Diseases (CHVZ),
- Centre for Medical Imaging,
- Centre for Reproductive Medicine
- Diabetes Centre,
- Children's Hospital,
- Oncology Centre.

The University Hospital prepares separate financial statements. Vrije Universiteit Brussel does not prepare consolidated accounts. As is the case for the Vrije Universiteit Brussel, government subsidies are an important source of income for UZ Brussels, about 40% of the total income. These are subsidies assigned by the Federal Department of Public Health. Business related income such as fees, medicines and accommodation costs amount about 58%. The expenditures are dominated by wages (60% of the total expenditure).

At FYE2014, the VUB University Hospital had an operating income of EUR 391million and an operating profit of EUR 3,7million. After accounting for Financial Income/Charges and Extraordinary Income/Charges, Profit for the period stood at EUR 8,7million; up from EUR 3,8million for FYE2013.

#### **4. Management structure of the Issuer (academic year 2014-2015)**

Chairman	Eddy VAN GELDER
Deputy-Chairman	Els CONSUEGRA
Rector	Paul DE KNOP
Vice Rector for Educational Policy	Yvette MICHOTTE
Vice Rector for Resaerch Policy	Patrick DE BAETSELIER
Vice Rector for Student Affairs	Viviane JONCKERS
Vice Rector for International Policy	Jan CORNELIS
Vice Rector for Innovation and valorization	Hugo THIENPONT
Dean Faculty of Arts and Philosophy	Georges DECLERCQ
Dean Faculty of Law and Criminology	Wilfried RAUWS
Dean Faculty of Economic and Social Sciences and Solvay Business School	Joël BRANSON
Dean Faculty of Psychology and Educational Sciences	Caroline ANDRIES
Dean Faculty of Science and Bio-engineering Sciences	Paul GEERLINGS
Dean Faculty of Engineering	Annick HUBIN
Dean Faculty of Medicine and Pharmacy	Alain DUPONT

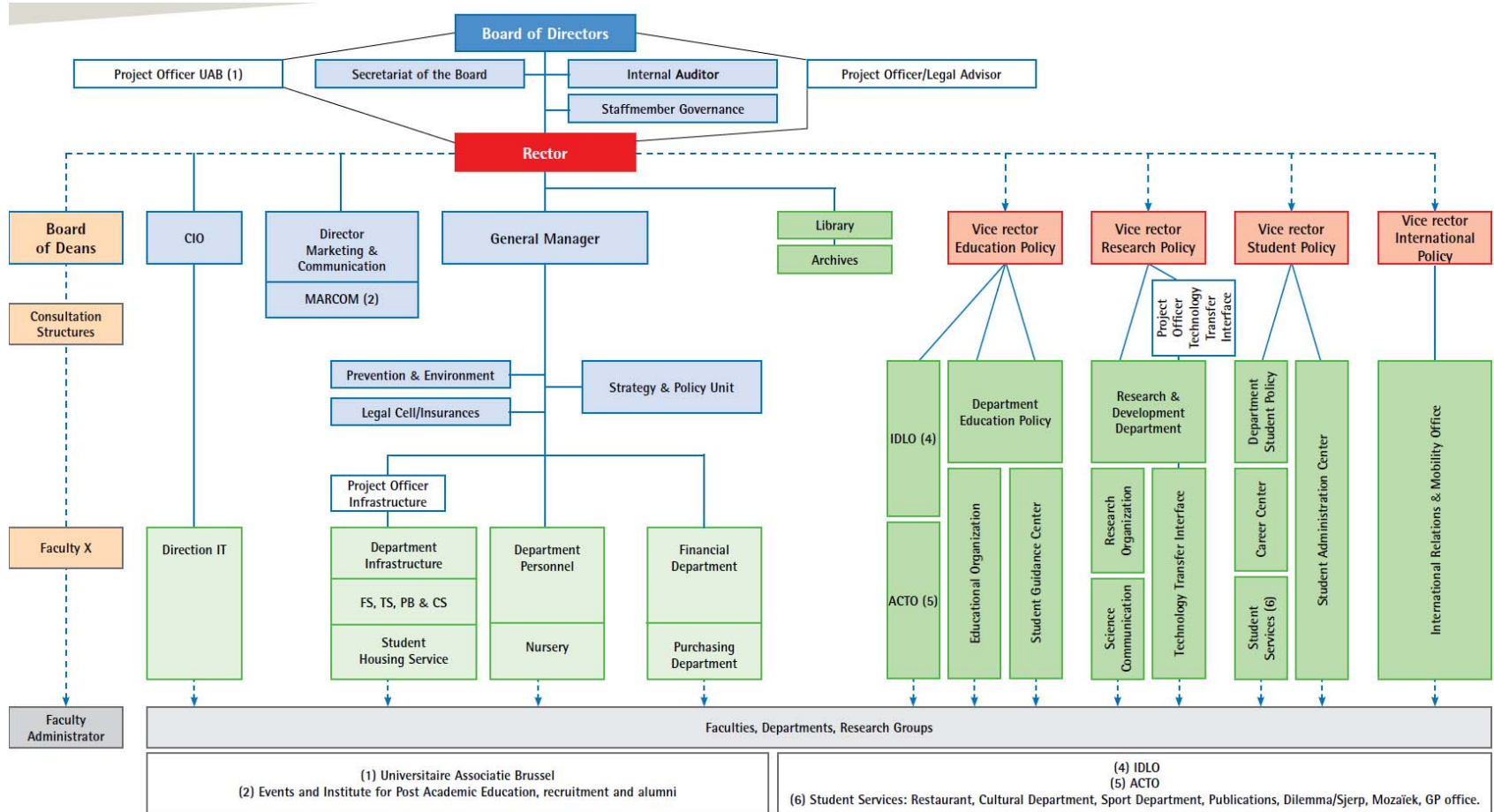
Dean Faculty of Physical Education and Physiotherapy	Eric KERCKHOFS
Academic Staff	Johan STUY, Marc COOLS, Elvira HAEZENDONCK, Dominique VERTE, Luc DE VUYST, Philippe LATAIRE, Ivan BAUTMANS, Peter VAES
Assisting academic staff	Eslie STRUYS, Philippe KENNES, Els CONSUEGRA, Liese VANSINTJAN, Gerrit PIERREUX, Olivier COSTA, Stijn VANTIEGHEM
Representatives of the students	Olivier GOESSENS, Thomas DEDROOG, Peter VANDERMEERSCH, Jorre BILSEN, Marin VANDAMME, Isabelle SELLESLAG, Wietse WIELS, Jonathan HOOFT
Delegates administrative and technical staff	Jean AELBRECHT, Luc DESCHOUWER, Patrick VANROOSE
Academic staff of the Central Services	Michel HUYSSSEUNE
co-opted members	Bert ANCIAUX, Ann BRUSSEEL, Yamila IDRISSE, Elke SLEURS, Tinne VAN DER STRAETEN, Eddy VAN GELDER
Chairman of the Board University Hospital Brussels	Mark DE RIDDER
Departmental Chairman of the inter-department for teacher training	Evert ZINZEN
Mandatory for infrastructure	Jacques DE RUYCK
Government Commissioner *	Johan DHONDT
Deputy Finance	Marc VERELST
Secretary of the Board	Nadina PEETERS
Relevant functions related to the issue of funding instruments	
General manager	Nic Van Craen
Head of Planning and Budgets	Eddy STROOBANTS

\* The Government Commissioner was given the following mission:

- Ensuring that the revenues and expenditures are legal and comply with the rules.
- Auditing the accounts and the financial statements of the university and monitoring the financial balance of these.

- Formally supervising compliance with the provisions determined by decree as regards
- Participation and with the provisions determined by decree as regards negotiating Committees.
- Being able to attend in an advisory capacity all meetings of the university management where items are handled for which the commissioners are authorized.

# Organizational chart Vrije Universiteit Brussel (academic year 2014-2015)



## 5. Investment plans

The VUB campuses in Etterbeek and Jette will have a totally new look in 2020. Arier. Greener. But most of all: equipped to meet the needs of our growing student body and the strong need for additional spaces for Research. (<http://www.vub.ac.be/2020>)



### Project XY

The number of students at the VUB is growing constantly. As a consequence VUB needs more student homes, class rooms and a place for leisure and culture. The ambitious building project XY answers this need. It includes no less than 650 modern student homes. Its state of the art class rooms are equipped for new learning models. A new concert hall and exhibition room will act as a cultural epicentre on the campus.

### Renovation pool

After 25 years of intensive use, the VUB swimming pool is in need of a thorough makeover. The facades and roof no longer meet current energy saving standards, and from a structural perspective they are outmoded as well. The technical installations have reached the end of their service life and must be replaced.

### VUB and ULB a to create a campus of the future in Brussels

The VUB and ULB have joined forces for the construction of an international knowledge center in the heart of the Campus Pleinlaan in Etterbeek. The Learning and Innovation Center is a networking site for e-learning, research, and innovation to students, researchers and stakeholders. A place open to the public and the Brussels Community.

On the grounds of the former gendarmerie barracks at General Jacques Boulevard in Ixelles 150 student rooms for students are built. This project is implemented together with the French-speaking sister university. Besides the student rooms there are also separate study areas. The new building must be an example in the field of environment, small living and sustainable economy.



## 6. Financial Information

### 6.1. Income Statement

	codes	2014	2013
<b>I. Operating income (+)</b>	<b>70/74</b>	<b>292.657.745,98</b>	<b>222.962.391,97</b>
A. Income attached to education, research and services	70	209.357.407,93	215.956.394,38
A.1. Government grants and subsidy - core funding (first funding)	700	110.139.716,30	101.928.034,35
A.2. Government contributions fundamental basic research (second funding)	701	29.812.680,17	29.180.810,80
A.3. Government contributions applied research (3rd funding)	702	37.421.682,82	42.141.712,16
A.4. Contract research with private sector and scientific services (4th funding)	703	10.558.331,46	22.722.936,61
A.5. Other Income attached to education, research and services	704	21.424.997,18	19.982.900,46
B. Increase (decrease) of work and contracts in progress	71	5.120.456,31	-11.224.883,62
C. Own construction capitalised	72	0,00	0,00
D. Gifts, donations and legacies	73	1.904.953,78	1.512.956,29
E. Other operating income	74	16.274.927,36	16.117.864,92
<b>II. Operating charges (-)</b>	<b>60/64</b>	<b>222.696.593,72</b>	<b>220.586.803,04</b>
A. Purchases	60	3.956.754,38	5.791.363,80
B. Services and other goods	61	54.415.108,68	54.228.521,08
C. Remuneration, social security costs and pensions	62	150.816.376,52	143.878.387,13
D. Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	630	13.766.055,51	13.316.409,79
E. Amounts written down stocks and trade debtors (appropriations +, write-backs -)	631/3	4.768,43	-63.344,63
F. Provisions for risks and charges (appropriations +, uses and write-backs -)	634/9	-1.739.000,00	761.250,00
G. Other operating charges	640/9	1.476.470,20	2.674.215,87
<b>III. Operating profit (loss)</b>	<b>70/64</b>	<b>9.961.211,66</b>	<b>1.775.528,93</b>
<b>IV. Financial income (+)</b>	<b>75</b>	<b>7.286.969,74</b>	<b>9.728.300,42</b>
A. Income from financial fixed assets	750	0,00	2.321,00
B. Income from current assets	751	2.012.285,56	2.403.956,11
C. Other financial income	752/9	5.274.684,18	7.322.023,31
<b>V. Financial charges (-)</b>	<b>65</b>	<b>2.384.459,52</b>	<b>1.804.899,73</b>
A. Debt charges	650	1.246.597,44	1.296.270,38
B. Amounts written down on current assets except stocks and trade debtors (appropriations +, uses and write-backs -)	651	-314.512,69	-468.511,36
C. Other financial charges	652/9	1.452.374,77	977.140,71
<b>VI. Gain (loss) on ordinary activities</b>	<b>70/65</b>	<b>14.863.721,88</b>	<b>9.698.929,62</b>
<b>VII. Extraordinary income (+)</b>	<b>76</b>	<b>43.448,71</b>	<b>195.215,74</b>
A. Write-back of deprec. and of amounts written down intangible and tangible fixed assets	760	8.702,79	0,00
B. Write-back of amounts written down financial fixed assets	761	0,00	166.081,69
C. Write-back of provisions for extraordinary liabilities and charges	762	0,00	0,00
D. Gains on disposal of fixed assets	763	34.745,92	29.134,05
E. Other extraordinary income	764/9	0,00	0,00
<b>VIII. Extraordinary costs (-)</b>	<b>66</b>	<b>75.223,58</b>	<b>161.654,66</b>
A. Extraordinary deprec. of and extraordinary amounts written off formation expenses, intangible/tangible fixed assets	660	0,00	0,00
B. Amounts written down financial fixed assets	661	36.634,38	92.783,47
C. Provisions for extraordinary liabilities and charges (appropriations +, uses -)	662	0,00	0,00
D. Loss on disposal of fixed assets	663	38.589,20	68.871,19
E. Other extraordinary charges	664/8	0,00	0,00
F. Extraordinary charges carried to assets as restructuring costs (-)	669	0,00	0,00
<b>IX. Incoming settlements and transfers between departments (+)</b>			
A. Settlements		6.188.973,18	8.598.109,60
B. Transfers		11.219.393,70	8.430.357,51
<b>X. Outgoing settlements and transfers between departments (-)</b>			
A. Settlements		6.188.973,18	8.598.109,60
B. Transfers		11.219.393,70	8.430.357,51
<b>XI. Profit (loss) for the period</b>	<b>70/66</b>	<b>14.831.947,01</b>	<b>9.732.490,70</b>

Government subsidies are the main source of income, about 74% of the total income. These are subsidies assigned in the framework of the decree on universities and colleges and governed through the financing decree (decree of 14 March 2008 on the financing and functioning of colleges and universities in Flanders). Tuition fees make up about 3% of the total income. The expenditures are dominated by wages (67% of the total expenditure).

## 6.2. Balance sheet

ASSETS		Codes	31/12/2014	31/12/2013
<b>FIXED ASSETS</b>		<b>20/28</b>	<b>263.981.779,93</b>	<b>267.516.162,22</b>
I.	Formation expenses	20	0,00	0,00
II.	Intangible fixed assets	21	337.710,82	407.397,82
III.	Tangible fixed assets	<b>22/27</b>	<b>262.025.651,33</b>	<b>264.254.984,16</b>
	A. Land and buildings	22	218.095.807,70	221.587.276,36
	B. Plant, machinery and equipment	23	17.310.655,93	15.955.526,79
	C. Furniture and vehicles	24	5.195.129,73	4.962.339,05
	D. Leasing and other rights	25	12.737.106,97	13.532.720,07
	E. Other tangible fixed assets	26	6.335.999,36	6.118.888,11
	F. Tangible assets under construction and advanced payments made	27	2.350.951,64	2.098.233,78
IV.	Financial fixed assets	<b>28</b>	<b>1.618.417,78</b>	<b>2.853.780,24</b>
	A. Affiliated enterprises	280/1	0,00	0,00
	1. Participating interests	280	0,00	0,00
	2. Amounts receivable	281	0,00	0,00
	B. Other enterprises linked by participating interests	282/3	546.533,69	1.875.961,17
	1. Participating interests	282	546.533,69	1.875.961,17
	2. Amounts receivable	283	0,00	0,00
	C. Other financial assets	284/8	1.071.884,09	977.819,07
	1. Shares	284	1.043.884,09	977.819,07
	2. Amounts receivable and cash guarantees	285/8	28.000,00	0,00
<b>CURRENT ASSETS</b>		<b>29/58</b>	<b>288.511.507,42</b>	<b>277.487.028,46</b>
V.	Amounts receivable after more than one year	29	2.337.917,91	2.225.429,10
	A. Trade debtors	290	0,00	0,00
	B. Other amounts receivable	291	2.337.917,91	2.225.429,10
VI.	Stocks and contracts in progress	<b>30/37</b>	<b>717.216,71</b>	<b>645.597,05</b>
	A. Stocks	30	397.936,71	365.597,05
	B. Contracts in progress	37	319.280,00	280.000,00
VII.	Amounts receivable within one year	<b>40/41</b>	<b>40.183.117,80</b>	<b>31.306.615,12</b>
	A. Trade debtors	40	20.839.143,49	13.031.015,94
	B. Other amounts receivable	41	19.343.974,31	18.275.599,18
VIII.	Current investments	<b>51/53</b>	<b>195.141.934,58</b>	<b>195.087.660,63</b>
IX.	Cash at bank and in hand	<b>54/58</b>	<b>45.851.627,14</b>	<b>44.355.164,71</b>
X.	Deferred charges and accrued income	<b>490/491</b>	<b>4.279.693,28</b>	<b>3.866.561,85</b>
<b>TOTAL ASSETS</b>			<b>552.493.287,35</b>	<b>545.003.190,68</b>

LIABILITIES		Codes	31/12/2014	31/12/2013
<b>EQUITY</b>		<b>10/15</b>	<b>425.484.190,31</b>	<b>412.355.320,54</b>
I.	Capital	10	1.187.031,26	1.187.031,26
III.	Revaluation surpluses	12	0,00	1.361.689,01
IV.	Reserves	13	382.538.443,47	363.937.748,69
	A. Reserves not available	130	0,00	0,00
	B. Allocated funds	131	382.538.443,47	363.937.748,69
V.	Accumulated profits (losses)	14	27.671.456,93	31.440.198,70
VI.	Investment grants	15	14.087.258,65	14.428.652,88
<b>PROVISIONS</b>		<b>16</b>	<b>4.600.000,00</b>	<b>6.339.000,00</b>
VII.	Provisions for liabilities and charges	160/5	4.600.000,00	6.339.000,00
	A. Pensions and similar obligations	160	0,00	0,00
	B. Taxation	161	0,00	0,00
	C. Major repairs and maintenance	162	2.180.000,00	4.524.000,00
	D. Social liabilities	163	0,00	1.815.000,00
	E. Security and environmental liabilities	164	2.420.000,00	0,00
	F. Other liabilities and charges	165	0,00	0,00
<b>AMOUNTS PAYABLE</b>		<b>17/49</b>	<b>122.409.097,04</b>	<b>126.308.870,14</b>
VIII.	Amounts payable after more than one year	17	22.689.370,18	24.153.655,93
	A. Financial debts	170/4	22.535.583,97	23.913.230,93
	1. Subordinated loans	170	0,00	0,00
	2. Unsubordinated loans	171	0,00	0,00
	3. Leasing and other similar obligations	172	16.733.634,00	17.132.819,00
	4. Credit Institutions	173	5.801.949,97	6.780.411,93
	5. Other loans	174	0,00	0,00
	B. Trade debts	175	0,00	0,00
	C. Other amounts payable	178/9	153.786,21	240.425,00
IX.	Amounts payable within one year	42/48	73.818.122,91	78.014.422,68
	A. Current portion of amounts payable after more than one year falling due within one year	42	1.377.646,96	1.324.470,96
	B. Financial debts	43	0,00	0,00
	1. Credit Institutions	430/8	0,00	0,00
	2. Other loans	439	0,00	0,00
	C. Trade debts	44	12.588.134,94	10.600.335,42
	D. Advances received on contracts in progress	46	33.257.521,08	39.394.557,58
	E. Taxes, remunerations and social security	45	26.594.819,93	26.618.066,43
	1. Taxes	450/3	2.387.250,06	2.855.396,44
	2. Remuneration and social security	454/9	24.207.569,87	23.762.669,99
	F. Other amounts payable	48	0,00	76.992,29
X.	Accrued charges and deferred income	492/3	25.901.603,95	24.140.791,53
<b>TOTAL LIABILITIES</b>			<b>552.493.287,35</b>	<b>545.003.190,68</b>



## TERMS AND CONDITIONS OF TREASURY NOTES

Each and all Treasury Notes issued under the Programme will be subject to the following terms and conditions (the *Terms and Conditions*).

The following terms are the full terms and conditions as stipulated in Article 5 § 5 of the Law and Article 16 § 1 of the Royal Decree, which (subject to completion and amendment) will be applicable to each series of Treasury Notes (Treasury Notes issued under the Programme are issued in series and, when applicable, each series may comprise one or more tranches of Treasury Notes), provided that a Treasury Note may have other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these terms and conditions, replace the following terms and conditions for the purpose of such Treasury Note. The specific terms relating to each Treasury Note will be set out and notified in accordance with section “*Confirmation of the specific terms and conditions for a Treasury Note*” of the Terms and Conditions.

In accordance with Article 5 § 5 of the Law, these Terms and Conditions are enforceable to the subscribers and acquirers of Treasury Notes issued under the Programme.

<b>Issuer</b>	Vrije Universiteit Brussel, established pursuant to the law of 12 August 1911 (Wet tot toekenning van de rechtspersoonlijkheid aan de Vrije Universiteit Brussel en aan de Universit� libre de Bruxelles), as published in the Official Gazette on 21 August 1911 (as amended from time to time), having its registered office at Pleinlaan 2, 1050 Brussel, Belgium, registered with the crossroads bank for enterprises under number 0449 012 406 (the <i>Issuer</i> ).
<b>Programme</b>	Belgian Multi-Term Treasury Notes Programme, under which dematerialised treasury notes ( <i>billets de tr�sorierie / thesauriebewijzen</i> ) may be issued in accordance with the Law and the Royal Decree (the <i>Programme</i> ).
<b>Maximum Amount</b>	EUR 130,000,000.00.  The Outstanding Amount of Treasury Notes may not exceed the Maximum Amount.  <i>Outstanding Amount</i> means the aggregate amount of the Nominal Value of all Treasury Notes issued or contemplated to be issued under the Programme on any Issue Date.
<b>Maturity of the Programme</b>	The Programme has been established for an undetermined period.  The Programme may be terminated by the Issuer or the Arranger at any time, subject to 30 days prior written notice to that effect, provided that the Terms and Conditions will remain in full force and effect with respect to Treasury Notes issued under the Programme for so long as such Treasury Notes shall remain outstanding.
<b>Dealer</b>	Belfius SA/NV, will act as Dealer (the <i>Dealer</i> ) pursuant to a Dealer Agreement, dated on or about the date of this Information

	Memorandum, between the Issuer, the Arranger and the Dealer (the <i>Dealer Agreement</i> ).
<b>Domiciliary Agent</b>	Belfius SA/NV, will act as Domiciliary Agent (the <i>Domiciliary Agent</i> ), pursuant to an Agency Agreement, dated on or about the date of this Information Memorandum, between the Issuer and the Domiciliary Agent (the <i>Agency Agreement</i> ).
<b>Arranger</b>	Belfius SA/NV, will act as Arranger (the <i>Arranger</i> ) pursuant to the Dealer Agreement.
<b>Form</b>	<p>The Treasury Notes to be issued under this Programme shall be dematerialised “<i>billets de trésorerie / thesauriebewijzen</i>” (herein individually a <i>Treasury Note</i>, collectively the <i>Treasury Notes</i>) governed by the Law and the Royal Decree.</p> <p>Treasury Notes issued under this Programme will be in a dematerialised form only and may not be converted into another form. Ownership of the Treasury Notes will be evidenced by book-entries in the investor's account with the Clearing Operator or with a direct or indirect participant in the Clearing System, classified under "X/N" accounts as determined by the Law of 6 August 1993 and the Royal Decrees of 26 May and 14 June 1994 (each as may be amended from time to time).</p> <p><i>Law</i> means the law of 22 July 1991 concerning treasury notes and certificates of deposit (<i>billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen</i>), published in the <i>Official Gazette</i> of 21 September 1991, as amended from time to time.</p> <p><i>Royal Decree</i> means the royal decree of 14 October 1991 relating treasury notes and certificates of deposit (<i>billets de trésorerie et certificats de dépôt / thesauriebewijzen en deposito-bewijzen</i>) as published in the <i>Official Gazette</i> of 19 October 1991, as amended from time to time.</p>
<b>Remuneration</b>	<p>Treasury Notes issued under this Programme may be Discount Treasury Notes, Fixed Rate Treasury Notes, Floating Rate Treasury Notes or Zero Coupon Notes.</p> <p><i>Discount Treasury Notes</i> means Treasury Notes with a Tenor shorter than or equal to one year that are issued on a discount basis and which will not bear interest until their Maturity Date.</p> <p><i>Fixed Rate Treasury Notes</i> means Treasury Notes that generate periodical interest payments at a fixed rate.</p> <p><i>Floating Rate Treasury Notes</i> means Treasury Notes that generate periodical interest payments at a floating rate.</p> <p><i>Zero Coupon Treasury Notes</i> means Treasury Notes with a Tenor of more than one year that are issued on a discount basis and which will not bear interest until their Maturity Date.</p>
<b>Specified Currency</b>	Treasury Notes may only be denominated in Euro.

*Euro, euro, EUR* or € denotes the single currency of the Member States of the European Union that adopt or have adopted the euro as their lawful currency under the legislation of the European Community for Economic Monetary Union.

**Denomination**

Multiples of 1,000 in the Specified Currency, provided however that an investor may not have a position in any Treasury Note with a Custodian that is less than the Minimum Amount.

**Minimum Amount**

The Minimum Amount of the Treasury Notes may at no time whatsoever, be less than the minimum amount stipulated by or established in accordance with Article 4 of the Law, as amended from time to time, and/or stipulated by or established in accordance with the Royal Decree, as amended from time to time (the *Minimum Amount*), and will comply with any applicable legal and regulatory requirements.

The Minimum Amount of the Treasury Notes may differ depending on the legal form of the Issuer and of the holder of the issued Treasury Notes.

**Tenor**

*Tenor* means the period from and including the Issue Date of a Treasury Note up to but excluding the Maturity Date of such Treasury Note.

Subject to compliance with any applicable law and regulatory requirements (including the rules of the Clearing System), the Treasury Notes shall have a definite tenor, which may not be less than one calendar day, and there is no maximum Tenor provided that the Maturity Date of any Treasury Note may not surpass the legal existence of the Issuer (as specified in the Issuer's constitutional documents).

Should any law or regulation enforce a different minimum Tenor or enforce a maximum Tenor, such limit shall automatically apply to the Treasury Notes issued on or after the entry into force thereof.

**Issue Price, Premium and Interest**

Unless as otherwise agreed, the Issue Price, Premium and Interest shall be defined as follows:

1. Discount Treasury Notes

The issue price (*Issue Price*) for Discount Treasury Notes shall be calculated in accordance with the following formula:

$$P = \frac{NV}{1 + \frac{(Y * D)}{N}}$$

where:

P = Issue Price of the relevant Discount Treasury Note.

NV = Nominal Value of the Treasury Note.

D = actual number of days between Issue Date (included) and Maturity Date (excluded) or such

other basis that may be the market practice at the time of issue of the relevant Discount Treasury Note.

Y = implicit yield of the Treasury Note expressed as an annual percentage.

N = 360 or such other basis that may be the market practice at the time of issue of the relevant Discount Treasury Note.

## 2. Fixed Rate Treasury Notes

Fixed Rate Treasury Notes may be issued at par, at a discount to par or at a premium over par (the ***Issue Price***).

Interest on Fixed Rate Treasury Notes will be payable in arrears on the date or dates of each year specified in the Investor and Issuer Confirmation Form (each such date, an ***Interest Payment Date***). The amount of interest payable for an Interest Period shall be calculated as follows:

$$I = NV \times R \times \text{Day Count Fraction}$$

where:

I = amount of interest payable for an Interest Period of the relevant Fixed Rate Treasury Note.

NV = Nominal Value of the Treasury Note.

R = the rate of interest expressed as an annual percentage (the ***Interest Rate***).

Day Count Fraction = the actual number of days in the Interest Period (or such other number as may be determined as being the number of days during the same period based on the market practice for the relevant currency at the time of issue of the relevant Fixed Rate Treasury Note) divided by the actual number of days in a year (or such other basis that may be market practice for the relevant currency at the time of issue of the relevant Fixed Rate Treasury Note).

## 3. Floating Rate Treasury Notes

Floating Rate Treasury Notes may be issued at par, at a discount to par or at a premium over par (the ***Issue Price***).

Interest on Floating Rate Treasury Notes will be payable in arrears on the date or dates of each year specified in the Investor and Issuer Confirmation Form (each such date, an ***Interest Payment Date***). The amount of interest payable for an Interest Period shall be calculated as follows:

$$I = NV \times R \times \text{Day Count Fraction}$$

where:

- I = amount of interest payable for an Interest Period of the relevant Floating Rate Treasury Note.
- NV = Nominal Value of the Treasury Note.
- R = the rate of interest applicable to such Interest Period expressed as an annual percentage (the ***Interest Rate***). For each Interest Period, the interest rate will be calculated by the Domiciliary Agent on the terms mentioned in the Investor or Issuer Confirmation Form, by (i) determining the floating rate option and the designated maturity specified in the Investor or Issuer Confirmation Form and (ii) by adding to or subtracting from, as the case may be, such rate the spread mentioned in the Investor or Issuer Confirmation Form.

Day Count Fraction = the actual number of days in the Interest Period (or such other number as may be determined as being the number of days during the same period based on the market practice for the relevant currency at the time of issue of the relevant Floating Rate Treasury Note) divided by 360 (or such other basis that may be market practice for the relevant currency at the time of issue of the relevant Floating Rate Treasury Note).

#### 4. Zero Coupon Treasury Notes

The issue price (***Issue Price***) for Zero Coupon Treasury Notes shall be calculated in accordance with the following formula:

$$P = \frac{NV}{(1 + Y)^{\frac{D}{N}}}$$

where:

- P = Issue Price of the relevant Zero Coupon Treasury Note.
- NV = Nominal Value of the Zero Coupon Treasury Note.
- D = actual number of days between Issue Date (included) and Maturity Date (excluded) or such other basis that may be the market practice at the time of issue of a Zero Coupon Treasury Note.
- N = actual number of days in a year or such other basis that may be the market practice at the time of issue of the relevant Zero Coupon Treasury Note.
- Y = implicit yield of the relevant Zero Coupon Treasury Notes expressed as an annual percentage.

#### **Interest Period**

***Interest Period*** means the period from and including an Interest Payment Date (or with respect to the first Interest Period, the Issue Date) up to, but excluding, the following Interest Payment

	Date.
<b>Nominal Value</b>	Nominal Value means the par value of the Treasury Notes, exclusive of premium or interest payable by the Issuer at the Maturity Date of such Treasury Note.
<b>Final Redemption Amount</b>	Subject to the provisions of these Terms and Conditions, and unless otherwise agreed between the parties regarding the calculation, the conditions and the determining of the Final Redemption Amount (as specified and confirmed in the Issuer and Investor confirmations), the Treasury Notes will be redeemed on the Maturity Date at the Nominal Value (the <b><i>Final Redemption Amount</i></b> ).
<b>Business Day</b>	A day on which (a) the Trans-European Automated Real-Time Gross settlement Express Transfer system ( <b><i>TARGET</i></b> ) is open and (b) the Clearing System is open for general business.
<b>Business Day Convention</b>	If the Maturity Date or, if applicable, a date on which a payment on the Treasury Notes would become due and payable, is not a Business Day, payment in respect of the Treasury Notes will not be made until the next following Business Day (subject to any other business day convention as agreed between the parties). Holders of Treasury Notes shall not be entitled to any interest or other sums due in respect of such postponed payment.  <b><i>Issue Date</i></b> means the date on which the Treasury Notes shall, in accordance with the rules of the Clearing System, be created and delivered by the Clearing Operator by way of book entry on the securities account of the purchasers of the Treasury Notes with their Custodian against payment of the Issue Price.  <b><i>Maturity Date</i></b> means the date specified as such in the Investor Confirmation Form for such Treasury Note Transaction and on which the principal of the Treasury Note scheduled to be fully redeemed.  <b><i>Trade Date</i></b> means the date on which the Issuer and the Dealer agree on a Treasury Note Transaction.  <b><i>Treasury Note Transaction</i></b> means the issue by the Issuer and the subscription by a Dealer of Treasury Notes in accordance with the terms of the Dealer Agreement.
<b>Confirmation of the specific terms and conditions for a Treasury Note</b>	In accordance with Article 16 §2 of the Royal Decree (as amended from time to time), a form will be sent to the purchaser of a Treasury Note confirming the terms and conditions specific to an issue of Treasury Notes agreed upon between the Dealer and the purchaser under the Programme (the <b><i>Investor Confirmation Form</i></b> ).  A form will be sent to the Issuer of a Treasury Note confirming the terms and conditions specific to an issue of Treasury Notes agreed upon between the Issuer and the Dealer under the Programme (the <b><i>Issuer Confirmation Form</i></b> ).

## **Late Payment**

If any amount remains unpaid under any Treasury Note when due, the Issuer will, pay interest on such amount on a day to day basis, at the Applicable Default Rate until the actual payment of all amounts due. Such interest is due ipso iure and payable without any prior notice.

*Applicable Default Rate* means the rate equal to 1,5 % per annum above the interest rate of the marginal loan facility fixed by the European Central Bank (the **ECB**). This rate is being revised by the ECB on a regular basis and can be consulted on the website of the ECB: [www.ecb.int](http://www.ecb.int).

## **Events of Default**

If any of the following events occurs and is continuing:

- (a) default by the Issuer in the payment of principal or interest in respect of any Treasury Note (including the payment of Additional Amounts), as and when such amount(s) shall become due and payable, provided such default shall have continued for a period of 5 Business Days after the date on which such sum was due, except where such non-payment or late payment is due to any (in)action of the Domiciliary Agent, the Clearing Operator or disfunctioning of the Clearing System;
- (b) default by the Issuer in the due performance or observance of any obligation, covenant, undertaking, agreement or provision under or in relation to the Treasury Notes or the Information Memorandum if such default is not remedied within 15 Business Days after receipt by the Issuer of notice by a holder of Treasury Note(s) requiring the default to be remedied;
- (c) Any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme or arrangement or otherwise) of the Issuer or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations; or (ii) a composition compromise, assignment or arrangement with any creditor of the Issuer; or (iii) the appointment of a liquidator, receiver, administrator, compulsory manager or other similar officer in respect of the Issuer, or any of their assets (iv) or any analogous procedure or step is taken in any jurisdiction;
- (d) the Issuer becomes insolvent or is declared insolvent by a competent jurisdiction, or is declared bankrupt or unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any particular debt, in each case which it will or might otherwise be unable to pay when due), proposes or makes a

general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer, or an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer prior to the redemption in full of all outstanding Treasury Notes;

- (e) (i) any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised being declared due and payable prior to its stated maturity by reason of any event of default (however described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that none of the events mentioned above in this paragraph (e) shall give rise to an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities is less than EUR 7,500,000 or its equivalent in any other currency ;
- (f) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer in respect of any of its property or assets for an amount at the relevant time of at least EUR 7,500,000 or its equivalent in any other currency 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);
- (g) it becomes unlawful for the Issuer to perform any of its obligations under the Treasury Notes or any of its obligations ceases to be valid, binding or enforceable;
- (h) a transfer or sale of all or substantially all of the assets of the Issuer, except within the framework of a Permitted Reorganisation.

***Permitted Reorganisation*** means an amalgamation, reorganisation, merger, demerger, consolidation, restructuring whilst solvent, contribution, sale or other transfer whereby the Issuer is the surviving entity or whereby all or substantially all of the assets and undertaking of the Issuer are vested in a body corporate validly organised and existing under the laws of the Kingdom of Belgium and such body corporate (A) assumes or maintains (as the case may be) liability as principal debtor in respect of the Treasury Notes; and (B) continues to carry on substantially the same business of the Issuer. Such reorganisation on a solvent basis may not result in the Issuer of the Treasury Notes becoming a mere holding company without material operational activities or



such reorganisation on a solvent basis would lead to a change of business as indicated in sub-paragraph (h) hereabove).

then, in each and every such case, any holder of a Treasury Note may, by written notice to both the Issuer as the case may be, and the Domiciliary Agent (such notice being sent in accordance with section “*Notice*” of the Terms and Conditions), cause such Treasury Note to become immediately due and payable as from the date of such notice (the ***Early Redemption Date***) at an amount (the ***Early Redemption Amount***) determined as follows:

- If such defaulted Treasury Note is a Discount Treasury Note or Zero Coupon Treasury Note, at an amount calculated as in the item ‘Issue Price’ under *1. Discount Treasury Notes*, or *4. Zero Coupon Treasury Notes* whereby “P” would be the Early Redemption Amount and “D” would be the number of days between the Early Redemption Date, included, and the Maturity Date of the Treasury Note (excluded).
- If such defaulted Treasury Note is a Fixed Rate or Floating Rate Treasury Note, at its Nominal Value plus accrued interest or against the principal outstanding amount plus accrued interest in case it has been agreed at the time of issuance in (partial) redemption(s) of the principal amount before the Maturity Date.

**Status**

The Treasury Notes shall represent direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will at all times rank *pari passu* among themselves and with all other present and future unsubordinated and unsecured obligations of the Issuer (save for those preferred by mandatory provisions of law).

**Negative Pledge**

So long as any Treasury Note remain outstanding, the Issuer will not create nor permit to subsist any Encumbrance upon the whole or any part of their present or future undertakings, receivables, assets or revenues to secure any Relevant Indebtedness of any person without at the same time or prior thereto securing the Treasury Notes equally and rateably therewith.

For the purpose of this Condition:

***Relevant Indebtedness*** means any indebtedness which is in the form of or represented by any bond, note, debenture or similar financial instruments.

***Encumbrance*** means any mortgage, charge, pledge, lien, or other form of encumbrance or security interest, other than arising by operation of law.

## **Repurchase and Cancellation**

The Issuer may at any time purchase Treasury Notes, provided that such purchase is made by the Domiciliary Agent acting for the Issuer and provided that such Treasury Notes are cancelled, without prejudice to the right of the Issuer to issue new Treasury Notes in accordance with these Terms and Conditions.

## **Secondary market**

Whenever an investor wishes to sell a Treasury Note before its Maturity Date, the Dealer shall try, on a best effort basis and without any commitment whatsoever on its part, to find one or more purchasers for such Treasury Note.

Each investor is allowed to sell one or several Treasury Notes it owns provided that such sale may not result in an investor holding Treasury Notes in an amount less than the Minimum Amount.

## **Notices**

### 1. To the holders of Treasury Notes

Any notice to holders of Treasury Notes shall be validly given if:

- (i) made by (a) direct mail to the holder of a Treasury Note having a securities account or to the Custodian or (b) by a notice through the intermediary of the Clearing Operator; or
- (ii) if published in two leading financial Belgian newspapers having general circulation in Belgium (which are expected to be *L'Echo* and *De Tijd*) or, if this is not practicable, in one or more other leading French and Dutch language newspapers with general circulation in Belgium.

The notice under paragraph (i) above shall be deemed to have been made upon delivery thereof to, for the purpose of option (a), holder of a Treasury Note having a securities account or to the Custodian or, for the purpose of option (b), to the Clearing Operator.

The notice under paragraph (ii) above shall be deemed to have been given on the date of publication or, if published on more than one date or on different dates, on the first date on which such publication shall have been made.

### 2. To the Issuer or to the Domiciliary Agent

Notices to the Issuer or to the Domiciliary Agent will be made to their respective registered offices by registered mail or by fax (immediately confirmed by registered mail) and addressed for the attention of or to the person designated by that party for that purpose, as set out on the last page of the Information Memorandum.

A notice sent by registered mail is deemed to have been made upon delivery or 3 Business Days after being sent in a correctly addressed envelope.

<b>Governing Law and Jurisdiction</b>	<p>The Treasury Notes shall be governed by and construed in accordance with the laws of the Kingdom of Belgium.</p> <p>The Belgian competent Courts of Brussels have exclusive jurisdiction to settle any dispute arising out of or in connection with the Treasury Notes.</p>
<b>Listing</b>	<p>The listing of Treasury Notes issued under the Programme, if any, shall be subject to compliance with all applicable laws, regulations (including stock exchange regulations) and requirements of any relevant authority.</p>
<b>Rating of the Programme</b>	<p>The Programme has not been assigned any rating by any of the rating agencies.</p>
<b>Reimbursement</b>	<p>Any principal due to the holder of a Treasury Note on a Maturity Date, as appropriate, shall be credited, on the basis of the amounts of the securities booked on its securities' accounts with its Custodian, on its cash account with its Custodian, after deduction of withholding tax, if any.</p>
<b>Delivery and Payment</b>	<p>The Treasury Notes shall, in accordance with the rules of the Clearing System, be created and delivered by the Clearing Operator by way of book entry on the securities account of the purchasers of the Treasury Notes with their Custodian against payment of the Issue Price.</p> <p><b>Clearing System</b> means the securities settlement system recognised or approved in accordance with Articles 3 to 13bis of the Law of 2 January 1991 on the market of public debt securities and the monetary policy instruments as amended from time to time and the Law of 6 August 1993 on transactions in certain securities, as amended from time to time and its implementing decrees as amended from time to time. The securities settlement system operated by the NBB was recognised as such by a Royal Decree of 14 June 1994.</p> <p><b>Clearing Operator</b> means the entity entitled by law to operate the Clearing System and with whom the Issuer and the Domiciliary Agent have concluded an agreement for the provision of services relating to the issuance of dematerialised treasury notes (<i>overeenkomst van diensverlening inzake de uitgifte van gedematerialiseerde thesaurie- en depositobewijzen/convention de services relatifs à l'émission de billets de trésorerie dématérialisés et de certificats de dépôt dématérialisés</i>) (the <b>Clearing Agreement</b>), currently the NBB.</p> <p><b>Custodian</b> means any direct or indirect participant in the Clearing System with whom a holder of Treasury Notes may have a securities account in which its ownership of Treasury Notes is evidenced by book-entry. Participants in the Clearing System of NBB include most Belgian banks and stock brokers, Euroclear Bank S.A./N.V. as operator of the Euroclear System (<b>Euroclear</b>), Clearstream Banking, <i>société anonyme</i> (<b>Clearstream, Luxembourg</b>) and several banks established in a</p>

Member State of the European Union.

**NBB** means the National Bank of Belgium (*Nationale Bank van België N.V./Banque Nationale de Belgique S.A.*), having its registered office at Boulevard de Berlaimont 14, 1000 Brussels, Belgium.

## **Taxation, Grossing-up**

All payments of principal and interest in respect of the Treasury Notes will be made without deduction or withholding for, or because of, any present or future taxes or duties of whatever nature imposed or levied by, or on behalf of the Kingdom of Belgium, or any political subdivision thereof or any authority or agency therein or thereof having power to tax, provided the holder of a Treasury Note is an Exempted Investor (as defined below) and holds such Treasury Note through an X-Account or Exempt Account, on which the payments are credited, unless such deduction or withholding is required by subsequent legislation.

If, as a direct or indirect result of any amendment to or any change in the laws or regulations of the Kingdom of Belgium or any of its political subdivisions thereof or any authority or agency thereof or therein or in the interpretation or administration of any such laws or regulations or if the issuer does no longer comply with the conditions imposed by these laws, regulations, interpretations or administration related to the exemption of the withholding tax, after the issuance of any Treasury Note, a deduction or withholding for or on account of any tax were required to be made from payments of interest or principal to be made by or on behalf of the Issuer in respect of such Treasury Note held by Investor who, under the provisions referred above as they were in effect on the Issue Date of such Treasury Notes, were holding the securities on an X-account, then the Issuer shall pay such Additional Amount in respect of such Treasury Notes as is necessary in order for the net amount received by the Investor after such deduction or withholding to be equal to the amount which it would have received absent such deduction or withholding. The Issuer has no obligation to pay such Additional Amount for any tax in any other circumstance.

If the holder of Treasury Notes holds the Treasury Notes on an N-Account, all payments of principal and interest in respect of the Notes will be made after deduction of Belgian withholding tax by the Clearing Operator, as appropriate. In such case, no Additional Amounts (as defined) shall be payable by the Issuer as described above. In the case of a deduction or withholding, the Issuer will not pay such additional amount (***Additional Amount***) as may be necessary to the effect that the net amounts received by the holders of Treasury Notes after such deduction or withholding shall equal the respective amounts which would have been receivable under the Terms and Conditions of the Treasury Notes by the holders of Treasury Notes in the absence

of such deduction or withholding.

At the date of this Information Memorandum, no stamp duty (*Taxe sur les opérations de bourse/Taks op de Beursverrichtingen*) is due in respect of the Treasury Notes.

***Without prejudice to the foregoing, the investor shall bear any tax, duty, charge or fiscal liability which may arise in connection with its acquisition, holding or disposal of the Treasury Notes.***

***Exempt Accounts*** or ***X-Accounts*** are securities accounts opened with a Custodian in the name of persons or institutions defined in Article 4 of the royal decree of 26 May 1994 relating to the levy and the remuneration in accordance with chapter I of the law of 6 October 1993 relating to transactions in certain securities, as amended from time to time.

***Non-Exempt Accounts*** or ***N-Accounts*** are securities accounts opened with a Custodian in the name of persons or institutions that are not Exempted Investors.

***Exempted Investor*** means a person or institution mentioned in Article 4 of the royal decree of 26 May 1994 relating to the levy and the remuneration in accordance with chapter I of the law of 6 October 1993 relating to transactions in certain securities, as amended from time to time.

#### **Early redemption for tax reasons**

If, as described hereabove, as a direct or indirect result of any amendment to or any change in the laws or regulations of the Kingdom of Belgium or any of its political subdivisions thereof or any authority or agency thereof or therein or in the interpretation or administration of any such laws or regulations or if the Issuer does no longer comply with the conditions imposed by these laws, regulations, interpretations or administration related to the exemption of the withholding tax, after the issuance of any Treasury Note, the Issuer, as the case may be, would, on the occasion of the next payment due in respect of the Treasury Notes, be requested to pay any Additional Amount to the holders of Treasury Notes being X-account holders, the Issuer may, at its option, at any time on giving not more than 30 days nor less than 15 days' notice prior to the redemption date to the holders of Treasury Notes (which notice will be irrevocable), redeem all Treasury Notes which would be subject to such new treatment.

Prior to this notice, the Issuer shall deliver to the Domiciliary Agent a relevant certificate duly signed by the Issuer stating that it is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer to redeem have occurred.

For the purpose of this article the redemption amount shall be determined in the same manner as the Early Redemption Amount, as described under section "*Events of default*" of the

## **Investors and Selling Restrictions**

### Terms and Conditions.

In Belgium, provided the Programme is admitted in the Clearing System, the Treasury Notes are booked on a securities account of their purchasers with a Custodian and the Minimum Amount is respected, Treasury Notes may be offered or sold to any investor.

In addition, the Treasury Notes may be purchased, offered or sold in jurisdictions other than Belgium only in compliance with applicable laws and regulations of these jurisdictions and/or of the home countries of the relevant currencies in which they are purchased, offered or sold. No action has been or will be taken by the Issuer or the Dealer that would permit a public offering of the Treasury Notes in any country or any jurisdiction where action for that purpose is required. Potential investors are required to inform themselves of, and to comply with, all applicable laws and regulations of such jurisdictions and will accept responsibility accordingly.

See also the chapter Selling Restrictions commencing on page 51.

## TAXATION

*The information provided below does not purport to be a complete summary of Belgian tax laws and practices currently applicable. This summary is based on Belgian tax laws and practice in effect on the date of this Information Memorandum, which are subject to change, potentially with retrospective effect. Potential investors should consult with their own professional adviser.*

### 1. DESCRIPTION OF THE BELGIAN TAXATION SYSTEM

#### 1.1. 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 25%. In this regard, “interest” means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of debt securities between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, the Treasury Notes will be cleared in the clearing system of the National Bank of Belgium and shall benefit from the application of the law of 6 August 1993 on the transactions on certain securities, as amended, and the royal decrees of 26 May 1994 and 14 June 1994, all as amended from time to time.

Hence, the withholding tax regime in Belgium in relation to the Treasury Notes will be governed by the following principles:

##### 1.1.a. *X-Accounts and N-Accounts*

Treasury Notes shall be booked on the securities account of the investor(s) with its (their) Custodian, which securities account will be either an X-Account or an N-Account

***Exempt Accounts*** or ***X-Accounts*** are securities accounts opened in the name of persons or institutions defined in article 4 of the royal decree of 26 May 1994, as amended (see section *1.1.c. Exempted Investors* below for the list of these persons and institutions) benefiting from an exemption from withholding tax.

Each person or institution qualifying to hold such an Exempt Account shall upon the opening of such an account provide its Custodian with a certificate – established in a form approved by the Belgian Minister of Finance – stating that it belongs to one of the categories as set out below. It shall immediately inform its Custodian of any changes in the information contained in the certificate.

These identification requirements do not apply to Treasury Notes held by Exempted Investors through Euroclear or Clearstream, Luxembourg or their sub-participants outside of Belgium, provided that these institutions or sub-participants only hold X-Accounts and are able to identify their accountholders.

In the event that a person or institution ceases to be an Exempted Investor, its securities account will become an N-Account.

***Non-exempt Accounts*** or ***N-Accounts*** are securities accounts opened in the name of persons or institutions that do not qualify to hold an X-Account and for which withholding tax applies.

##### 1.1.b. *Payments of principal and interest and transfers of Treasury Notes*

All payments of principal and interest in respect of the Treasury Notes will be made:

- without withholding tax if the Treasury Note(s) is (are) held on an X-Account;
- after deduction of a withholding tax if the Treasury Note(s) is (are) held on a N-Account.

In addition, transfers of Treasury Note(s) 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 or N-Account) gives rise to the payment by the transferor non-Exempted Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- a transfer (from an X-Account or N-Account) to an N-Account gives rise to the refund by the NBB to the transferee non-Exempted Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- transfers of Treasury Note(s) between two X-Accounts do not give rise to any adjustment on account of withholding tax.

#### 1.1.c. *Exempted Investors*

The following persons or institutions (as defined in article 4 of the Royal Decree of 26 May 1994, as amended from time to time) are entitled to hold Treasury Notes in an Exempt Account:

- (a) Belgian resident companies subject to Belgian corporate income tax;
- (b) state-linked organisations of social security or assimilated ;
- (c) mutual investment funds approved for pension savings scheme;
- (d) non-resident individual investors and non-resident legal entities who have not allocated Treasury Notes to the exercise of a professional activity in Belgium;
- (e) non-resident companies subject to non-resident corporate income tax, whether or not they have allocated Treasury Notes to a permanent establishment in Belgium;
- (f) the Belgian State, for its investments exempt from withholding tax, pursuant to article 265 of the Belgian Income Tax Code;
- (g) foreign mutual investment funds, which form an undivided estate managed by a management company for the account of the participants, provided that the participation certificates are not offered publicly in Belgium and are not traded in Belgium;
- (h) Belgian resident companies not referred to under (a) and whose exclusive or principal activity is granting loans;

### 1.2. **Income tax**

#### 1.2.a. *Belgian Resident Individuals*

For natural persons who are subject to the Belgian personal income tax and who hold the Treasury Notes as a private investment, payment of the 25% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (“*précompte mobilier libérateur*” / “*bevrijdende roerende voorheffing*”). This means that they do not have to declare the interest obtained on the Treasury Notes in their personal income tax return, provided withholding tax was levied on these interest payments.



Belgian natural persons may nevertheless elect to declare interest in respect of the Treasury Notes in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at a flat rate of 25% (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, the withholding tax retained may be credited.

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the Treasury Notes, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless and to the extent the capital gains qualify as interest (as defined in section 1.1 "Withholding Tax"). Capital losses realised upon the disposal of the Treasury 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 Treasury Notes as a private investment.

#### 1.2.b. *Belgian Resident Corporations*

Holders of Treasury Notes that are residents of Belgium and subject to the Belgian ordinary corporate income tax regime, are liable to corporate income tax on the income of the Treasury Notes and capital gains realised upon the disposal of the Treasury Notes. Capital losses realised upon the disposal of the Treasury Notes are generally tax deductible.

#### 1.2.c. *Belgian Resident Legal Entities*

For holders of Treasury Notes that are residents of Belgium and subject to Belgian legal entities income tax, the 25% withholding tax on interest will constitute the final tax in their hands. If no withholding tax was levied due to the fact that they hold the Treasury Notes through an X-Account in the Clearing System or with a Custodian, they will have to declare such interest and pay spontaneously the applicable withholding tax to the Treasury.

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the Treasury Notes unless and to the extent the capital gains qualify as interest (as defined in section 1.1 "Withholding Tax"). Capital losses are in principle not tax deductible.

#### 1.2.d. *Non-Residents of Belgium*

Holders of Treasury Notes that are non-residents of Belgium for Belgian tax purposes and are not holding the Treasury Notes through a Belgian establishment and do not invest the Treasury Notes in the course of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains provided that they qualify as Exempted Investors and that they hold their Treasury Notes in an X-Account.

### 1.3. **Stamp duties**

Article 126-1-9° of the Code of Miscellaneous Taxes and Duties exempts all transactions involving Treasury Notes from the Belgian Tax on Stock Exchange Transactions (*taks op beursverrichtingen / taxe sur les opérations de bourse*).

## 2. **EU SAVINGS DIRECTIVE**

EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive") requires EU Member States to provide to the tax authorities of other EU Member States details of

payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State (hereinafter “**Disclosure of Information Method**”), except that Austria will instead impose a withholding system (hereinafter “**Source Tax**”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (Disclosure of Information Method or Source Tax). The European Commission has proposed certain amendments to the Savings Directive, which may, if adopted, amend or broaden the scope of the requirements described above.

Investors should note that the European Commission is proposing to repeal the Savings Directive, since it has been overtaken by other EU legislation with a wider scope of automatic information exchange (including information on savings related income).

#### **2.1. Individuals not resident in Belgium**

Interest paid or collected through Belgium on the Treasury Notes and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

#### **2.2. Individuals resident in Belgium**

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

IF THE INTEREST RECEIVED BY AN INDIVIDUAL RESIDENT IN BELGIUM HAS BEEN SUBJECT TO A SOURCE TAX, SUCH SOURCE TAX DOES NOT LIBERATE THE BELGIAN INDIVIDUAL FROM DECLARING THE INTEREST INCOME IN ITS PERSONAL INCOME TAX DECLARATION. THE SOURCE TAX WILL BE CREDITED AGAINST THE PERSONAL INCOME TAX. IF THE SOURCE TAX WITHHELD EXCEEDS THE PERSONAL INCOME TAX DUE, THE EXCESS AMOUNT WILL BE REIMBURSED, PROVIDED IT REACHES A MINIMUM OF EURO 2.5.

## SELLING RESTRICTIONS

### 1. General

The Issuer and each Dealer represent, warrant and agree, and each Additional Dealer appointed under the Programme is required to represent, warrant and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Treasury Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Treasury Notes or distribute any Disclosure Document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

Potential purchasers will undertake to comply with all applicable laws and regulations of such jurisdictions and will accept responsibility accordingly.

More specifically, but without limitation, potential purchasers are hereby informed that:

### 2. Belgium

The Information Memorandum has not been, and will not be, notified to the Financial Services and Markets Authority in accordance with the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (as amended or replaced from time to time, the *Prospectus Law*). Accordingly, the Treasury Notes may not be distributed, offered, sold or resold, transferred or delivered in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Prospectus Law, save in those circumstances set out in Article 3 §2 of the Prospectus Law.

In addition, (i) the Treasury Notes are to be kept at all times on a securities account with a Custodian, and (ii) no issuance or transfer of Treasury Notes may result in any investor holding Treasury Notes less than the minimum amount stipulated by or established in accordance with Article 4 of the Law and/or stipulated by or established in accordance with Article 6 of the Royal Decree.

### 3. Public Offer Selling Restriction Under the Prospectus Directive (European Economic Area)

In relation to each Member State of the European Economic Area which has implemented -the Prospectus Directive (each, a *Relevant Member State*), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the *Relevant Implementation Date*) it has not made and will not make an offer of Treasury Notes to the public in that Relevant Member State.

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

### 4. United States of America

The Treasury Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the *Securities Act*) and, upon and subject to the relevant legislation and regulations, the Treasury Notes may not be offered or sold within the United States. The Issuer and each Dealer represents and agrees that it has offered and sold, and will offer and sell, Treasury Notes only outside the United States in accordance with Regulation S under the Securities Act (*Regulation S*). Accordingly, the Issuer and each Dealer represents and agrees that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed

selling efforts with respect to the Treasury Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

## **5. The United Kingdom**

The Issuer and each Dealer represent, warrant and agree that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Treasury 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 Treasury Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the *FSMA*) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Treasury Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Treasury Notes in, from or otherwise involving the United Kingdom.

## **6. Japan**

The Issuer and each Dealer acknowledge that the Treasury Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the *Financial Instruments and Exchange Act*) and, accordingly, the Issuer and each Dealer undertake that it will not offer or sell any Treasury Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For these purposes “Japanese Person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **THE ISSUER**

### **Vrije Universiteit Brussel**

Address: Pleinlaan 2, 1050 Brussel, Belgium  
Contact: Eddy Stroobants, Hoofd planning en begroting  
Tel: +32 (0)2 629 20 98  
Fax: +32 (0)2 629 36 50  
e-mail: eddy.stroobants@vub.ac.be

## **THE DEALER**

### **Belfius Bank SA/NV**

Address : Boulevard Pachéco 44  
B-1000 Brussels  
Belgium  
Contact : Public&institutionalsales@belfius.be  
Tel : +32 (0)2 250 70 10  
Fax : +32 (0)2 222 28 92

## **THE DOMICILARY AGENT**

### **Belfius Bank SA/NV**

Address: Boulevard Pachéco 44  
B-1000 Brussels  
Belgium  
Contact: Treasury & Financial Markets - Custody Management  
Tel.: +32 2 222 14 80  
Fax: +32 2 285 10 87  
E-mail: cmcustodymgt@belfius.be

## **THE ARRANGER**

### **Belfius Bank SA/NV**

Address: Boulevard Pachéco 44  
B-1000 Brussels  
Belgium  
Contact: Legal TFM