

**BRUSSELS AIRPORT COMPANY NV/SA**

*(incorporated with limited liability in Belgium with registered number 0890.082.292)*

**EUR 5,000,000,000 Multicurrency programme for the issuance of Bonds Guaranteed by DNB**

Brussels Airport Company NV/SA (**BAC**) (the **Issuer**) established a multicurrency programme for the issuance by the Issuer of bonds (the **Bonds**) from time to time on and after the Initial Issue Date, denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) (the **Programme**). The aggregate nominal amount of Bonds outstanding will not at any time exceed EUR 5,000,000,000 (or the equivalent in other currencies). Distributienet-Beheer Brussels Airport NV (**DNB**) provides a guarantee of the obligations of the Obligor (defined below) under the Finance Documents (including the obligations of the Issuer under the Bonds) in accordance with the terms of the Security Trust and Intercreditor Deed (defined below).

This offering circular (the **Offering Circular**) includes information on the terms of the Bonds, including security, covenants and transfer restrictions. This Offering Circular constitutes a base prospectus for the purposes of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, as amended (the **Prospectus Act 2005**). Application has been made to the Luxembourg Stock Exchange in its capacity as market operator of the Euro MTF market (the **Euro MTF Market**) under the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) to list, and admit to trading, Bonds issued under the Programme on the Euro MTF Market. Application has been made to the Luxembourg Stock Exchange in its capacity as competent authority (the **Competent Authority**) under Part IV of the Prospectus Act 2005 for the approval of this Offering Circular as a base prospectus and application may be made to the Luxembourg Stock Exchange for Bonds issued under the Programme to be listed on the Euro MTF Market operated by the Luxembourg Stock Exchange (the Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) but is subject to the supervision of the financial sector and exchange regulator, the *Commission de Surveillance du Secteur Financier (CSSF)*) and listed on the Official List of the Luxembourg Stock Exchange (the **Official List**), during the period of 12 months from the date hereof. References in this Offering Circular to Bonds being **listed** (and all related references) shall mean that such Bonds have been admitted to the Official List and admitted to trading on the Euro MTF Market.

The Bonds may be issued, on a continuing basis, to one or more of the Dealers specified under "*Overview of Brussels Airport and the Programme – Parties and Some Characteristics of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Bonds being (or intended to be) subscribed by more than one Dealer or in respect of which subscriptions will be procured by more than one Dealer, be to all Dealers agreeing to subscribe for such Bonds or to procure subscriptions for such Bonds, as the case may be.

Notice of the aggregate nominal amount of Bonds, interest (if any) payable in respect of Bonds, the issue price of Bonds and any other terms and conditions not contained herein which are applicable to each Series (as defined herein) of Bonds will be set out in a final terms document (the **Final Terms**), which, with respect to Bonds to be traded on the Euro MTF Market, will be delivered to the Luxembourg Stock Exchange.

The Programme provides that Bonds may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Bonds and/or Bonds not admitted to trading on the Market.

Bonds issued under the Programme and the guarantees thereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws.

Accordingly, the Bonds may be offered or sold in offshore transactions to persons that are not U.S. persons in reliance on Regulation S. For a description of certain restrictions on resales and transfers, as to which each purchaser of Bonds will be deemed to have acknowledged, represented and agreed, see "*Subscription and Sale*" in this Offering Circular.

The Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission (the **SEC**), any federal or state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Bonds or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

The Issuer may agree with any Dealer that Bonds may be issued in a form not contemplated by the Terms and Conditions of the Bonds herein, in which event a new Offering Circular, in the case of listed Bonds only, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Bonds.

The Bonds will be issued in dematerialised form (*gedematerialiseerd/dématérialisé*) in accordance with Articles 468 *et seq.* of the Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) (the **Belgian Company Code**) and cannot be physically delivered. The Bonds will be represented exclusively by book entry in the records of the clearing system operated by the National Bank of Belgium (**NBB**) or any successor thereto (the **Clearing System**). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear Bank NV/SA (**Euroclear**) and Clearstream Banking S.A., Luxembourg (**Clearstream, Luxembourg**). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg, and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg. Bonds shall only be issued under the Programme insofar as these can be cleared through the Clearing System and shall only be issued in accordance with the rules of the Clearing System.

The Bonds are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

An investment in Bonds issued under the Programme involves certain risks. Please see "*Risk Factors*" beginning on page 15.

The Bonds to be issued under the Programme are expected on issue to be assigned a "Baa1" rating by Moody's Investors Service Limited (**Moody's**) and a "BBB" rating by Fitch Ratings Ltd (**Fitch**) and, at the Initial Issue Date together with Moody's, the **Rating Agencies**). Each Rating Agency is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Moody's and Fitch is included in the list of credit agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at [www.esma.europa.eu/page/list-registered-and-certified-CRAs](http://www.esma.europa.eu/page/list-registered-and-certified-CRAs)) in accordance with the CRA Regulation. Bonds issued under the Programme may be rated or unrated by any one or more of the Rating Agencies. Where a Series or Tranche of Bonds is rated, such rating will be disclosed in the applicable Final Terms. Such rating will not necessarily be the same as the rating assigned to the Programme. Whether or not a rating in relation to any Tranche of Bonds will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Risk Factors – Credit ratings may not reflect all risks relating to the Bonds*" in this Offering Circular.

**Arrangers and Dealers**

Crédit Agricole CIB  
RBC Capital Markets  
NatWest Markets

The date of this Offering Circular is 20 April 2017

This Offering Circular is for the purpose of giving information with regard to the Issuer, the Obligors (as defined below) and their subsidiaries and affiliates taken as a whole (the **Group**) and the Bonds which, according to the particular nature of the Issuer, the Guarantor and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Obligors. This Offering Circular may only be used for the purpose for which it has been published. Under the Programme the Issuer may, subject to all applicable legal and regulatory requirements, from time to time on and after the Initial Issue Date issue Bonds, provided that the maximum aggregate nominal amount of all Bonds from time to time outstanding under the Programme will not exceed EUR 5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase as described therein. Copies of each Final Terms will be available (in the case of all Bonds) from the specified office set out on the back cover of this Offering Circular of Citicorp Trustee Company Limited as the Bond Trustee and of each of the Paying Agents, provided that, in the case of Bonds which are not listed on any stock exchange, copies of the relevant Final Terms will only be available for inspection by the relevant Bondholders. For so long as the Bonds are listed on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, copies of the Issuer's organisational documents, the Bond Trust Deed, the Agency Agreement and the Security Documents and the most recent consolidated financial statements will be available at and can be obtained from the office of the Domiciliary Agent.

Details of the aggregate principal amount, interest (if any) payable, the Issue Price and any other terms and conditions not contained herein, which are applicable to each Series of Bonds will be set out in the relevant Final Terms (see "*Final Terms*" below). In the case of Bonds to be admitted to the Official List and to trading on the Market, the Final Terms will be delivered to the Luxembourg Stock Exchange on or before the relevant date of issue of the Bonds of such Series. The Issuer may also issue unlisted Bonds. The Issuer may agree with any Dealer and the Bond Trustee that Bonds may be issued in a form not contemplated by the Conditions herein, in which event (in the case of Bonds admitted to the Official List only) a supplementary Offering Circular or further Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Bonds.

Bonds issued under the Programme will be issued in one or more series (each a **Series**) on each Issue Date. Each Bond may be fixed rate, floating rate or index-linked and may be denominated in sterling, euro, yen or U.S. dollars (or in other currencies subject to compliance with applicable laws).

In the case of any Bonds offered to the public in a member state of the European Economic Area, the minimum denomination shall be €100,000 or not less than the equivalent of €100,000 in any other Currency as at the date of issue of the Bonds.

**IMPORTANT NOTICES**

This Offering Circular is being distributed only to, and is directed only at, relevant persons. This Offering Circular, or any of its contents, must not be acted on or relied on by persons who are not relevant persons.

Any investment or investment activity to which this Offering Circular relates is available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Obligors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct or that there has been no adverse change in the financial position of the Issuer or the Obligors as of any time subsequent to the date indicated in the document containing the same. None of the Dealers, the Bond Trustee, the Security Trustee or the Agents (defined below) undertake to review the financial condition or affairs of any of the Issuer or the Obligors during the life of the Programme or to advise any investor in the Bonds of any information coming to their attention.

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any Obligor, any Dealer, the Bond Trustee, the Security Trustee or any Agent that any recipient of this Offering Circular should purchase any of the Bonds.

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

Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the creditworthiness of the Issuer and the Obligors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Bonds should consult independent professional advisers.

In making an investment decision, investors must rely on their own examination of the Issuer and the Obligors and the terms of the Bonds being offered, including the merits and risks involved.

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular, any supplemental Offering Circular or any applicable Final Terms;
- have access to, knowledge of and appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Bonds which are complex financial instruments unless it has the experience (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, 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 Bonds are legal investments for it, Bonds can be used as security for indebtedness and whether other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The distribution of this Offering Circular and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Obligors and the Dealers to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute, and may not be used for the purposes of, an offer to or solicitation by any person to subscribe for or purchase any Bonds in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

THE SECURITIES AND THE GUARANTEES THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

In connection with the issue of any Series of Bonds, the Dealer or Dealers (if any) named as Stabilising Manager(s) (or any person acting on its or their behalf) (**Stabilising Manager(s)**) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person

acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Series of Bonds and 60 days after the date of the allotment of the relevant Series of Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

If you are in any doubt about the contents of this Offering Circular you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

All references herein to **euro** or **€** are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended from time to time, all references herein to **sterling** or **£** are to the lawful currency of the United Kingdom, all references herein to **U.S. dollars**, **U.S.\$**, **\$** and **dollars** are to the lawful currency of the United States of America and all references herein to **yen** are to the lawful currency of Japan.

In this Offering Circular, words denoting the singular number only shall include the plural number also and *vice versa*.

## RESPONSIBILITY STATEMENTS

This Offering Circular has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented Directive 2003/71/EC (as amended, including by Directive 2010/73/EU and includes any relevant implementing measure in a relevant Member State of the European Economic Area) (the **Prospectus Directive**) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of an offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Each of the Issuer and the Obligors accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Series of Bonds issued under the Programme. To the best of the knowledge of the Issuer and each Obligor (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Bonds are the persons named in the applicable Final Terms as the relevant Dealers, as the case may be.

No person has been authorised to give any information or to make representations other than the information or the representations contained in this Offering Circular in connection with the Issuer or the Obligors, or the offering, issue or sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Obligors, the Dealers, the Bond Trustee, the Security Trustee or any Agent. Neither the delivery of this Offering Circular nor any offering or sale of Bonds made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or any Obligor since the date hereof or the date upon

which this Offering Circular has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Unless otherwise indicated herein, all information in this Offering Circular is given as at the date of this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or any Dealer to subscribe for, or purchase, any of the Bonds.

To the fullest extent permitted by law, no Dealer makes any representation, express or implied, or accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by such Dealer or on its behalf in connection with the Issuer, any Obligor, or the issue and offering of the Bonds. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Obligors or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Bonds should be based upon such investigation as it deems necessary. No Dealer undertakes to review the financial condition or affairs of the Issuer or any Obligor during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Dealers.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Agents as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Bonds or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer for the information contained in this Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on any Dealer, the Bond Trustee, the Security Trustee or any Agent, or on any person affiliated with any of them, in connection with its investigation of the accuracy of such information or its investment decision.

None of the Issuer, the Obligors, any Dealer, the Bond Trustee, the Security Trustee or any Agent accepts responsibility to investors for the regulatory treatment of its investment in the Bonds. If the regulatory treatment of an investment in the Bonds is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator.

## FINAL TERMS

In relation to the different types of Bonds which may be issued under the Programme, the Issuer has endeavoured to include in this Offering Circular all of the necessary information except for information relating to the Bonds which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Series of Bonds.

Any information relating to the Bonds which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Series of Bonds will be contained in the relevant Final Terms. For a Series of Bonds which is the subject of Final Terms, those Final Terms will, for the purposes of that Series only, supplement this Offering Circular and must be read in conjunction with this Offering Circular.

## FORWARD-LOOKING STATEMENTS

This Offering Circular contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results, performance or achievements of the Issuer and/or the Obligors to differ materially from the information presented herein. Such forward-looking statements are based on numerous assumptions regarding the Issuer's and/or the Obligors' present and future business strategies and the environment in which the Issuer and/or the Obligors will operate in the future. When used in this Offering Circular, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should", "plan", "targets", "aims", "will", "would", "may", "could", "continue" and similar expressions, as they relate to the Issuer and/or the Obligors and their management, are intended to identify such forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding the Issuer's and/or the Obligors' financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer's and/or an Obligor's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date hereof. Save as otherwise required by any rules or regulations, neither the Issuer nor the Obligors undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer and the Obligors expressly disclaim any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

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## DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

- (i) the audited consolidated financial statements of the Issuer for the year ended 31 December 2014 together with the auditors' report thereon;
- (ii) the audited consolidated financial statements of the Issuer for the year ended 31 December 2015 together with the auditors' report thereon;
- (iii) the provisional,<sup>1</sup> audited consolidated financial statements of the Issuer for the year ended 31 December 2016, as approved by the board of directors of the Issuer by way of a board resolution dated 19 April 2017, together with the audit report thereon;
- (iv) the audited financial statements of DNB for the year ended 31 December 2014 together with the auditors' report thereon;
- (v) the audited financial statements of DNB for the year ended 31 December 2015 together with the auditors' report thereon; and
- (vi) The terms and conditions of the Bonds as set out in the offering circular dated 24 June 2013 relating to the Issuer's multicurrency programme for the issuance of Bonds, as amended (pages 87 to 120 inclusive),

which have all been previously or simultaneously published and which have been filed with the Luxembourg Stock Exchange. Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Following the publication of this Offering Circular, a supplement may be prepared by the Issuer and approved by the Luxembourg Stock Exchange in accordance with Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular, which is capable of affecting the assessment of the Bonds, prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Bonds and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

Copies of documents incorporated by reference to this Offering Circular may be obtained (without charge) from the website of the Luxembourg Stock Exchange at ([www.bourse.lu](http://www.bourse.lu)).

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<sup>1</sup> BAC's 2016 audited consolidated financial statements are "provisional", as at the date of this Offering Circular, as such are not able to be approved by the shareholders of BAC until the BAC general shareholders' meeting, which is scheduled to occur on 11 May 2017.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular. Where a document listed above has been extracted from another document, the remainder of the document from which it is extracted is not relevant for the purposes of this Offering Circular.

## OVERVIEW OF BRUSSELS AIRPORT AND THE PROGRAMME

*The following does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the Conditions of any particular Series of Bonds, the applicable Final Terms.*

### OVERVIEW

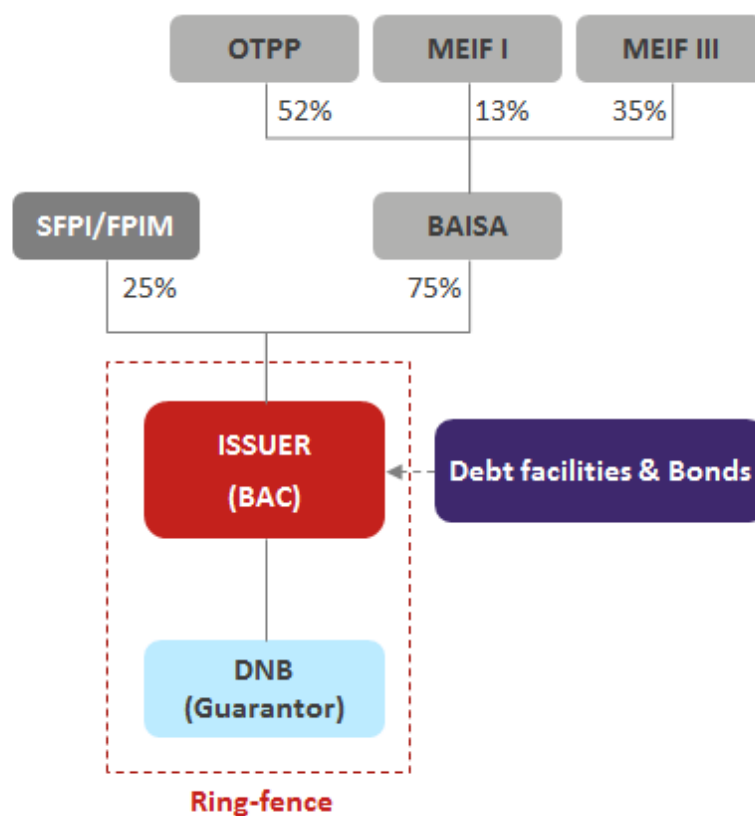
As at the date of this Offering Circular, Brussels Airport Company NV/SA (**BAC**) is the owner and operator of Brussels' national airport in Zaventem (**Brussels Airport**), the principal airport serving Brussels and Belgium. Brussels Airport is located, both politically and economically, at the centre of the European Union, providing Brussels Airport with a large catchment area, spanning across Belgium, the South of the Netherlands and the North of France. Over 15 million people live within a 90-minute drive from Brussels Airport (Source: SEO ADAC database, based on Eurostat).

In the financial year ended 31 December 2016, 21.8 million passengers used Brussels Airport. The 7% decrease in the number of passengers who used Brussels Airport in comparison to 2015 (a year when Brussels Airport achieved a record high number of passengers) by 1.6 million passengers was largely the result of Brussels Airport being temporarily, partially closed for 12 days following the terrorist attack which occurred at Brussels Airport on 22 March 2016 (the **March 2016 Terrorist Attack**). In addition, following the March 2016 Terrorist Attack a gradual restart process was implemented, which meant that fewer than usual flights were offered, to and from Brussels Airport, in the months following the March 2016 Terrorist Attack. Prior to the March 2016 Terrorist Attack, the total number of passengers travelling to and from Brussels Airport, in the months of January and February of 2016, had increased in comparison to the same period during the previous year.

Brussels Airport has a diversified route network and serves 241 destinations worldwide (Source: BruTrends 2016). Destinations within the European Union accounted for 75% and destinations to outside the European Union accounted for 25% of the total air transport movements (**ATMs**) in the financial year ended 31 December 2016 (Source: Brutrends 2016). Of the journeys to EU destinations, Schengen countries accounted for 70% of the total ATMs (and non-Schengen countries for 30%) (Source: BruTrends 2016). As at the date of this Offering Circular, no individual route represents more than 4% of total passenger traffic (Source: BAC DataWareHouse). As at the date of this Offering Circular, Brussels Airport has a broad base of airlines with 84 main carriers operating regularly therefrom (Source: BruTrends 2016). Brussels Airport also benefits from a low dependency upon a single airline compared with other major European airports. In the financial year ended 31 December 2016, Brussels Airlines (being the airline which provided the largest proportion of Brussels Airport's passenger traffic in 2016) accounted for 35% of the total passenger traffic at Brussels Airport (Source: BAC DataWareHouse).

Non-aeronautical income is an important component of the Issuer's revenue mix, principally derived from retail concessions, car parking and revenue from ownership of properties in the vicinity of Brussels Airport. Approximately 17,500 square metres of terminal space is allocated to retail activities at Brussels Airport. As at the date of this Offering Circular, 45 retail outlets and 31 food and beverage outlets are situated within Brussels Airport (Source: BAC Monthly Sales Report April 2016), as well as 380 advertising sites within the Pier A, Pier B and landside areas (Source: BAC Advertising). Non-aeronautical income accounted for 34% of the Issuer's commercial business revenues in the financial year ended 31 December 2016 (excluding the insurance proceeds of €50 million paid to BAC in relation to the March 2016 Terrorist Attack (**2016 Insurance Proceeds**)) (Source: BAC Monthly Management Reporting December 2016).

The following diagram represents the Group's simplified ownership structure (based on economic rights) as at the date of this Offering Circular:



## SHAREHOLDERS

The Belgian State, rated AA-/Aa3/AA by each of Fitch, Moody's and Standard & Poor's respectively, as at the date of this Offering Circular owns 25% of the economic rights in BAC through the entity labelled "SFPI/FPIM" in the diagrams above.

As at the date of this Offering Circular, BAC is 36% owned (by economic rights) by Macquarie-managed funds, MEIF I and MEIF III, through its shareholding in the entity labelled "BAISA" in the diagram above. See "*BAC - Corporate Structure*" for further information on BAISA. Macquarie, through Macquarie Infrastructure and Real Assets (**MIRA**), is a global leader in the creation and management of specialist funds which focus on infrastructure, real estate and adjacent sectors. MIRA manages 50 funds, including MEIF I and MEIF III, with investments in approximately 130 portfolio companies and 300 properties (as at March 2017) (Source: [www.mirafunds.com](http://www.mirafunds.com)).

As at the date of this Offering Circular, Ontario Teachers' Pension Plan Board (**OTPP**) owns 39% of the economic rights in BAC through its shareholding in the entity labelled "BAISA" in the diagram above. OTPP is the largest single-profession plan in Canada and has significant experience in owning and managing airports (currently Birmingham, Bristol and Copenhagen) and other infrastructure businesses.

If a Change of Control or Flotation occurs, the Bondholders do not have a right to redeem their Bonds though the Agent may cancel the total commitments of the Lenders and declare all outstanding utilisations (together with accrued amounts) immediately due and payable. See "*Summary of the Finance Documents – Other Finance Documents – Initial Authorised Credit Facilities Agreement*".

### **Credit Strengths**

The Issuer's credit strengths include:

- **Strategically Advantaged Location** – Brussels Airport occupies an ideal position at the centre of the European Union, providing Brussels Airport with a large catchment area, spanning across Belgium, the South of the Netherlands and the North of France. See "*Business of Brussels Airport – Strategically Advantaged Location*".
- **Stable and Favourable Regulatory Framework** – BAC operates in a Dual Till regulatory framework which provides for a clear, stable and favourable aeronautical pricing regime. As a result, BAC is able to demonstrate strong predictability of future cashflows for its business. See "*Business of Brussels Airport – Stable and Favourable Regulatory Framework*".
- **Resilient ‘Origin & Destination’ Passenger Base and Diversified Airline Mix** – Brussels Airport's balanced and diversified traffic base, in terms of destinations served, carriers and airline business models has provided historically solid resilience in the event of economic downturn and airline failure. BAC's Consolidated EBITDA (pre-specifics) has increased with a CAGR of 6.4% from 2013 to 2016. See "*Business of Brussels Airport – Resilient O&D Passenger Base and Diversified Airline Mix*".
- **Strong Historical Financial Performance and Resilient EBITDA (pre-specifics)** – BAC has exhibited a stable EBITDA (pre-specifics) margin during the three years ended 31 December 2016. BAC has been resilient to traffic downturns due to, *inter alia*, a stable and favourable regulatory framework, a strict and improving cost control policy and increases in overall yields. Strong cashflow generation is fuelled by continued EBITDA (pre-specifics) growth, stringent capital expenditure management and constant focus on cash management. See "*Business of Brussels Airport – Strong Historical Financial Performance and Resilient EBITDA*".
- **Management Team** – a dynamic and strong executive management team with a significant number of years' experience gained either from working within Brussels Airport, or within aviation and other relevant industries. Key hires have delivered additional airport, operational, regulatory and financial expertise at a senior level. Much of the existing operations management has been retained to ensure continuity at the project level. See "*Business of Brussels Airport – Management Team*".

## THE REGULATORY FRAMEWORK

As noted above, the Issuer operates in a stable and favourable regulatory framework. The key highlights of the regulatory framework are:

- Tariff consultation with airlines operating at Brussels Airport;
- Regulated aeronautical charges are based on a standard building block mechanism;
- A Dual Till regulatory framework with an allowed return on regulated capital employed;
- A high degree of certainty on charges, as the renegotiation of the tariff control formula by airlines operating at Brussels Airport is not permitted during regulatory periods;
- An ability to pass unanticipated externally imposed costs through to airline customers;
- No clawback of unspent capital and operational expenditure; and
- Certain unregulated aeronautical activities.

See "*Business of Brussels Airport – Stable and Favourable Regulatory Framework*".

## **THE PROGRAMME**

The Programme was established to raise debt in the bond markets to be applied, *inter alia*, towards the Issuer's general corporate purposes. The capital structure also incorporates bank facilities and associated risk management hedging. The Finance Parties (including the Bondholders and the Lenders) generally benefit from common covenants, representations, warranties and certain other common terms as well as a common security package granted by the Issuer and the Obligors. A security trust and intercreditor deed has been entered into among, *inter alia*, the Secured Creditors to regulate the claims of the Secured Creditors and voting among the Secured Creditors in respect of enforcement, amendments and waivers. See "*Summary of the Finance Documents*" for full details, as well as for a statement of the key differences between the common covenants with certain more restrictive covenants or other provisions available to the Lenders under the Initial Authorised Credit Facilities Agreement.

## PARTIES AND SOME CHARACTERISTICS OF THE PROGRAMME

### 1. ISSUER RELATED PARTIES

- Issuer:** Brussels Airport Company NV/SA (**BAC**) is the issuer of the Bonds (the **Issuer**). BAC is a limited liability company organised under the laws of Belgium (*naamloze vennootschap/société anonyme*), with its registered office at Auguste Reyerslaan 80, 1030 Schaarbeek, Brussels, Belgium and registered with the Belgian Crossroads Bank of Enterprises under enterprise number 0890.082.292.
- Guarantor:** Distributienet–Beheer Brussels Airport NV (**DNB**), a limited liability company, organised under the laws of Belgium (*naamloze vennootschap/société anonyme*), registered with the Belgian Crossroads Bank of Enterprises under enterprise number 0863.269.712 and with its registered office at Luchthaven Brussel-Nationaal, 1930 Zaventem, Brussels, Belgium, provides a guarantee of the obligations of the Obligors under the Finance Documents (including the obligations of the Issuer under the Bonds) in accordance with the terms of the Security Trust and Intercreditor Deed. The guarantee granted by DNB is subject to specified guarantee limitations (see "*Summary of the Finance Documents – Security Trust and Intercreditor Deed – Guarantee and Security Documents*").
- Obligor:** Each of the Issuer and DNB and any other person who accedes to, *inter alia*, the Common Terms Agreement and the STID as an Obligor in accordance with the terms of the Finance Documents, and **Obligors** means all of them.
- Description:** EUR 5,000,000,000 multicurrency programme for the issuance of Bonds by the Issuer from time to time (the **Programme**).
- Size:** Up to EUR 5,000,000,000 (or the equivalent in other currencies at the date of issue of any Bonds) aggregate nominal amount of Bonds outstanding at any one time.
- Dealers:** Crédit Agricole Corporate and Investment Bank, RBC Europe Limited and The Royal Bank of Scotland plc (trading as NatWest Markets) have been appointed by the Issuer as dealers under the Programme (together with any additional dealers appointed by the Issuer under the Programme from time to time, the **Dealers**).
- Bond Trustee:** Citicorp Trustee Company Limited will act as trustee for the Bondholders (in such capacity, the **Bond Trustee**).

<b>Security Trustee:</b>	Citibank Europe plc will act as security trustee for the Bondholders and the other Secured Creditors (in such capacity, the <b>Security Trustee</b> ).
<b>Hedge Counterparties:</b>	Abbey National Treasury Services Plc, Belfius Bank NV/SA, BNP Paribas Fortis SA/NV, Crédit Agricole Corporate and Investment Bank, ING Belgium SA/NV (including ING Bank N.V.), Lloyds TSB Bank Plc, Mitsubishi UFJ Securities International plc, Natixis, Royal Bank of Canada, The Royal Bank of Scotland plc (trading as NatWest Markets), Skandinaviska Enskilda Banken AB (Publ), SMBC Nikko Capital Markets Limited, Société Générale and any future hedge counterparties to the Issuer in respect of any hedges entered into by the Issuer (the <b>Hedge Counterparties</b> and such hedges, the <b>Hedges</b> and together, the <b>Hedging</b> , and the agreements under which such Hedges are entered into, the <b>Hedging Agreements</b> ).
<b>Principal Paying Agent:</b>	Citibank Europe plc will act as the principal paying agent to the Issuer (in such capacity, the <b>Principal Paying Agent</b> and together with any future paying agents appointed to the Issuer, the <b>Paying Agents</b> ) under an agency agreement (the <b>Agency Agreement</b> ).
<b>Agent Bank:</b>	Citibank Europe plc will act as the agent bank to the Issuer (the <b>Agent Bank</b> ) under the Agency Agreement.
<b>Domiciliary Agent:</b>	Citibank Europe plc will act as the domiciliary agent to the Issuer (in such capacity, the <b>Domiciliary Agent</b> ) under the Agency Agreement and the Clearing Services Agreement.
<b>Secured Creditors:</b>	The Bondholders, the Facility A Lenders, the Facility B Lenders, the Facility C Lenders, the Hedge Counterparties, the Institutional Private Placement Debt Providers, the Security Trustee, the Liquidity Facility Agent, the Facility Agent(s), the Bond Trustee, the Principal Paying Agent, the Domiciliary Agent, the Agent Bank and any other entity which provides Senior Secured Debt to the Obligors under an Authorised Credit Facility and accedes to the STID as a Secured Creditor and the Common Terms Agreement as a Finance Party from time to time.
<b>Rating Agencies:</b>	The relevant rating agencies appointed by the Issuer from time to time to rate the Bonds (together, the <b>Rating Agencies</b> ), being (as at the date of this Offering Circular) Moody's and Fitch.

## 2. CHARACTERISTICS OF THE PROGRAMME

<b>Issue Date:</b>	The date of issue of each Series of Bonds under the Programme as specified in the relevant final terms applicable to such Series of Bonds (the <b>Final Terms</b> ).
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<b>Bonds:</b>	<p>Bonds issued under the Programme will be issued in Series, each Series pertaining to, among other things, the Currency, Interest Rate and Maturity Date.</p> <p>Each Series can be issued in one or more Tranches, the specific terms of each Tranche being identical in all respects, save for the Issue Dates, Interest Commencement Dates and/or Issue Prices, to the terms of the other Tranches of such Series.</p>
<b>Programme size:</b>	Up to EUR 5,000,000,000 (or the equivalent in other Currencies at the date of issue of any Bonds) aggregate nominal amount of the Bonds outstanding at any one time.
<b>Certain restrictions:</b>	Each issue of Bonds denominated in a Currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the restrictions applicable at the date of this Offering Circular. See " <i>Subscription and Sale</i> ".
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Bonds issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Bonds issued under the Programme. These are set out under " <i>Risk Factors</i> " and include the fact that the Bonds may not be a suitable investment for all investors, certain risks relating to the type of particular Bonds and certain market risks.
<b>Rating:</b>	<p>The ratings assigned to the Bonds by the Rating Agencies reflect only the views of the Rating Agencies. Bonds issued under the Programme may be rated or unrated. Where a Series of Bonds is rated, such rating will be disclosed in the relevant Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency.</p> <p>Each Rating Agency will be a rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 (the <b>CRA Regulation</b>) (as amended). As such, each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority (<b>ESMA</b>) on its website in accordance with the CRA Regulation.</p>
<b>Distribution:</b>	Bonds may be distributed by way of a private or public placement and, as appropriate, on a syndicated or non-syndicated basis, as specified in the applicable Final

Terms, and subject to the restrictions set forth in "*Subscription and Sale*".

- Currencies:** Euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer (each a **Currency**) as specified in the applicable Final Terms.
- Maturities:** Such legal maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency, as specified in the applicable Final Terms.
- Issue price:** Bonds may be issued on a fully paid basis and at an issue price which is at par or at a discount to, or premium over, par, as set out in the relevant Final Terms.
- Interest:** The Bonds will be interest-bearing and interest will be calculated on their Outstanding Principal Amount. Interest will accrue at a fixed or floating rate (plus, in the case of Indexed Bonds, amounts in respect of indexation), as specified in the applicable Final Terms. Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer, as specified in the applicable Final Terms.
- Form of Bonds:** The Bonds will be issued in dematerialised form (*gedematerialiseerd/dématérialisé*) in accordance with Articles 468 *et seq.* of the Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) (the **Belgian Company Code**) and cannot be physically delivered. The Bonds will be represented exclusively by book entry in the records of the clearing system operated by the National Bank of Belgium (**NBB**) or any successor thereto (the **Clearing System**).
- Fixed Rate Bonds:** Fixed Rate Bonds will bear interest at a fixed interest rate determined separately for each Series. Fixed interest will be payable in arrear on the Interest Payment Dates in each year specified in the relevant Final Terms.
- Floating Rate Bonds:** Floating Rate Bonds will bear interest at a floating rate determined separately for each Series on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service as indicated in the applicable Final Terms. The margin (if any) relating to such Floating Rate Bonds will be agreed between the Issuer and the relevant Dealer, as specified in the applicable Final Terms. Interest Periods will be specified in the relevant Final Terms.
- Indexed Bonds:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Indexed Bonds

will be calculated subject to adjustment for indexation in accordance with Condition 7 (*Indexation*) and the applicable Final Terms.

**Interest Payment Dates, Interest Periods and Interest Rates:**

Interest in respect of the Bonds will be payable annually or semi-annually in arrear, unless otherwise specified in the applicable Final Terms. The length of the interest periods for the Bonds and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Bonds may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Bonds to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Optional redemption:**

The applicable Final Terms will indicate if the relevant Series of Bonds will be redeemable at the option of the Issuer upon giving notice to the Bondholders on a date or dates prior to such stated maturity and at prices and on such other terms as may be agreed between the Issuer and the relevant Dealer, in each case as specified in the applicable Final Terms.

**Redemption for Index Event:**

Upon the occurrence of any Index Event, the Issuer may, upon giving not more than 15 Business Days nor less than five Business Days' notice to the Bond Trustee and the Bondholders of the Indexed Bonds in accordance with Condition 6.3 (*Redemption for Index Event*), redeem all (but not some only) of the Indexed Bonds of all Series on any Interest Payment Date at the Outstanding Principal Amount (adjusted for indexation) plus accrued but unpaid interest.

**Redemption for tax reasons, illegality or other reasons:**

If at any time the Issuer satisfies the Bond Trustee:

- (a) that the Issuer would become obliged on the next Interest Payment Date to deduct or withhold from any payment of interest or principal in respect of the Bonds any amount for or on account of any present or future taxes, levies, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the laws or regulations of Belgium or any political subdivision thereof or any other authority thereof by reason of any change or amendment to such laws or regulations or any change in the application or official interpretation of such laws or regulations, in each case which change becomes effective on or after the Initial Issue Date; or
- (b) that the Issuer or any Paying Agent would be required to deduct or withhold any amount from any payment in respect of any Series of Bonds pursuant to FATCA,

then the Issuer may, upon giving not more than 90 days' and not less than 60 days' notice in writing to the Bond Trustee

and the Bondholders in accordance with the Conditions, redeem all (but not some only) of the relevant Bonds on any Interest Payment Date (or, in the case of paragraph (b) above, any date on or following that it becomes unlawful for the Issuer to perform such obligations or fund or maintain such participation) at par plus accrued but unpaid interest thereon.

**Withholding tax on the Bonds:**

All payments, including of interest and principal, in respect of the Bonds will be made without withholding or deduction for or on account of any present or future taxes, levies, duties, imposts, assessments or charges of whatsoever nature unless the Issuer or any Paying Agent is required by applicable law to make any payment in respect of the Bonds subject to any such withholding or deduction.

If the Issuer, the NBB, any Paying Agent or any other person is required by law 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 any Series of Bonds, subject to the terms of Condition 9 (*Taxation*) the Issuer, the NBB, the relevant Paying 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.

**Denomination of the Bonds:**

Unless otherwise specified in the Final Terms, the minimum denomination of the Bonds shall be €100,000 (or its equivalent in any other Currency as at the date of issue of the Bonds). The denominations will be specified in the applicable Final Terms.

**Status of the Bonds:**

The Bonds will constitute secured obligations of the Issuer and will rank *pari passu* without preference or priority in right of payment and point of security among themselves.

The Bonds represent the right of the holders of such Bonds to receive interest and principal payments from the Issuer in accordance with the terms and conditions of the Bonds (the **Conditions**) and the trust deed constituting the Bonds (the **Bond Trust Deed**) entered into by the Issuer and the Bond Trustee on the Initial Issue Date in connection with the Programme (as supplemented pursuant to a supplemental bond trust deed entered into by the Issuer and the Bond Trustee on or about the date hereof (the **Supplemental Bond Trust Deed**)).

**Listing:**

Application will be made to admit Bonds issued under the Programme to the official list of the Luxembourg Stock Exchange and to admit them to trading on the Euro MTF market of the Luxembourg Stock Exchange (the **Euro MTF Market**). The Bonds may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted

Bonds may also be issued. The applicable Final Terms will specify whether or not the relevant Series is to be listed and, if so, on which stock exchange(s).

**Purchase of the Bonds:**

Provided that no Event of Default has occurred and is continuing, a nominee of the Issuer or any other Obligor or a Subsidiary of any Obligor may at any time purchase Bonds in the open market or otherwise and at any time and, to the extent that such Bonds have not been cancelled, may resell them in the open market or otherwise at any price. However, such purchaser shall not be entitled to vote in relation to any STID Proposal for so long as it is a Bondholder.

**Use of Proceeds:**

The net proceeds of each Series of Bonds will be applied towards its general corporate purposes including:

- (a) to refinance indebtedness arising from the Authorised Credit Facilities from time to time; and
- (b) towards fees, costs, expenses, stamp, registration and other taxes incurred in connection with the above.

**Governing law:**

The Bonds and certain Finance Documents (including the Bond Trust Deed, the Common Terms Agreement, the Security Trust and Intercreditor Deed and the Master Definitions Agreement, but excluding the Initial Security Documents) (and any non-contractual obligations arising out of or in connection therewith) are governed by, and construed in accordance with, English law (except that Conditions 1 (*Form, Denomination and Title*) and 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*) of the Bonds with respect to the rules laid down in the Belgian Company Code shall be governed by, and construed in accordance with, Belgian law).

The Initial Security Documents (and any non-contractual obligations arising out of or in connection therewith) are governed by, and construed in accordance with, Belgian law

**Jurisdiction:**

The English courts have exclusive jurisdiction in relation to any dispute relating to the Bonds and the Finance Documents (including the Bond Trust Deed, the Common Terms Agreement, the Security Trust and Intercreditor Deed and the Master Definitions Agreement) and all related documents (and any non-contractual obligations arising out of or in connection therewith).

The Belgian courts have exclusive jurisdiction in relation to any dispute relating to the Initial Security Documents and all related documents (and any non-contractual obligations arising out of or in connection therewith).

**Selling restrictions:**

There will be restrictions on the offer, sale and transfer of the Bonds in the United States, the United Kingdom, Belgium, the

European Union, Japan and such other restrictions as may be required by law in the relevant jurisdictions in connection with the offering and sale of a particular Series of Bonds. See "*Subscription and Sale*".

## **RISK FACTORS**

*The following sets out certain aspects of the Programme documentation and the activities of the Issuer of which prospective Bondholders should be aware. The occurrence of any of the events described below could have a material adverse impact on the business, financial condition and/or results of operations of the Issuer and could lead to, among other things, Events of Default and/or non-payment of amounts under the Bonds.*

*This section of the Offering Circular describes the material risks that are known to the Issuer as at the date of this Offering Circular. This section of the Offering Circular is not intended to be exhaustive and prospective Bondholders should read the detailed information set out elsewhere in this document prior to making any investment decision. Further, prospective Bondholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Bonds. Bondholders may lose the value of their entire investment in certain circumstances.*

*In addition, while the various structural elements described in this document are intended to lessen some of the risks discussed below for holders of the Bonds, there can be no assurance that these measures will ensure that the holders of the Bonds of any Tranche receive payment of interest or repayment of principal from the Issuer in respect of such Bonds on a timely basis or at all.*

### **RISKS AFFECTING THE BUSINESS OF THE ISSUER**

The Issuer generates two types of income:

- (a) aeronautical income from airport fees and traffic charges which are typically levied on the basis of passenger numbers, maximum total aircraft weight, noise category and the length of time for which an aircraft is parked at the airport and are also linked to the rate of inflation, which is liable to change; and
- (b) non-aeronautical income from retail concession fees, car parking income, property rental income and income from the provision of operational facilities and utilities.

The following risks could affect one or both of these types of income which may, in turn, materially and adversely impact the Issuer's business, financial condition and results of operations.

#### ***Event risks***

##### *Macro-economic factors*

Changing economic circumstances may affect demand for travel. Leisure travel, which is a key market for the Issuer, is a discretionary consumer expense. During periods of economic slowdown, customers may reduce or stop their spending on travel, impacting passenger numbers and the propensity of passengers to spend in the shops and thereby impacting ultimately on the Issuer's income. In addition, economic conditions may impact the Issuer's operating costs and the costs and availability of capital and of the services of suppliers which are required by the Issuer.

Car parking income may also be affected by a change in the passenger mix in circumstances where outbound leisure travellers from Belgium are substituted by inbound passengers who would not generally use car parks. For the year ended 31 December 2016 car parking income of €14.3 million represented 7% of non-aeronautical revenues (€207.9 million).

In addition, fluctuations in exchange rates may impact spending by inbound passengers.

*The Issuer's aeronautical income could decline as a result of a reduction in flights, passengers or other factors outside the Issuer's control*

The number of passengers using Brussels Airport may be affected by a number of factors, including:

- macroeconomic events, whether affecting the global economy generally or the Belgian economy in particular;
- competition from other Belgian airports, other European airports and other competing modes of transport;
- industrial action;
- an increase in airfares due to increased airline costs;
- decisions by airlines regarding the number, type and capacity of aircraft (including the mix of premium and economy seats), as well as the routes on which particular aircraft are utilised;
- global pandemics or other health scares;
- disruptions caused by natural disasters (such as the volcanic eruption in Iceland in 2010);
- severe weather conditions at Brussels Airport causing flight cancellations and significant impact to airline schedules;
- acts of terrorism or cyber security threats;
- changes in domestic or international regulation;
- the quality of services and facilities, including the impact of construction projects;
- changes in airline ownership/alliance competition; and
- the development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems, the introduction of new transport links or technology and the increased use of communications technology.

A reduction in flights or a decrease in the number of passengers using Brussels Airport as a result of the factors noted above could have a material adverse effect on the Issuer's business, financial condition and results of operations.

*Exposure to airlines' actions or financial situations*

There are not, as at the date of this Offering Circular, any specific operating contracts between Brussels Airport and any of the airlines operating at Brussels Airport, apart from the operating principles as set out in the Brussels Airport Handbook (the **Handbook**), which is applicable and binding on all airlines operating at Brussels Airport. The Handbook contains the binding terms for all users of Brussels Airport, providing information on the main operational procedures, tariffs and quality requirements. As airlines have no obligations to the Issuer to have a given passenger load capacity, to provide a minimum volume of flights to and from Brussels Airport or to use a particular type of aircraft, there can be no assurance as to the level of the Issuer's future aeronautical income from any one or more airline operators. Levels of retail income at Brussels Airport and passenger spending may also be affected by such factors.

Individual airlines may suffer financial difficulties which force them to partly or completely discontinue their flight operations or to merge with others, thereby having to realign their flight operations from Brussels Airport to other airports. In addition, airline customers may refuse to pay the required charges.

Any loss of airline customers or failure to pay by such airline customers could have a material adverse impact on the Issuer if such losses cannot be mitigated by the take-up of the vacated slots by other airline customers.

Recent network reductions at Brussels Airport in 2016 include the discontinuation of the Jet Airways hub (owing to a re-allocation to Amsterdam in agreement with KLM and Delta), which previously offered flights to Newark, Toronto, Delhi and Mumbai, the discontinuation of American Airlines' service to Philadelphia (as part of a transatlantic restructuring), and a reduction in the number of flights offered by EasyJet and Vueling (following the introduction of Ryanair at Brussels Airport).

These have been or will be offset by the introduction of new services at Brussels Airport including (i) the commencement of services to Toronto by Brussels Airlines in April 2016 and to Mumbai in March 2017; (ii) new European services and aircraft upgrades by Brussels Airlines in 2016 and 2017; (iii) the introduction of new Ryanair services to Madrid, Milan and Malta in October 2016; (iv) the commencement of new daily services to Reykjavik and North America by low cost airline WOW Air in June 2017; and (v) the introduction of new leisure services by TUI fly in 2016 and 2017 and the upcoming introduction of this airline's B787-8 aircraft in March 2018.

#### *Reliance on major airline customers*

The Issuer has derived, and believes it will continue to derive, a significant portion of its turnover in any given year from a limited number of airlines. Actions taken by these airlines such as decisions to change flight times, ticket prices and flight routes could materially and adversely affect the financial performance of the Issuer. In addition, financial difficulties experienced by any significant airline customer could lead to a reduction or cessation of flights from Brussels Airport and could result in a particularly adverse effect on the Issuer if it is unable to mitigate such loss by the take-up of the vacated slots by other airline customers in a timely manner. There can therefore be no assurance as to the level of the Issuer's future aeronautical income from any one or more of these important airline operators.

The Issuer is engaging with most of its leading airline customers, in terms of traffic, to develop, on a case-by-case basis, strategies with each such airline customer. The implementation of such strategies is expected to raise the Issuer's aeronautical income. See "*Business of Brussels Airport – Resilient O&D Passenger Base and Diversified Airline Mix*" for more details.

Brussels Airport is the home of Brussels Airlines, Belgium's largest airline and the anchor airline of the Star Alliance hub at Brussels Airport. The Issuer is exposed to an extent to the actions and financial situation of Brussels Airlines. However, Brussels Airlines only represented 32% of Brussels Airport's total passenger traffic in 2015 and 35% in 2016 (Source: BAC Central Database), which makes the Issuer less exposed to customer concentration and less financially dependent on its anchor airline compared to the other European airports with which Brussels Airport competes.

Further, Brussels Airlines is 99.9% owned by SN Airholding, which is 100% owned by Deutsche Lufthansa AG (Source: [www.Brusselsairlines.com](http://www.Brusselsairlines.com)). The Issuer has built a strategic partnership with Brussels Airlines and the Lufthansa Group under which a common strategic vision for the development of the Star Alliance hub at Brussels Airport has been agreed among the relevant parties, allowing Brussels Airlines to further integrate into the Star Alliance network. Brussels Airlines' market position as a hybrid hub airline with low fare point-to-point operations is assured through its allocation as an independent airline within the Eurowings Group of the Lufthansa Group. Further integration into the Star Alliance network is expected to further diversify the Issuer's airline customer base, which in turn is expected to reduce reliance by the Issuer on

major airline customers (see "*Business of Brussels Airport – Resilient O&D Passenger Base and Diversified Airline Mix – Traffic growth*").

*Reduction of passenger demand due to increased cost to travel*

Spending on travel, especially leisure travel, is discretionary and price sensitive.

Fuel costs typically represent a large percentage of airlines' operating costs. Fuel prices fluctuate widely depending on many factors, including international market conditions, geo-political events and exchange rates. If fuel prices increase significantly above current levels, airlines may seek to pass on increases in fuel prices to their customers by increasing their fares, which may have a materially adverse impact on passenger numbers and the volume of ATMs. Likewise new regulations relating to, for example, security charges may also be passed on by airlines to their customers, which may have the same materially adverse impact.

*A decrease in passenger numbers or other factors outside the Issuer's control could reduce non-aeronautical income*

The Issuer's principal sources of non-aeronautical income include retail concession fees and car parking income, property rental income and income from other commercial services, including ground handling and IT.

Retail concession fees are driven by passenger numbers and by the propensity of passengers to spend in the shops at Brussels Airport. As noted above, there is a variety of factors which could adversely affect the number of passengers using Brussels Airport. Levels of retail income at Brussels Airport may also be affected by changes in the mix of long-haul and short-haul and origin and destination (**O&D**) and transfer and transit (**T&T**) traffic passengers (as long-haul and O&D passengers have, in the past, demonstrated a stronger propensity to spend in shops, compared with short-haul and T&T passengers respectively); economic factors, including exchange rates and changes in duty free regimes; retail tenant failures; lower retail yields on lease re-negotiations; redevelopments or reconfigurations of retail facilities at the airport, which can lead to a temporary or permanent decline in retail concession fees; reduced competitiveness of the Issuer's retail offering; stricter hand luggage and other carry on restrictions; and reduced shopping times as a result of more rigorous and time consuming security procedures. Car parking income could be reduced as a result of increased competition from other modes of transport to Brussels Airport, such as buses and trains. Any of these factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

*Business interruption*

The Issuer is exposed to the risk of accidents, including aircraft crashes. These accidents could result in injury or loss of human life, damage to airport infrastructure and short or long-term closure of Brussels Airport's facilities and may have an impact on passenger traffic levels.

In addition, Brussels Airport may suffer business interruption or disruption from a number of other events out of its control such as wars, riots, terrorist attacks (including cyber attacks), political action, blockades, fire or technical problems. Any interruptions or disruptions in the services that Brussels Airport provides could have a material adverse impact on the business, financial condition and results of the operations of the Issuer.

As Brussels Airport operates from a single site, any disruption to the efficient operation of Brussels Airport could have a material adverse impact on the Issuer. In particular, damage resulting from any of the above events may take considerable time to repair. The direct effect of such events and a prolonged period before rectification could have a material adverse impact on the business, financial condition and results of operations of the Issuer.

To mitigate the financial impact of a potential business interruption (including a business interruption which occurs as a result of a terrorist attack), the Issuer has obtained insurance coverage. See the section entitled "*Business of Brussels Airport – Insurance*" for a summary of the insurance that the Issuer has in place.

#### *Industrial action*

With around 20,000 individuals working at Brussels Airport (of whom there are the equivalent of 806 full time employees of the Issuer as at the date of this Offering Circular) (Source: BAC Management Reporting January 2017), relationships with employees, trade unions and other employee representatives are important to the running of Brussels Airport. Brussels Airport also relies on the employees of third party contractors for important services such as baggage handling. Existing labour arrangements and relationships may not prevent a strike or disruption in the future (whether by the Issuer's employees or by the employees of an airline operator or a third party contractor who provides services to Brussels Airport), and should these relationships deteriorate, the operation of Brussels Airport could be adversely affected, leading to a loss of revenue and increased costs associated with industrial disputes.

#### *Threats to security and terrorism*

The March 2016 Terrorist Attack occurred at Brussels Airport on 22 March 2016.

The consequences of any further terrorist attack may include cancellation or delays in flights, fewer airlines and passengers using Brussels Airport, liability for damage or loss and the costs of repairing damage. The implementation of additional security measures at Brussels Airport in the future, including stricter hand luggage and other carry-on restrictions as a result of more rigorous and time-consuming security procedures, could lead to additional limitations on airport capacity, overcrowding, increases in operating costs, reduced retail spend by passengers, delays to passenger movement through Brussels Airport and fewer passengers using Brussels Airport. In turn, this could materially and adversely affect the ability of the Issuer to pay interest on, and to repay the principal of, the Bonds.

To mitigate operational disturbances and other risks that may arise as a consequence of any future terrorist attack, the Issuer has increased the limit of its insurance coverage in relation to certain, applicable, risks (including addressing the costs associated with bodily injury, property damage, fire damage and business interruption that arise as the result of a terrorist attack). See "*Business of Brussels Airport – Insurance*" for a summary of the insurances that the Issuer has in place.

*The Issuer's insurance coverage might not be adequate or available in all circumstances.*

The Issuer benefits from insurance cover to protect against key insurable risks, including terrorism and business interruption. The Issuer takes credit risk on the performance of the insurance providers. The size of cover may not be adequate to meet lost income, reinstatement costs, increased expenses or other liabilities. The Issuer may not have, or may cease to have, insurance cover if the loss is not covered under, or is excluded from, an insurance policy, including by virtue of a deductible applying, the exhaustion of applicable cover limits or a policy operating as an excess policy or if the relevant insurer successfully avails itself of defences available to it, such as a breach of disclosure duties or policy conditions or misrepresentation. Moreover, there can be no assurance that if insurance cover is cancelled or not renewed, replacement cover will be available at commercially reasonable rates or at all.

Insurance cover for the Issuer is currently, and may in the future be, provided by a combination of insurance market entities. Any of these insurers could cease to offer current insurance cover if they become insolvent or lose their licences or authorisations.

See "*Business of Brussels Airport – Insurance*" for a summary of the insurances that the Issuer has in place.

### *Natural phenomena/adverse weather conditions*

In April 2010, Brussels Airport was forced to close due to the eruption of Eyjafjallajökull in Iceland resulting in no air transport movements for four consecutive days (16 to 19 April inclusive). This significantly impacted air transport movement and passenger numbers between 15 April and 20 April 2010. Brussels Airport's traffic recorded a 23% decline in that month compared to April 2009 (Source: BAC Monthly Management Reporting April 2010).

Any future natural phenomena or adverse weather conditions or other events causing prolonged closure of European airspace could have a similar or greater adverse impact on air transport movement and passenger numbers, affecting the Issuer's income.

To mitigate operational disturbance as a consequence of any damage to, or total loss of, property the Issuer has arranged appropriate insurance coverage against loss of "gross earnings" or loss of "gross profit", with a one business day equivalent deduction. See "*Business of Brussels Airport – Insurance*" for a summary of the insurances that the Issuer has in place.

### *Epidemic or pandemic diseases*

Previous international outbreaks of infectious diseases, such as the outbreak of SARS in 2003, and the resulting actions tabled by the World Health Organisation (including travel advisories), had a significant adverse effect on passenger demand for air travel. Brussels Airport (and Brussels Airlines) implemented special measures to mitigate the risks of the Ebola outbreak in 2014, such as the screening of each passenger and his/her baggage and the establishment of a specific communication platform. The introduction of these special and strict measures enabled Brussels Airport (and Brussels Airlines) to continue providing flights to the impacted countries (Source: Persbericht 23/06/2015 B-Air). In addition, Brussels Airport experienced increased passenger traffic during this period (in comparison to the same period in 2013), as a result of an increased number of non-government organisation employees and aid volunteers travelling via Brussels Airport in connection with the Ebola outbreak (as many other airports and airlines temporarily discontinued flights to the affected regions during the outbreak).

An outbreak of another epidemic or pandemic disease or any World Health Organisation travel advisories could have a material adverse effect on passenger demand for air travel. Any resulting reduction in passenger traffic could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

### *Reliance on suppliers and the outsourcing of key IT functions*

The Issuer is an operating company and has entered into contracts with third parties under which it has given or will give representations, covenants and indemnities as part of the transactions to which the contracts relate. The Issuer has sourced goods and services required for the operation of Brussels Airport from third party suppliers, including key IT functions and utilities. In certain cases, the Issuer may only be able to access goods and services from a limited number of suppliers and the transition to new suppliers of such goods and services may take significant amounts of time and require significant resources. A failure, refusal or inability (whether due to insolvency or otherwise) of a supplier to provide goods or services, which is beyond the Issuer's control could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

In terms of IT risks, the Issuer adopts a risk mitigation strategy of not outsourcing critical IT applications relating to airlines and airport critical operating processes. Although the Issuer may use third party services to ensure agreed service levels for Brussels Airport ICT (e.g. network, internet, FIDS/PAS, CUTE, firewall or telephony services), internal contract managers are available to maintain and keep the system running at agreed service levels and to take responsibility for the contents of the outsourcing contracts. Such contracts

are tendered for so that the internal contract managers are able to assess the most suitable tenders to minimise business risk, limit legal exposure and maximise business fit.

#### *Key personnel*

The Issuer's success depends, to a significant extent, on the continued services of its executive management team, which has substantial experience in the airport industry. There is no guarantee that any of the executive management team will remain employed by or seconded to the Issuer. The unexpected departure or loss of the services of one or more members of the executive management team could have an adverse effect on the Issuer's operations and/or the Issuer's financial condition or results of operations and there can be no assurance that the Issuer will be able to attract or retain suitable replacements.

### **COMPETITION RISKS**

Brussels Airport's market share may be adversely affected by competition from, among other sources, other Belgian airports (for example, Charleroi Airport for price sensitive low cost and leisure passengers; and Liège Airport for cargo business), other European airports (e.g. Paris' Charles De Gaulle Airport (**CDG**), Amsterdam Schiphol Airport (**AMS**), Düsseldorf Airport (**DUS**) and Frankfurt Airport (**FRA**)), other European low cost airports in the catchment area (e.g. Eindhoven Airport (**EIN**) and Cologne/Bonn Airport (**CGN**)), and the introduction of more high speed rail services (e.g. Eurostar). Please refer to "*Business of Brussels Airport – Brussels Airport's Competitive Position*".

### **REGULATORY RISKS**

#### *Licence*

The Licence is valid for an unlimited period. However, the King may, by Decree deliberated in the Council of Ministers, withdraw the Licence in the event of a material breach of the Licence conditions. Under the conditions set forth in the Transformation Decree, the Licence may be amended, revised or suspended; however, no such amendment, revision or suspension is being envisaged as at the date of this Offering Circular. The loss of the Licence would have a material adverse effect on the Issuer's business, financial condition and results of operations.

#### *Stable and Favourable Regulatory Framework*

The regulatory framework applicable to the Issuer currently provides for a clear, stable and favourable aeronautical pricing regime. As a result, the Issuer has historically been able to demonstrate strong predictability of the cashflow for its business. The existing regulatory framework may be amended from time to time by the Regulator, and no assurance can be given as to the effect of any such amendment.

The regulatory framework describes the regulatory framework as an 'adjusted single till'. This describes the 'glide path' to evolve from a Single Till towards a Dual Till over a period of a maximum 20 years (by 31 March 2026). This glide path is to be reached by consulting upon a tariff formula per quinquennium (five year period). However, the strong business performance during the quinquennium which began on 1 April 2011 and ended on 31 March 2016 (**QQ2**) resulted in a Regulated ROCE which is already in line with the consulted cost of capital (4.95% post tax real) after a period of ten years. This means that as of the quinquennium which began on 1 April 2016 and will end on 31 March 2021 (**QQ3**) the tariff formula has been set to ensure the Regulated ROCE remains in line with the regulated cost of capital.

See "*Business of Brussels Airport – Stable and Favourable Regulatory Framework*" and "*Airport Regulation – The Licence*" for more details on the Licence and the stable and favourable regulatory regime applicable to the Issuer.

### *Challenge of the Issuer's Environmental Permit before the Council of State*

As at the date of this Offering Circular, seven annulment procedures have been initiated before the Council of State challenging the decision by the Secretary for the Environment dated 30 December 2004 to renew the Issuer's Environmental Permit (defined below). Broadly, the complainants asserted that the Secretary for the Environment could not grant the Environmental Permit without having carried out a prior environmental impact assessment in accordance with Directive 85/337/EEG of the effects of certain public and private projects on the environment.

The Council of State has considered all of the annulment procedures and has dismissed all claims in their entirety through various judgments. The Environmental Permit relating to the operation of the airport is valid until June 2024.

See "*Airport Regulation – Other Regulatory Factors – Environment*" for more details relating to the Environmental Permit.

### *Ground Handling*

As at the date of this Offering Circular, Swissport (i.e. Swissport Belgium and Swissport Cargo) and Aviapartner (i.e. Aviapartner Belgium and Aviapartner Cargo) are providing the following handling services at Brussels Airport: (i) ramp handling for passenger aircraft; (ii) ramp handling for cargo flights; (iii) baggage handling; and (iv) freight and mail handling. Swissport and Aviapartner are providing these services under temporary licences due to the fact that the selection procedure is, as at the date of this Offering Circular, under judicial challenge.

In 2011, the Issuer launched a tender procedure for the award of ground handling services at Brussels Airport for the ensuing seven years. Both Flightcare and Swissport won this tender.

Aviapartner, being one of the two handlers at that time, submitted an unsuccessful tender application and challenged the tender procedure in summary proceedings before the president of the commercial court of Brussels. Menzies, who was placed third in the tender procedure, joined Aviapartner's court challenge.

The president of the commercial court of Brussels ruled on 29 June 2011 that the Issuer was not entitled to award the contract to Flightcare and Swissport pending judgment on the merits of the case. In the meantime, Aviapartner was permitted to continue its handling services at Brussels Airport.

In a judgment delivered on 19 November 2015, the commercial court of Brussels declared all related claims against BAC to be without foundation, stating that the tender procedure was executed in a careful and legitimate manner.

Aviapartner and Menzies have lodged an appeal against this judgment. The file is pending before the Brussels Court of Appeal, with pleadings expected to commence in 2018.

Menzies is claiming a provisional amount of €70,596,000 in damages. At the date of this Offering Circular, Aviapartner is only claiming a provisional amount of €1 in damages, but there is a risk that Aviapartner will make a further claim in excess of €1 in the future.

On 8 March 2013, Menzies requested interim relief from the Belgian Competition Authorities against the Issuer and the Belgian State. Pending a final decision on the challenge of the tender procedure, Menzies requested the Belgian Competition Authorities to authorise Menzies during the interim period to also perform ground handling services at Brussels Airport under the same conditions as Swissport and Aviapartner.

In October 2015, the Belgian State received a formal notice of default from the European Commission (the EC), which provided that the temporary licences could not be maintained because the regulation prescribes that handlers are to be appointed through a selection procedure. Furthermore, the Belgian State was urged to introduce legislation that provides an appropriate (e.g. quicker) appeals procedure process in relation to handling services provider selections.

As a result of the above, the regulatory framework for ground handling in Belgium was amended on 21 November 2016. As a result of the publication of the amended Royal Decree, the Minister of Mobility requested that the Issuer initiate a tender procedure. On 15 February 2017 a new tender procedure was formally published with an intention to award new licences as from 28 October 2018.

See "*Airport Regulation – Ground Handling*" for more details.

### *Tax*

As at the date of this Offering Circular, the Issuer is contesting a claim received from the Belgian tax administration of €15,620,423.96 in relation to a deemed increase in the value of a zone of land owned by the Issuer (also known as a “plan benefits tax”). A similar claim was provided to the Issuer by the Belgian tax administration in 2013 (for an amount in excess of €17 million), for which the full amount was successfully contested.

## **FINANCING AND SECURITY RISKS**

### ***Hedging Risks***

While the Issuer operates a hedging programme in accordance with the Hedging Policy, the Issuer is not required to fully or perfectly hedge its present or future interest rate or inflation exposure and may not in practice do so. There can be no assurance that the Hedging Agreements will adequately address the hedging risks that the Issuer will face from time to time. In addition the Issuer could find itself over-/under-hedged which could lead to financial stress. The Issuer is subject to the creditworthiness of, and in certain circumstances early termination of the hedging arrangements by, the hedge counterparties.

### ***There are certain limitations associated with the Security package***

The security package consists of:

- (a) the Mortgage;
- (b) the Mortgage Mandate;
- (c) the Business Pledge Agreement;
- (d) the Business Pledge Mandate;
- (e) the Receivables Pledge;
- (f) the IP Pledge Agreement; and
- (g) the Share Pledge (over the shares of DNB).

Investors should note that there are certain limitations associated with the security package described above. Certain of these are described in more detail in the remainder of this section "*Financing and Security Risks*", and, in addition, investors should note the discussion in the section "*Airport Regulation – Brussels Airport Real Estate*" as regards certain limitations or conditions associated with the terms under which the Issuer's

real estate assets (over which security will be granted pursuant to the Mortgage and the Mortgage Mandate) are held following their transfer to the Issuer by the Belgian State.

The new Belgian legal framework regarding movable asset security introduced by the law of 11 July 2013 (as amended from time to time and most recently by the law of 25 December 2016) (the **MAS Law**) will entail certain amendments to current Belgian security law. The MAS Law has not yet entered into force, but this is expected to occur on 1 January 2018 at the latest (subject to an implementing Royal Decree and/or further postponements by the legislator). The full impact of the MAS Law is not yet entirely clear. See the sections entitled “*Certain risks associated with the Business Pledge*” and “*Mortgage mandate and business pledge mandate*” for further information in relation to the MAS Law.

#### *Certain risks associated with the Mortgage*

Enforceability in relation to the security package will ultimately be a question of Belgian law. In particular, in this regard, and in connection specifically with the Mortgage, investors should note that:

- (a) in relation to all buildings to be erected in the future, those buildings will only be covered by the Mortgages either (A) if their construction has already started, or (B) if their construction is already planned (but not yet started) and the mortgagor has the right to erect the buildings, so that any future buildings would need to be secured either by a further mortgage, or by conversion of the Mortgage Mandate into mortgage security at the relevant time;
- (b) the registration of the Mortgage at the Belgian mortgage office is valid only for 30 years and must be renewed by the beneficiary before this term expires to preserve the registration and the ranking of the Mortgage. Therefore, the Mortgage would need to be renewed by the Security Trustee prior to the expiry of this term, i.e. 13 July 2043; and
- (c) in general, in order to enforce a mortgage which does not contain the loan itself in the notarial deed creating the mortgage, an executory title must first be obtained. This means that the debtor must first be ordered to repay the loan by a final court decision recognised in Belgium. Once an executory title is obtained, the secured creditor may proceed with the enforcement of the mortgage, i.e. it may seize the property and sell it by public auction. Therefore, enforcement of the Mortgage may be delayed while this process is followed.

#### *Certain risks associated with the Business Pledge*

In relation to the Business Pledge Agreement, investors should note that the registration of a business pledge is valid for 10 years and must be renewed by the pledgee before this term expires to preserve the registration and the ranking of the pledge. Therefore, the Business Pledge Agreement would need to be renewed by the Security Trustee prior to the expiry of this term, i.e. 13 July 2023.

Pursuant to the MAS Law, existing business pledges must be registered in a new pledge register within twelve months after the MAS Law enters into force, to maintain their existing ranking.

#### *Mortgage mandate and business pledge mandate*

Subject to Belgian law limitations and certain exceptions as described in this Offering Circular and the Finance Documents, the obligations of the Obligors under the Finance Documents are secured by, among other things, a Mortgage over the real property of the Issuer and DNB and a Business Pledge Mandate on the business of the Issuer and DNB. The Mortgage and the Business Pledge Mandate secure an amount of EUR 126,500,000 in aggregate, being a small proportion only of the total Secured Liabilities.

The Mortgage Mandate and the Business Pledge Mandate grant the right to the Secured Creditors to further secure their claims at any time in the future by creation and registration of an additional mortgage over the

real property and/or an additional pledge over the business. The additional mortgage(s) and/or business pledge(s) will become Security Interests on such date as they are registered and the ranking of the Security created thereby would also be determined on the date of such registration. As a result, there is a risk that other creditors of the Issuer and DNB take priority over the Secured Creditors to the extent that they have registered a mortgage and/or business pledge before the Secured Creditors (or the Security Trustee on their behalf) do so, although investors should note that the Issuer and the other Obligor(s) will provide a covenant under the CTA in relation to the non-grant of further Security Interests to creditors not acceding to the STID, and certain other permitted Security Interests.

The Mortgage Mandate and the Business Pledge Mandate may be exercised at any time by the Security Trustee acting upon the instructions of (a) any Qualifying Secured Creditor which by itself or together with any other Qualifying Secured Creditor(s) is or are owed Qualifying Secured Debt having an aggregate Outstanding Principal Amount of at least 20% of the aggregate Outstanding Principal Amount of all Qualifying Secured Debt then outstanding; or (b) the Facility Agent acting on the instructions of the Majority Lenders. They can be exercised without the involvement of the Issuer and DNB, who will have granted an irrevocable mandate to certain attorneys named in the Mortgage Mandate and the Business Pledge Mandate. It should be noted that, if a Belgian company is declared bankrupt, the court may determine that there is a hardening period, starting in any event not earlier than six months before the declaration of bankruptcy (the **Hardening Period**). Therefore, if the Mortgage Mandate and the Business Pledge Mandate are exercised during the Hardening Period, such mortgage or business pledge so created is deemed to be voidable security as new security for antecedent debt.

Subject as provided in the STID, the Security Trustee shall only be required, *inter alia*, to exercise any right or discretion under the Finance Documents (including, but without limitation, the exercise of the Mortgage Mandate and/or the Business Pledge Mandate) (i) if instructed to do so in accordance with the STID and shall in its discretion refrain from taking any such action unless and until instructed in accordance with the STID and (ii) subject always to the provisions of the STID including as to the indemnification and/or securing and/or pre-funding of the Security Trustee to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings (including legal and other professional fees in bringing or defending the same) which might be brought, made or confirmed against or suffered, incurred or sustained by it in connection therewith or as a result thereof. The Security Trustee shall not be liable to any person for any loss occasioned by any delay in taking or failing to take any such action.

The aggregate maximum amount which can be secured by the Mortgage, any mortgage resulting from the conversion of the Mortgage Mandate, the Business Pledge Agreement and any business pledge resulting from the conversion of the Business Pledge Mandate is as at the date of this Offering Circular EUR 1,600,000,000. This overall cap has been set by the Belgian Secretary of State in charge of Transportation.

The costs associated with the creation and registration of (an) additional mortgage(s) and business pledge(s) are substantial. On the basis of the currently available texts of the MAS Law, it is expected that costs for registering business pledges would decrease following the entry into force of the MAS Law.

#### *Statutory limitations*

In addition, the Royal Decrees pursuant to which certain real property was transferred by the Belgian State to the Issuer contain certain conditions which affect the granting of a security over such real property, including the following key restrictions:

- (a) A pre-emption right (right of first refusal) in favour of the Belgian State on the conditions offered by a third party, if there is a transfer of the relevant real estate to a third party (being a party other than the Issuer's subsidiaries within the meaning of the Belgian Company Code). In the Mortgage, the Secured Creditors (through the Security Trustee) must acknowledge such right of first refusal and agree that if (i) the sale of relevant property from the Belgian State to the Issuer is terminated because the Issuer no longer operates Brussels Airport or (ii) the Belgian State decides to exercise its

first refusal right to repurchase the real property, the Security Trustee will, upon receipt of a 'release amount', (A) grant express, irrevocable releases of the mortgage, the mortgage mandate and any further mortgage registered on the property pursuant to the mortgage mandate and (B) irrevocably order the cancellation of any and all registrations pertaining thereto with the competent mortgage registries.

- (b) A restriction pursuant to which the Issuer may not grant any mortgages or other security interests on the relevant real property as security for obligations that exceed the amount of the purchase price as determined in accordance with (or as set forth in) the relevant Royal Decree. The liabilities secured by the mortgage over the real property purchased in accordance with the Royal Decrees are therefore limited to an amount equal to the original purchase price for such real property as set forth in the relevant Royal Decree.

### ***Recognition and enforcement of security***

The granting of security interests is subject to validity and/or enforceability conditions. The breach of any of these conditions may render such security interests invalid or unenforceable. The enforcement of security interests may be subject to formalities (e.g. judicial or non-judicial consent) and may be time consuming if the enforcement takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a security interest and/or guarantee upon the evidence that the creditor has a final and undisputed claim triggering the enforcement of the security interest and/or guarantee. Enforcement of security interests and/or guarantees may be hindered by conflict of law and/or conflict of jurisdiction issues and public policy provision and/or mandatory legal provisions.

In addition, enforcement of the security interests in practice will be difficult owing to the specific nature of the security assets and the regulatory framework applicable to the Issuer.

### ***Modifications, waivers and consents in respect of Finance Documents and the enforcement of Security***

The STID provides that the Security Trustee shall seek the approval of Bondholders (through the Bond Trustee on their behalf) on certain matters, along with all other holders of Qualifying Secured Debt, as a condition to concurring in making certain modifications to or granting consents or waivers under the Common Documents or to the enforcement of the Security. It is possible that the interests of certain Qualifying Secured Creditors will not be aligned with the interests of a Tranche of Bondholders and therefore there can be no assurance that any modification, consent or waiver or the enforcement action taken will be favourable to all Bondholders. In the case of modifications, consents or waivers, such changes may be detrimental to the interests of some or all Bondholders, despite the ratings of such Bonds being affirmed. The votes of the Bondholders of the relevant Tranche may not constitute a majority in respect of any such matter, owing to the relative size of Qualifying Secured Debt which is capable of being voted by Authorised Credit Providers. Such risk is increased due to the fact that only the votes of those Bondholders who participate within the Decision Period specified in the STID will be taken into account. Therefore, Bondholders alone may not be able to control the outcome of any particular approval or enforcement process and it is possible that the Security Trustee may be given an instruction which is not in the interests of Bondholders.

The conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The conditions of the Bonds also provide that the Bond Trustee may, without the consent of Bondholders, agree to (i) certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds or (ii) determine without the consent of the Bondholders that any Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any

Bonds in place of the Issuer, in the circumstances described in Condition 14.3 (*Substitution of the Issuer*) (provided that the Bond Trustee may not enforce the Security or modify the STID other than pursuant to the STID).

### ***Voting by the Bondholders in respect of a STID Proposal***

The Bondholders exercise their right to vote at a general meeting of Bondholders or by passing a resolution in writing signed by or on behalf of all Bondholders in each case as provided in the Bond Trust Deed. In respect of modifications, consents and waivers to or under the Common Documents, the Bond Trustee (as Secured Creditor Representative) is required to notify the Security Trustee of the outcome of voting at such a meeting. The STID provides that as soon as the Security Trustee has received sufficient votes from the Secured Creditors (including the Bond Trustee as Secured Creditor Representative of the Bondholders) in favour of a consent, modification or waiver under a Common Document, the Decision Period will be closed and no further votes will be taken into account by the Security Trustee.

Accordingly, it is possible that a consent, modification or waiver under a Common Document may be approved by the Secured Creditors before Bondholders of a relevant Tranche of Bonds have participated in any vote (given that (i) a minimum of 15 days' notice is required for a general meeting of such Bondholders, and (ii) in the event that the requisite quorum is not present at the general meeting, then such meeting may be further adjourned) and any consent, modification or waiver of a Common Document duly approved by the Secured Creditors shall be binding on all of the Bondholders. However, investors should note that generally, under the STID, the minimum Decision Periods for approval of such matters by the Secured Creditors are extended to include the minimum period required for an adjourned meeting of Bondholders to be held if required.

## **OTHER LEGAL RISKS**

### ***Change of law***

The transactions described in this Offering Circular (including the issue of the Bonds) and the ratings which are to be assigned to the Bonds are based on the relevant law and administrative practice in effect as at the date hereof, having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulations which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this document nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Bonds.

### ***Security Trustee – Parallel debt***

The Security Trustee entered into the Security Documents as Security Trustee in accordance with the terms of the STID. As there is no established concept of 'trust' or 'trustee' under Belgian law, the security interests listed above will not be granted directly to the holders of the Bonds but will be granted only in favour of the Security Trustee.

The security interests have been granted in favour of the Security Trustee as an independent and separate creditor of a (parallel) claim for an amount equal to the secured obligations (the **Security Trustee Claim**) created to satisfy a requirement that the Security Trustee, as grantee of the security, be a creditor of the relevant secured obligations. The security interests directly secure the Security Trustee Claim, which is in the same amount and payable at the same time as the obligations of the Issuer and DNB under the Finance Documents (the **Secured Creditor Claim**). Any payment in respect of the Secured Creditor Claim shall discharge the corresponding Security Trustee Claim and any payment in respect of the Security Trustee Claim shall discharge the corresponding Secured Creditor Claim.

The Security Trustee Claim referred to above is contained in the STID, which is governed by English law. There is no assurance that such a structure will be effective before Belgian courts as there is no judicial guidance as to its efficacy, and therefore the ability of the Security Trustee to enforce the security may be restricted. The use of a parallel debt structure is, however, market practice in international financing transactions involving Belgian security. The security over shares and bank accounts will also be granted in favour of the Security Trustee as agent for the secured creditors in accordance with Article 5 of the Law on financial collateral of 15 December 2004.

Only the Security Trustee will have the right to enforce the security. As a consequence, holders of the Bonds will not have direct security and will not be entitled to take enforcement action, except through the Security Trustee. Holders of the Bonds therefore bear some risks associated with a possible insolvency or bankruptcy of the Security Trustee.

## **TAX RISKS**

### ***Change of tax law and practice***

The statements in relation to taxation set out in this Offering Circular are based on current law and the practice of the relevant authorities in force or applied at the date of this Offering Circular. Any changes in such law or practice might have an adverse effect on the financial position of the Issuer.

### ***Payments made in respect of the Bonds may be subject to Belgian withholding tax***

If the Issuer, the NBB, the Agent or any other person is required by law 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 Bonds, the Issuer, the NBB, the Agent, the Bond Trustee 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.

The Issuer will pay such additional amounts in respect of any taxes imposed by such relevant authorities as shall be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of the Bonds in the absence of such withholding or deduction except that no such additional amounts shall be payable in respect of any Bonds in the circumstances defined in Conditions 9.1(a), (b) and (c) of the Bonds.

Belgian withholding tax, as at the date of this Offering Circular, at a rate of 30%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an **N-account**) in the Securities Settlement System. Potential investors should be aware that any relevant tax law or practice applicable as at the date of this Offering Circular and/or the date of purchase or subscription of the Bonds may change at any time (including during any subscription period or the term of the Bonds). Any such change may have an adverse effect on a Bondholder, including that the liquidity of the Bonds may decrease and/or the amounts payable to or receivable by an affected Bondholder may be less than otherwise expected by such Bondholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

### ***The Proposed Financial Transactions Tax (FTT)***

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT.

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

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

However, the FTT proposal remains subject to negotiation between the participating Member States. Therefore, it may be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

***Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or in other jurisdictions***

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Offering Circular but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Bonds. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Offering Circular. Such taxes or documentary charges could also be due in the case of a possible change in the statutory seat of the Issuer. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

## **RISKS RELATING TO THE BONDS ISSUED UNDER THE PROGRAMME**

A variety of Bonds may be issued under the Programme. A number of these Bonds may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Bonds and those which might occur in relation to certain types of Exempt Bonds:

***If the Issuer has the right to redeem any Bonds at its option, this may limit the market value of the Bonds concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return***

An optional redemption feature of any Bonds is likely to limit their market value. The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The value of Fixed Rate Bonds may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Bonds involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Bonds, this will adversely affect the value of the Fixed Rate Bonds.

***Bonds which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

***There are particular risks associated with an investment in Indexed Bonds. In particular, an investor might receive less interest than expected or no interest in respect of such Bonds and may lose some or all of the principal amount invested by it***

The Issuer may issue Bonds with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Bonds with principal or interest payable in one or more currencies which may be different from the currency in which the Bonds are denominated. Potential investors should be aware that:

- (i) the market price of such Bonds may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Bonds in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Bonds. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by investment in any Bonds linked to a Relevant Factor and the suitability of such Bonds in light of its particular circumstances.

***Bonds which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.***

Bonds with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### ***Conflicts of interest generally***

Conflicts of interest may arise during the life of the Programme as a result of various factors involving certain transaction parties. For example, such potential conflicts may arise because one or more lenders to the Issuer may also act in other capacities under the Finance Documents, although the relevant rights and obligations under the Finance Documents are not contractually conflicting and are independent of one another.

### ***Conflicts of interest between Bondholders***

The Bond Trust Deed requires the Bond Trustee to have regard to the interests of all the Bondholders (so long as any of the Bonds remain outstanding) equally as regards all powers, trusts, authorities, duties and discretions of the Bond Trustee as if they formed a single class (except where expressly required otherwise). However, the Bond Trust Deed also requires that, in the event of a conflict between the interests of the holders of two or more Tranches of Bonds, it shall have regard to the interests of the holders of the Tranche of such class then outstanding with the greatest Outstanding Principal Amount.

### ***Limited liquidity of the Bonds; Absence of secondary market for the Bonds***

There can be no assurance that a secondary market for the Bonds will develop, or, if a secondary market does develop for any of the Bonds issued after the date of this Offering Circular, that it will provide any holder of Bonds with liquidity or that any such liquidity will continue for the life of the Bonds. Consequently, any purchaser of the Bonds must be prepared to hold such Bonds for an indefinite period of time or until the final redemption or maturity of the Bonds.

The liquidity and market value at any time of the Bonds are affected by, among other things, the market view of the credit risk of such Bonds and will generally fluctuate with general interest rate fluctuations, general economic conditions, the condition of certain financial markets, international political events and the performance and financial condition of the Issuer. This is particularly the case for Bonds 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 investor. These types of Bonds would generally have a more limited secondary market and more price volatility than conventional debt securities.

### ***Rating Agency assessments, downgrades and changes to Rating Agency criteria may result in ratings volatility in respect of the Bonds***

The ratings assigned by the Rating Agencies to the Bonds reflect only the views of the Rating Agencies and, in assigning the ratings, the Rating Agencies take into consideration the credit quality of the Issuer and structural features and other aspects of the transaction. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in, or unavailability of, information or if, in the Rating Agencies' judgment, circumstances so warrant. If any rating assigned to the Bonds is lowered or withdrawn, the market value of the Bonds may be reduced. Future events, including events affecting the Issuer and/or circumstances relating to the airport industry generally, could have an adverse impact on the ratings of the Bonds.

A confirmation from a Rating Agency that any action proposed to be taken by the Issuer will not have an adverse effect on the then current rating of the Bonds does not, for example, confirm that such action: (a) is permitted by the terms of the Finance Documents; or (b) is in the best interests of, or not prejudicial to, the Bondholders. While each of the Secured Creditors (including the Bondholders), the Security Trustee and the Bond Trustee (as applicable) are entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the Bonds would not be adversely affected by such action, the above does not impose or extend any action or contingent liability on that Rating Agency to the Secured Creditors (including

the Bondholders and the Bond Trustee) or the Issuer or any other person to create any legal relationship between the Rating Agencies and the Secured Creditors (including Bondholders and the Bond Trustee) or any other person whether by way of contract or otherwise.

Any such confirmation from a Rating Agency may or may not be given at the sole discretion of that Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information required to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a confirmation in the time available or at all. A confirmation from a Rating Agency, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction since the establishment of the Programme. A confirmation from a Rating Agency represents only a restatement of the then current rating of the Bonds and cannot be construed as advice for the benefit of any parties to the transaction of which the Bonds form a part.

Fitch has indicated that it will no longer provide ratings confirmations as a matter of policy. To the extent that a confirmation from a Rating Agency cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Finance Documents and specifically the relevant modification and waiver provisions.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

***Credit ratings may not reflect all risks relating to the Bonds***

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

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such a general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

***Modification, consent or waiver subject to Ratings Confirmation***

Under certain circumstances, in deciding whether to concur with the Issuer and any other relevant party in modifying, consenting to or granting any waiver in respect of any breach or proposed breach of any Common Document to which the Security Trustee is a party or over which it has the benefit of the Security under the Security Documents, the Security Trustee may rely on a Ratings Confirmation from the Rating Agencies in that circumstance in exercising any such power, trust, authority, duty or discretion or, as the case may be, in giving the relevant consent. The Rating Agencies may not provide their confirmation in the time available or at all, and they will not be responsible for the consequences thereof. A Ratings Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time. A Ratings

Confirmation cannot be construed as advice for the benefit of any party to the transaction. No assurance can be given that, although a Ratings Confirmation in respect of any particular change has been provided, such change will not have an adverse impact upon the business of the Issuer.

### ***Book-entry form, denominations and trading of Bonds***

The Bonds will be issued in dematerialised form (*gedematerialiseerd/dématérialisé*) in accordance with Article 468 *et seq.* of the Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) (the **Belgian Company Code**) and cannot be physically delivered. The Bonds will be represented exclusively by book entry in the records of the clearing system operated by the National Bank of Belgium (**NBB**) or any successor thereto (the **Clearing System**). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear Bank NV/SA (**Euroclear**) and Clearstream Banking, S.A., Luxembourg (**Clearstream, Luxembourg**). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg, and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between the participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the participants through which they hold their Bonds.

The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the Clearing System or its participants of their obligations under their respective rules and operating procedures. The Issuer will have no responsibility or liability for the records relating to, or the payments made in respect of, the Bonds within the Clearing System. The Issuer's obligations under the Bonds are discharged once it has paid the Clearing System and the Issuer therefore has no responsibility for any amount thereafter transmitted through Bonds of the Clearing System and custodians or intermediaries.

### ***The Domiciliary Agent is not required to segregate amounts received by it in respect of Bonds cleared through the Clearing System***

The Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds. The Conditions provide that the payment obligations of the Issuer will be discharged by payment to the Clearing System in respect of each amount so paid.

### ***The Bonds are subject to exchange rate risks and exchange control risks***

The Issuer will pay principal and interest on the Bonds 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. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. Moreover, if payments on certain Bonds are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease the Investor's Currency-equivalent yield on the Bonds, the Investor's Currency-equivalent value of the principal payable on the Bonds and the Investor's Currency-equivalent market value of the Bonds.

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.

***Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Bonds***

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in certain securitisation exposures and/or on the incentives for certain investors to invest in securities issued under such structures, and may thereby affect the liquidity of such securities. Investors in the Bonds are responsible for analysing their own regulatory position and none of the Issuer, the Dealers or the Arranger makes any representation to any prospective investor or purchaser of the Bonds regarding the regulatory treatment of their investment on the Issue Date or at any time in the future.

The Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as **Basel III**). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the **Liquidity Coverage Ratio** and the **Net Stable Funding Ratio**). Member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the Liquidity Coverage Ratio requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the Net Stable Funding Ratio requirements refer to implementation from January 2018). Implementation of Basel III requires national legislation and, therefore, the final rules and timetable for their implementation in each jurisdiction may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

Investors should consult their own advisers as to the regulatory capital requirements in respect of the Bonds and as to the consequences to and effect on them of any changes to the Basel framework (including the Basel III changes described above) and the relevant implementing measures and other applicable laws and regulations applicable to the investment in, and the holdings of securities such as the Bonds, including, without limitation, the Solvency II Directive and the Alternative Investment Fund Managers Directive. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

## **BUSINESS OF BRUSSELS AIRPORT**

### **OVERVIEW**

Brussels Airport is the principal airport serving Brussels and Belgium. It is located, both politically and economically, at the centre of the European Union, benefiting from a large catchment area spanning across Belgium, the South of the Netherlands and the North of France. The catchment area for Brussels Airport is one of the more densely populated areas of Europe. As at the date of this Offering Circular, over:

- (a) 7.5 million people live within a 60 minute drive of Brussels Airport;
- (b) 15 million people live within a 90 minute drive of Brussels Airport; and
- (c) 25 million people live within a 120 minute drive of Brussels Airport

(Source: SEO ADAC database, based on Eurostat).

A diverse airline customer base, resilient traffic mix (more than eight out of ten passengers were O&D passengers in the calendar year ended 31 December 2016) and the population density of its catchment area result in Brussels Airport having low exposure to the risks of the airline market and have ensured BAC has generated stable and secure revenues during the years from 2013 to 2016 (inclusive). Brussels Airport served 23.5 million passengers in 2015 and 21.8 million passengers in 2016. As at the date of this Offering Circular, Brussels Airport offers services through 66 passenger airlines and 13 cargo airlines via 206 passenger routes and 32 cargo routes (Source: OAG and published airline schedules). Passenger traffic levels and Brussels Airport's airline network continues to grow steadily, with further expansion mainly driven by Brussels Airport's partnership with the Star Alliance and the further growth of the low-cost travel market.

As at the date of this Offering Circular, the Issuer employs the equivalent of 806 full time employees and is led by an experienced management team. The Issuer is jointly owned, as at the date of this Offering Circular, 36% by Macquarie-managed funds (**MEIF I** and **MEIF III**), 39% by OTPP and 25% by the Belgian State (these percentages represent economic interests as at the date of this Offering Circular).

### **STRATEGICALLY ADVANTAGED LOCATION**

Brussels is the political and administrative centre of many international organisations. With Belgium as a founding member of the European Union (the **EU**), Brussels hosts the official seats of the European Commission, the Council of the European Union, and the European Council, as well as a seat of the European Parliament. In addition, Brussels is home to the headquarters of NATO and a number of other international organisations, including the World Customs Organisation and EUROCONTROL.

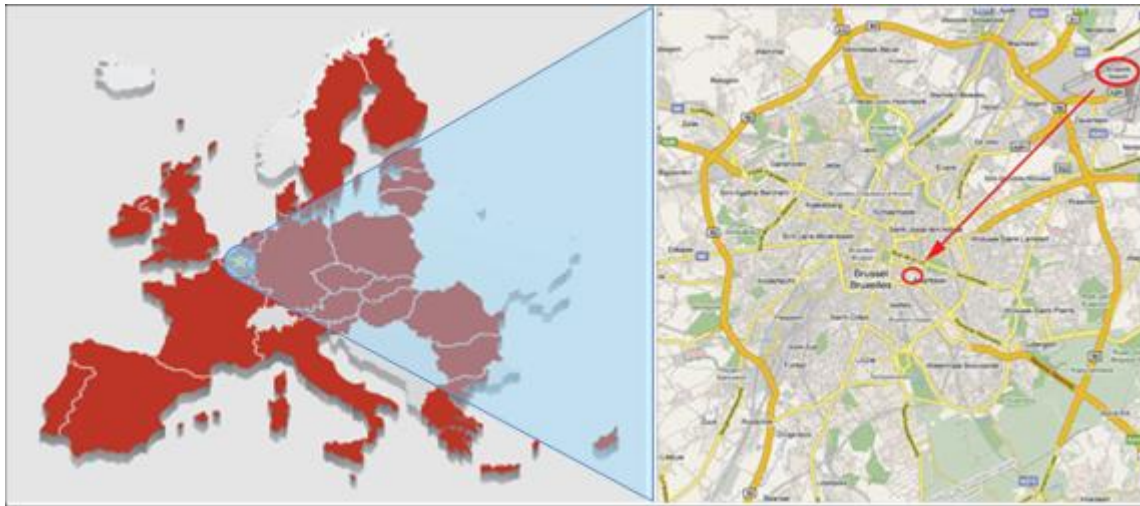
Brussels is a top business destination (ranked as the city with the highest number of international conferences hosted in Europe) and hosts over 2,000 international associations, some 300 diplomatic missions, and the world's largest foreign press corporations (Source: UIA, Union of International Associations and [conferencebelgium.be](http://conferencebelgium.be)).

Belgium is also a major European tourist destination, with approximately 8.4 million visitors per annum (source: Belgian Federal Government Statistics, published by Tourism Flanders (2015)). Belgium is home to nine UNESCO heritage sites and Brussels Airport is close to several cities frequented by tourists, including Bruges, Ghent and Antwerp. In addition, Antwerp is also a successful commercial city, as it is the location of the second largest ports in Europe (determined by the total freight that is shipped annually) and a leading European petrochemical cluster (Source: [www.portofantwerp.be](http://www.portofantwerp.be)).

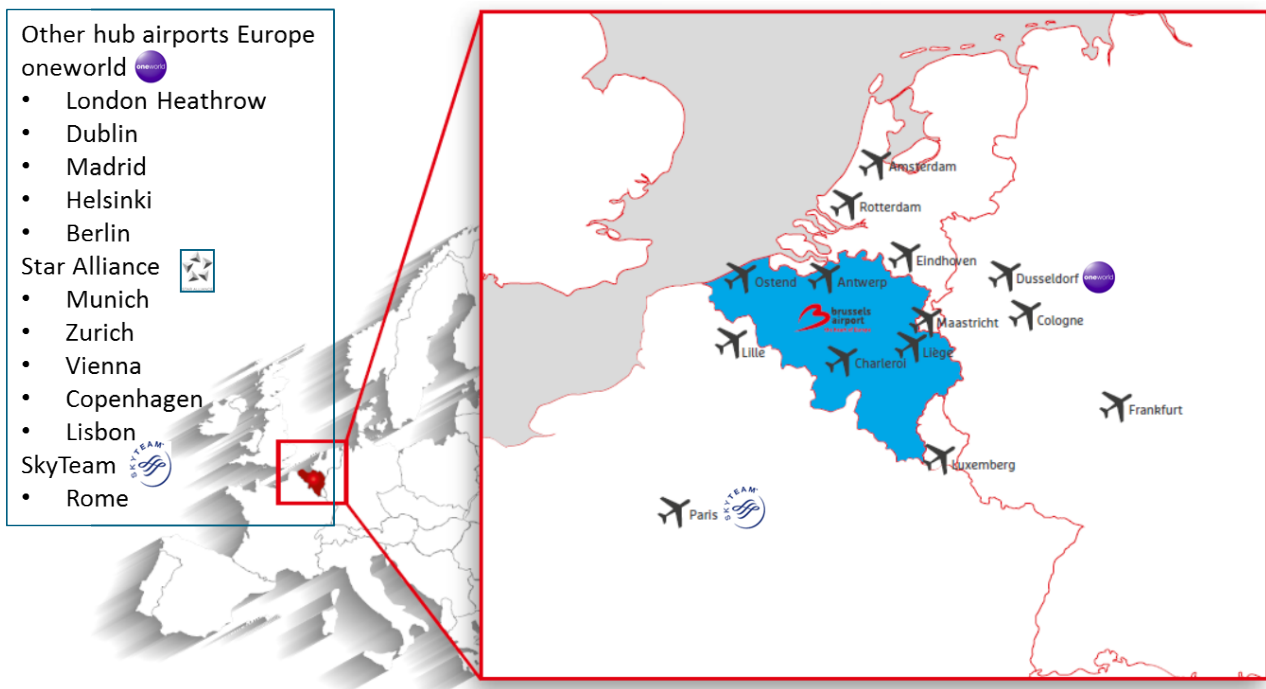
Brussels Airport is located in Zaventem, 15 kilometres from Brussels city centre. Brussels' EU Quarter is located between the airport and the city centre, as is NATO's headquarters.

Brussels Airport is one of the key Star Alliance hubs in Western Europe. Brussels Airport is well positioned to serve as a Star Alliance hub for U.S. bound traffic from regional cities in France and the UK (as compared with the airports of Frankfurt, Munich and Zurich) and a convenient point of transfer for the growing passenger traffic between the North American and African continents. Brussels Airport is able to accommodate the growth in traffic with its ample spare capacity (Source: BAC).

*Location map*



*Geographical location*



**Catchment Area**

Brussels is both the capital of Belgium (which has a total, national, population of 11.3 million as at the date of this Offering Circular) and a key political and commercial centre of Europe. Owing to its central location

in Western Europe, Brussels Airport's catchment area extends beyond Belgium. As at the date of this Offering Circular, some 8 million people live across the Belgian border, of whom 4 million reside in the North of France and 4 million in the South of the Netherlands. Over 15 million people live within a 90 minute drive of Brussels Airport, making it one of the most densely populated areas in Europe (with more than 25 million people living within a 120 minute drive) (Source: SEO ADAC database, based on Eurostat).

By way of comparison, as at the date of this Offering Circular approximately:

- (a) 5.6 million people reside within a 90 minute driving distance of Zurich Airport;
- (b) 3.1 million people reside within a 90 minute driving distance of Copenhagen Airport;
- (c) 6.4 million people reside within a 90 minute driving distance of Munich Airport; and
- (d) 10.6 million people reside within a 90 minute driving distance of Frankfurt Airport

(Source: SEO ADAC database, based on Eurostat).

### ***Surface Access***

Brussels Airport is located on the ring road around Brussels, with connections to the main motorways crossing Belgium: E19 Amsterdam – Paris; E40 Calais/Dunkerque – Cologne; E411 Brussels – Luxembourg. To support passenger access through this developed road network, significant car parking facilities are available at the airport and 12,000 public car parking spaces are within a short walk from the main terminal building (Source: BAC website [www.brusselsairport.be](http://www.brusselsairport.be)).

In addition to road transport access, Brussels Airport benefits from a dedicated railway station underneath the main terminal building, which was refurbished and expanded during the financial year ended 31 December 2011, further integrating Brussels Airport within the European rail network. Frequent direct trains connect Brussels Airport with Brussels North, Brussels Central and Brussels Midi stations (which run, as at the date of this Offering Circular, up to four trains per hour) as well as all main regional cities in Belgium (including new train links to Antwerp and other destinations which started in 2012). Thalys trains provide a direct rail connection between Brussels Airport and Paris, with a number of carriers, such as Brussels Airlines and Jet Airways, cross-selling tickets for the services to allow passengers an easier transfer between Paris and the relevant airlines' destinations via Brussels Airport. The dedicated railway station also provides new direct train links to the Netherlands.

In addition, Brussels Airport is served by local and regional buses from a bus station located underneath the main terminal. There are, as at the date of this Offering Circular:

- two lines to NATO and EU headquarters;
- 18 regional lines serving Belgian regional destinations;
- an hourly service to Antwerp; and
- a daily service to The Hague and Rotterdam.

### **STABLE AND FAVOURABLE REGULATORY FRAMEWORK**

#### *Stable and Favourable Regulatory Framework permitting strong predictability of future cashflow*

The Issuer is regulated by the Regulatory Service for Railway Transport and for Brussels Airport Operations ("*Dienst Regulering van het Spoorwegverkeer en van de Exploitatie van de Luchthaven Brussel-Nationaal/Service de Régulation du Transport ferroviaire et de l'Exploitation de l'Aéroport de Bruxelles-*

*National*") (the **Regulator**) under a regulatory framework enshrined in the Royal Decree of 21 June 2004, as amended from time to time (the **Licence Decree**), and the Royal Decree of 27 May 2004, as amended from time to time (the **Transformation Decree**). The regulatory framework provides for a clear, stable and favourable aeronautical pricing regime. As a result, the Issuer has historically been able to demonstrate strong predictability of the cashflow for its business.

Key features of the regulatory framework include:

- **Tariff consultation with the airlines.** The Licence Decree requires a period of consultation with the airlines in advance of each regulatory cycle of five years (each a **quinquennium**). Following a consultation period the Issuer will propose a final tariff structure and control formula for its airline customers to consider based on a building block approach defined in the Licence Decree (see "*Airport Regulation – Economic regulation*" for a detailed description of the building block mechanism). Each airline customer that does not agree with the proposed final tariff structure and control formula may file a complaint with the Regulator. An airline, or representative organisation, can appeal a final tariff structure and control formula proposal in the event that one or more of an exhaustive list of circumstances occurs (such circumstances are provided in Article 55, §2 of the Licence Decree). Article 55, §2 of the Licence Decree provides that an appeal can, for example, be lodged if the relevant licence holder has been deemed not to have conducted itself in a forthright manner during the consultation period, specifically with regard to the supply of information to the relevant parties. If negotiations during the consultation period are unsuccessful (i.e. a consensus is not reached), the Regulator may:
  - ratify the Issuer's tariff control formula proposal;
  - request a new consultation period in order to obtain approval from the airline customers on the Issuer's tariff control formula proposal after adjustments;
  - demand adjustments to the tariff control formula in compliance with the regulatory framework's principles; or
  - impose a new tariff control formula on the Issuer in compliance with the regulatory framework's principles.
- **Regulated aeronautical charges are based on a standard building block mechanism** – regulated aeronautical charges are agreed with airline customers, before the start of each quinquennium, following a consultation period. Such charges are determined using the building block approach, allowing for the recovery of reasonable costs and a fair return on regulated capital employed.
- **Dual Till, with an allowed return on regulated capital employed** – the Issuer operates under a Dual Till regime. Regulated aeronautical charges are set by considering aeronautical activities only, so that the Issuer achieves a fair return on its regulated capital employed. Non-aeronautical activities are unregulated.
- **A high degree of certainty on charges as no renegotiation of the tariff control formula by the airline customers is permitted during regulatory periods** – once agreed, the airline customers are not permitted to re-negotiate the relevant tariff control formula with the Issuer during that quinquennium.
- **Ability to pass through unforeseen externally imposed costs to airline customers** – the Issuer has the right, under Article 45 of the Licence Decree, to review the tariff control formula in a quinquennium in order to offset newly imposed costs by the government. Aeronautical charges could be increased to offset, for example, a new government imposed security directive or a new environmental measure to be taken. During the quinquennium which began on 1 April 2006 and

ended on 31 March 2011 the Issuer amended the tariff control formula following the introduction of additional security requirements following the implementation of a new government – imposed security directive in 2006. In 2017, a new consultation period will be initiated as a result of, *inter alia*, additional costs arising for the Issuer owing to more stringent security measures implemented as a result of the March 2016 Terrorist Attack and to ensure compliance with new fire safety regulations.

- **No clawback of unspent capital and operational expenditure** – the regulatory framework does not penalise the Issuer for under-spending on planned capital and operational expenditure. This flexibility encourages greater efficiency in operations, which ultimately benefits the Issuer and its airline customers alike in the medium to long term. For example, there was no clawback from airline customers of the higher returns the Issuer achieved in QQ2 as a result of the stronger than anticipated business performance at the time the charges were set for this quinquennium.
- **Unregulated aeronautical activities** – non-aeronautical income is unregulated. In addition certain other aeronautical activities are not subject to regulation, including ground handling, 400Hz ground power and pre-conditioned air services. These unregulated aeronautical activities comprised less than 4% of total aeronautical income in 2016. The business of the Issuer benefits from any upside to growth in revenue generated by such unregulated aeronautical services (Source: Monthly Management Report December 2016).

#### *Current Tariff Control Formula*

The regulatory framework permits the Issuer to recuperate a market-level aeronautical return on regulated capital employed (**Aeronautical ROCE**), assessed on the basis of market references using the weighted average cost of capital (**WACC**) method.

The current quinquennium (i.e. QQ3) commenced on 1 April 2016 and will end on 31 March 2021. As a result of the higher actual ROCE, there was a one time rebase of the tariff control formula by 7.7% at 1 April 2016 in order to bring the ROCE back in line with the cost of capital. Besides this immediate rebase, the tariff control formula in place for this quinquennium permits the Issuer to apply an annual increase of CPI+1.7% (where CPI is a historic Belgian Consumer Price Index figure determined by reference to the CPI figure in the month of September of the immediately preceding year), from 1 April 2016 until 31 March 2021. This tariff control formula is unconditional. However, based on market-levels prior to the start of the current quinquennium, the WACC was set at 4.95% (post tax real) for QQ3.

#### *Future Tariff Control Formulae*

The Issuer must initiate a consultation period with its airline customers 15 months before the start of each quinquennium by proposing a tariff control formula based on the building block approach, supported by traffic, revenue, cost and regulated capital employed (i.e. capital expenditure associated with regulated activities) forecasts and benchmarking information.

During the consultation period, the Issuer will propose a tariff control formula to its airline customers, adjusting the initial proposal for alternative capital expenditure programmes and growth expectations that meet both the Issuer's and the airline customers' objectives and expectations. Each airline customer may then file a complaint against the proposed tariff control formula during the consultation period. In the event that a complaint, or complaints, are filed, the Regulator will decide to either:

- (a) ratify the Issuer's tariff control formula proposal;
- (b) demand adjustments to the tariff control formula in compliance with the regulatory framework's principles (as a result of which the Regulator may also request a new consultation period in order to

obtain approval of the Issuer's tariff control formula proposal (reflecting the demanded adjustments) from the airline customers); or

- (c) impose a new tariff control formula on the Issuer in compliance with the regulatory framework's principles.

The building block approach defined in the regulatory framework is designed to allow recovery of costs associated with regulated activities and enable a fair return on regulated capital employed, while ensuring that regulated aeronautical charges remain competitive.

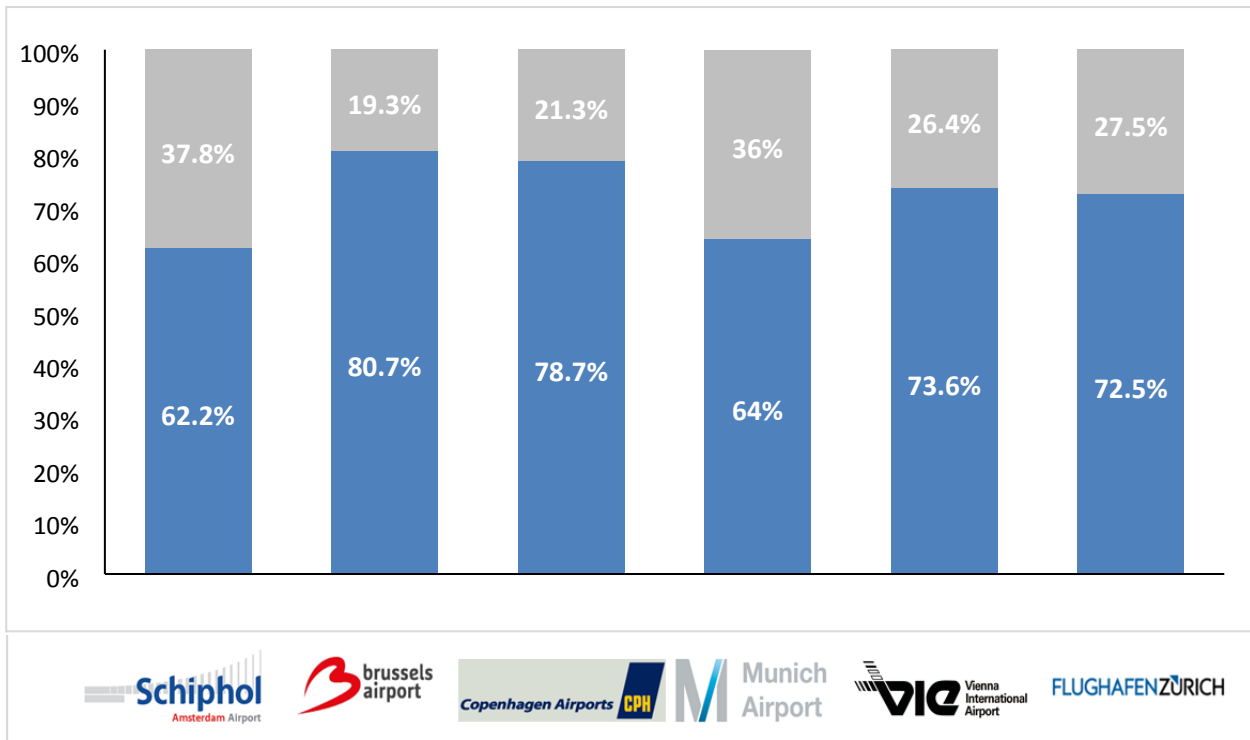
The regulatory framework does not seek to impose any claw back should the Issuer outperform expectations during each quinquennium. The Issuer is entitled to benefit from any upside should actual results beat forecasts during any quinquennium. Further, the regulatory framework does not penalise the Issuer for lower capital and operational expenditure than planned. The Issuer therefore has complete discretion (subject to maintenance capital and operational expenditure requirements set by management) over the capital expenditure programme and can control the timing and scope of capital expenditure based on its own project viability assessment. This flexibility encourages greater efficiency in operations, which ultimately benefits both the Issuer and the airline customers in the medium to long term.

### **RESILIENT O&D PASSENGER BASE AND DIVERSIFIED AIRLINE MIX**

In the financial year to 31 December 2016, 80.7% of Brussels Airport's passenger traffic was O&D traffic. The overall number of T&T passengers during 2016 grew from 17.8% to 19.3%. This 1.5% growth demonstrates the growing popularity of Brussels Airport as a Star Alliance hub. Brussels Airport has a higher proportion of O&D traffic compared to T&T (as demonstrated in the chart below), reflecting its significantly denser catchment area, relative to comparable, competitor, airports. Compared to T&T passengers, O&D passengers are generally less dependent on airline decisions regarding airport choice. In the case of T&T passengers, the airport choice is often driven by airline network strategy (i.e. whether an airline is based in one airport, for example, Brussels Airlines (single hub) or more than one airport (multiple hubs)) and the ease of the relevant connection.

O&D traffic is less volatile than T&T traffic, and, accordingly, provides resilient stable revenues, and the prospect of a stable rate of growth. With O&D representing more than 80% of passenger traffic, Brussels Airport is the least exposed to the risks of the airline market compared to the other Western European airports represented in the graph below.

Comparison of O&D (blue) and T&T (grey) at certain Western European Airports (as a % of total passenger numbers at each airport for the year ended 31 December 2016)



(Source: 2016 Annual Reports)

In 2016, flights were offered to 209 passenger destinations from Brussels Airport. The following table provides information in relation to the number of passenger destinations within each global region:

Region	Number of passenger destinations
Europe	143
Africa	40
North America	10
Middle East	6
Latin America	5
Asia	5

(Source: BAC BruTrends 2016)

The ten airlines that generated the most commercial passenger traffic at Brussels Airport in 2016 are represented in the table below:

*Airlines Serving Brussels Airport in 2016 as a % of commercial passenger traffic*

<b>Airlines</b>	<b>% of Brussels Airport total commercial passenger traffic</b>
1. Brussels Airlines	35%
2. Ryanair	11%
3. TUI fly	7%
4. Lufthansa	4%
5. Thomas Cook	3%
6. Vueling	3%
7. EasyJet	3%
8. Turkish Airlines	2%
9. SAS	2%
10. United Airlines	2%
Other Airlines	28%

(Source: BAC DataWareHouse)

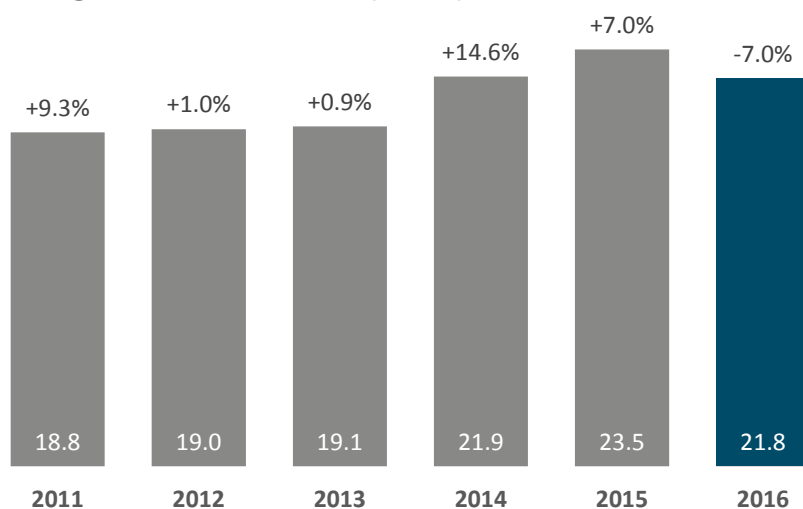
***Traffic and Customer Base***

*Development of Passenger Traffic*

In 2016, Brussels Airport welcomed 21.8 million passengers. This represented a 7% decrease in passenger traffic (being, 1.6 million passengers) from the record number of passengers who used Brussels Airport in 2015. Passenger traffic was impacted by the temporary closing and the gradual restart of Brussels Airport as a result of the March 2016 Terrorist Attack. However, the passenger traffic numbers in November and December of 2016 demonstrated a positive trend in comparison to November and December of 2015 (Source: BAC Monthly Management Reporting December 2016). It is anticipated that, as a result of the fear associated with the threat of terrorist attacks in Europe and Turkey (as well as the general political instability in the latter), the trend in decreased holiday traffic may continue. O&D traffic, to and from Brussels, also declined from 82.2% in 2015 to 80.7% in 2016, which is anticipated to be as a result of the decreased demand for European travel from locations which have historically represented profitable O&D regions for Brussels Airport such as Southern Europe, the USA and Asia (Source: Europe Assistance Holiday Barometer Report 2016). However, the number of transfer passengers increased by 4.6% from 2015 to 2016, which indicates the growing significance of Brussels Airport as a Star Alliance hub. Transit numbers decreased owing to Jet Airways relocating from Brussels Airport to Amsterdam during the first quarter of 2016. In 2016, passenger traffic increased by 4.1% from the previous year in relation to the low cost segment. An airline qualifies as a "low cost" provider if it sells seat-only point-to-point tickets at lower than market standard fares. Passenger traffic for all other segments decreased (including in relation to short-haul and long-haul flights, which fell in 2016 from the previous year by 5.1% and 1.6% respectively) (Source: BAC Monthly Management Reporting December 2016).

The evolution of total passenger traffic over the previous six years is illustrated in the chart below:

### Passengers - Annual evolution (in mio) - till 2016



(Source: BAC DataWareHouse)

Passenger traffic in 2015 was at a record high for Brussels Airport, with a total of 23.5 million passengers visiting, which represented an increase of 25% in comparison to the number of passengers that visited in 2011.

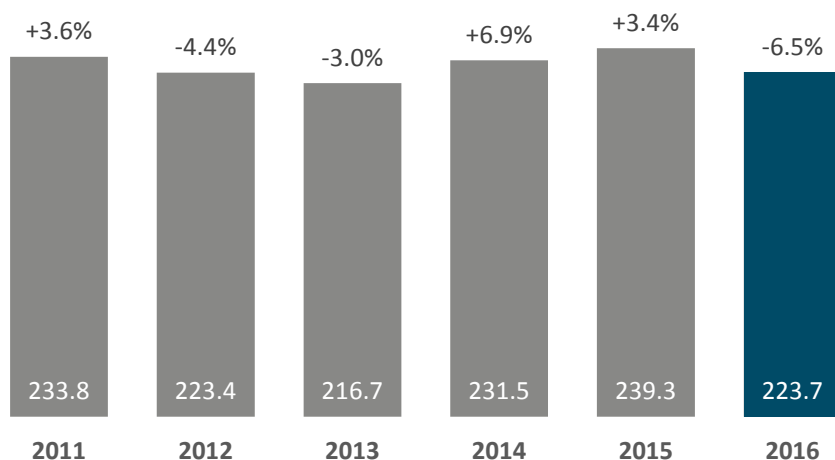
### ATMs

The total number of ATMs declined 223,700 in 2016 (decreasing by 6.5%, from 239,300 total ATMs in 2015). The 12-day, partial, closure and the temporary reduced capacity of Brussels Airport following the March 2016 Terrorist Attack negatively impacted the total number of ATMs.

In 2016, 86% of Brussels Airport's ATMs were related to commercial passenger traffic, 6% were connected to cargo aircraft movements, and the remainder were non-commercial, e.g. general/business aviation and military flights (Source: BAC DataWareHouse).

The evolution of the number of total ATMs over the previous six years is illustrated in the chart below:

## Total ATMs - Annual evolution (in thousands) - till 2016



(Source: BAC DataWareHouse)

The number of commercial passengers per ATM increased from 93 in 2011 to 113 in 2016 (being an increase of 22%) (Source: BAC Monthly Management Reporting December 2016).

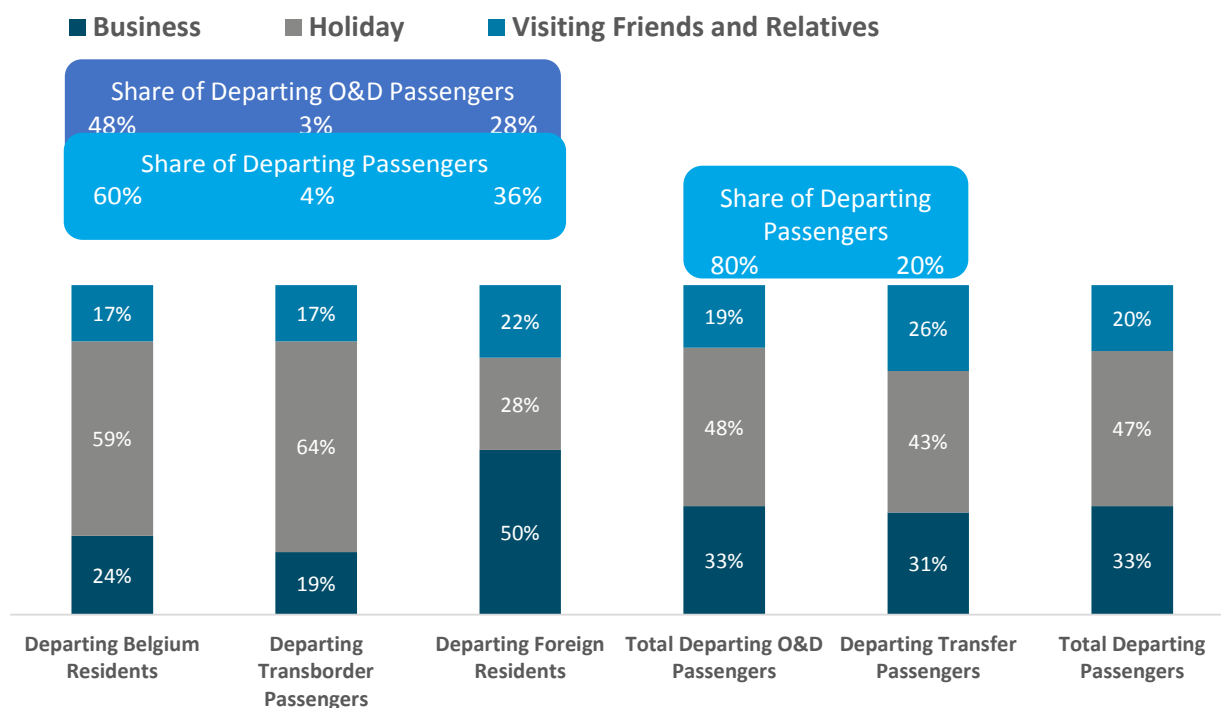
### *Passenger Profile in 2016<sup>2</sup>*

The stability of Brussels Airport's O&D passenger base is underpinned by a high volume of high-yield business travel from political institutions such as the European Union, the North Atlantic Treaty Organisation (NATO) and major multinationals based in and around the city of Brussels and within Brussels Airport's wider catchment area.

In 2016 the overall passenger profile at Brussels Airport consisted of 53% outbound travel (i.e. Belgian residents and travellers from the cross-border catchment areas of The Netherlands and France departing from Brussels Airport), 27% inbound travel (i.e. visitors to Belgium) and 19% transfer passengers. Amongst the outbound travellers 20% indicated they were travelling for business, 60% indicated they were travelling for leisure/holiday purposes and 17% indicated they were travelling to visit friends and/or relatives. Amongst the inbound passengers 48% indicated they were travelling for business, 30% indicated they were travelling to Belgium for leisure/holiday purposes and 23% indicated they were travelling to visit friends and/or relatives. Amongst transfer passengers, travelling via Brussels Airport, 31% indicated they were travelling for business, 43% indicated they were travelling for leisure/holiday purposes and 26% indicated they were travelling to visit friends and/or relatives (Source: Brussels Airport passenger surveys 2016, conducted from a sample size of 60,000 passengers).

<sup>2</sup> The passenger profile information collected in 2016 deviates from the trends demonstrated in previous years (which is understood to be a result of the impact of the March 2016 Terrorist Attack).

Comparison of passenger traffic figures categorised by purpose of travel at Brussels Airport (2016)



(Source: BAC passenger survey 2016, conducted from a sample size of 60,000 passengers)

*Aircraft Type*

Brussels Airport is served by a very wide variety of aircraft types, ranging from the four-seat Citation Mustang business jet to a Boeing 747-400 full freighter cargo aircraft. BAC is expecting to complete minor works in order to have the ability to accommodate A380 aircraft by early 2018.

*Route Network*

A total of 241 routes were provided from Brussels Airport in 2016, 209 routes were passenger destinations and 60 routes were cargo destinations (of which 28 were simultaneously passenger destinations). EU destinations accounted for 75% and non-EU destinations accounted for 25% of the total ATMs in 2016. Of the journeys to EU destinations, Schengen countries accounted for 70% of the total ATMs (and non-Schengen countries accounted for 30% of the total ATMs) (Source: BruTrends 2016).

The following table illustrates the growing share in Brussels Airport’s levels of passengers from airlines which were members of the Star Alliance between 2013 and 2016:

*Total passengers on commercial flights*

<b>Airline</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Adria Airways	58,890	65,656	90,655	102,592
Aegean Airlines	221,497	240,359	223,203	171,133
Air Canada	116,513	136,074	149,169	143,838
All Nippon Airways	0	0	17,537	83,397
Austrian	221,945	233,535	216,124	205,170
Brussels Airlines	5,968,099	6,706,069	7,508,647	7,676,935
Croatia Airlines	49,583	57,223	56,296	54,549
Egyptair	57,851	51,359	40,010	33,120
Ethiopian Airlines	32,929	38,575	42,820	45,897
LOT Polish Airlines	137,946	149,280	133,397	140,482
Lufthansa	821,992	821,352	862,661	813,221
SAS	450,113	446,705	458,547	430,077
Swiss	255,051	289,615	277,769	250,907
TAP Portugal	336,254	344,819	329,530	264,101
Thai Airways	84,692	85,893	99,611	101,434
Turkish Airlines	465,892	502,137	507,692	433,524
United Airlines	443,356	452,760	449,554	401,120
<b>Total Star Alliance*</b>	<b>9,722,603</b>	<b>10,621,411</b>	<b>11,463,222</b>	<b>11,351,497</b>
Total all airlines	19,105,431	21,904,723	23,423,267	21,789,327
% Star Alliance	50.9%	48.5%	48.9%	52.1%

\* based on alliance member list 2016

(Source: BAC DataWareHouse)

In 2016, Barcelona was the largest route operated to/from Brussels Airport, being utilised by 908,965 passengers. Madrid came second with 763,016 passengers, followed by Rome with 713,392 passengers (Source: BAC DataWareHouse).

No single destination accounted for more than 4% of total traffic in 2016 (Source: BAC DataWareHouse).

*Airline Analysis*

Relative to other European Airports, Brussels Airport remains extremely well diversified in terms of airline mix. 84 different airlines (passenger and cargo) operate from Brussels Airport, including Brussels Airlines (which is the anchor airline for the Star Alliance hub at Brussels Airport), TUI fly and Thomas Cook as home carriers, as well as a wide range of full service carriers from Europe, the Middle East, Asia and the U.S., low-cost carriers such as Ryanair (five based aircraft), EasyJet, Vueling, and other leisure carriers. Brussels Airport has a low customer concentration compared to other Western European airports, with Brussels Airlines only representing 35% of Brussels Airport's traffic in 2016 (Source: BAC DataWareHouse).

The airline mix at Brussels Airport is characterised by three features:

- Stable leisure charter segment: In 2016, leisure/charter airlines' share of total passenger traffic was 13% (Source: BAC Monthly Information Pack December 2016);

- Growing share of low cost airline passenger traffic: In 2016, low-cost carriers' share of passenger traffic was 19%; and
- Diversified airline mix and low dependency from a single airline compared to Western European peers: In 2016, Brussels Airlines (being the airline that generated the most commercial passenger traffic at Brussels Airport in 2016) accounted for 35% of the total passenger traffic at Brussels Airport. (Source: BAC DataWareHouse)

## **Growth Strategy**

### *Traffic growth*

BAC has five key strategic initiatives aiming to facilitate growth in both O&D traffic and T&T traffic at Brussels Airport. These initial strategic initiatives were introduced in 2006 and were further developed in 2010, when Brussels Airlines joined Star Alliance:

- further development of Brussels Airport as a Star Alliance hub around Brussels Airlines and the Lufthansa Group by increasing the number of short-haul and long-haul flights offered from Brussels Airlines to Star Alliance partners;
- the development of Brussels Airport as a global gateway for connecting flights utilised by key long-haul airlines;
- the introduction of new airlines, including THAI Airways Emirates and ANA since 2012, and continued work to progress potential business cases such as Singapore Airlines, SAA, Cathay Pacific and Air India;
- to strengthen the competitive position in relation to flights to leisure destinations by working with key airline customers, TUI fly and Thomas Cook Airlines, to anchor the networks at Brussels Airport and to increase route offerings and improve service offerings; and
- to support low cost carriers, including, Ryanair, EasyJet and Vueling, to achieve low-cost carrier penetration rates that are consistent with other comparable market participants, including the improvement of the competitive position vis-à-vis Charleroi Airport (see – "*Brussels Airport's Competitive Position*" below).

As part of the network development strategy described above, BAC aims to capitalise on the growth in long-haul passenger numbers given that non-EU passengers historically provide higher yields as these passengers have demonstrated a tendency to purchase a wider range of products and spend a greater amount of time at retail outlets, which results in the generation of higher concession fees. Brussels Airlines' membership of Star Alliance is an opportunity to attract other long-haul airlines to Brussels Airport and BAC supports this strategy by, *inter alia*, offering to provide airlines with flexible infrastructure solutions.

In respect of cargo traffic, BAC has announced the establishment of a new cargo hub for Finnair at Brussels Airport and also intends to grow into the full freighter traffic and Benelux hub of DHL.

### *Commercial revenue growth*

BAC is focused on improving the variety and quality of retail, food and beverage options offered at Brussels Airport by enhancing the quality of the retail space to maximise dwell and penetration rates and launching initiatives to expand the existing retail space and open new outlets in upcoming years. With the opening of the Connector in 2015, the new Topaas Plaza in 2016 and the recent renovation of the Pier A and Pier B shops BAC has implemented several projects to improve the passenger experience by offering a contemporary range of shops, restaurants and bars. In addition, the redevelopment of the "Gallery of Light"

(a location within Brussels Airport that is dedicated to passenger retail, food and beverage stores) is expected to be completed in 2017.

## STRONG HISTORICAL FINANCIAL PERFORMANCE AND RESILIENT EBITDA (PRE-SPECIFICS)

### *Historical Financial Overview And Current Trading*

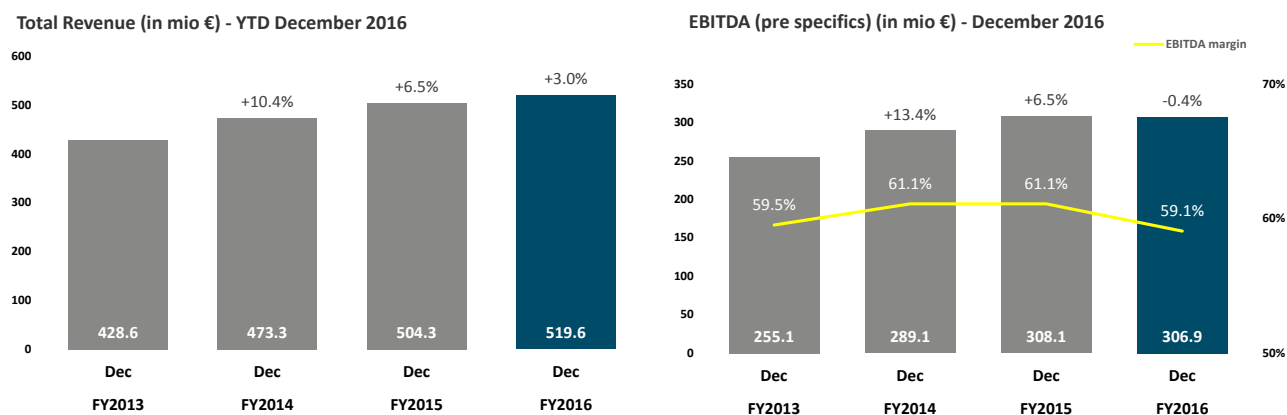
BAC has demonstrated a trend of consistent and strong historical financial performance in recent years with both aeronautical and non-aeronautical revenues growing at a compound annual growth rate (CAGR) of 2.9% and 13.5%, respectively, from 2013 to 2016.

The March 2016 Terrorist Attack has not drastically impacted the strong financial performance maintained over the previous three years, as evidenced by the following:

- (a) EBITDA (pre-specifics)<sup>3</sup> has increased from €255.1 million in 2013 to €306.9 million in 2016 (at a CAGR of 6.4%);
- (b) the EBITDA (pre-specifics) margin slightly decreased from 2013 (59.5%) to 2016 (59.1%); and
- (c) EBITDA (pre-specifics) per passenger has increased (from €13.3 per passenger in 2013 to €14.1 per passenger in 2016).

(Source: BAC Monthly Management Reporting December 2016)

### *Revenue and EBITDA (pre-specifics) (2013-2016, € million)*



*Note: revenue tables are reflected minus incentives and insurance proceeds are included in the 2016 revenue figures.*

(Source: BAC Monthly Management Reporting December 2016)

These factors, together with the refinancing which took place in 2013, have resulted in increased financial efficiencies (for example, continuous working capital improvements and a new Capex valuation framework), which enabled BAC to maintain stable and predictable cash flow generation from 2013 to 2016. Operating

<sup>3</sup> References to **EBITDA (pre-specifics)** in this Offering Circular mean EBITDA excluding one-off, exceptional, items that did not arise as a result of an action of management, being operating expenses with extraordinary and non-recurring nature. Examples of elements that were incorporated into the 2016 specifics include expenses related to (x) the preparation of a strategic plan in respect of the long-term development of the airport, (y) the setup of a SPV to facilitate the development of real estate and (z) the reconstruction, recovery and exceptional measures required in the aftermath of the 22nd March terrorist attacks.

cash flow increased at a rate of 3% per annum from 31 December 2013 to 31 December 2016 (Source: BAC Monthly Management Reporting December 2016).

### *Aeronautical Revenue*

A summary of the aeronautical revenues from 31 December 2013 to 31 December 2016 is provided in the following table:

<b>December 2016</b>	FY2013	FY2014	FY2015	<b>FY2016</b>	2013 -16 CAGR
( in mio €)					
Passenger Fees	244.7	285.5	305.7	269.2	3.2%
Landing & Take-off fees	36.8	40.1	42.0	38.8	1.8%
Parking fees	4.0	4.3	4.5	4.8	6.3%
400 Hz/PCA	6.1	6.6	6.7	6.5	2.1%
<b>Gross Aeronautical Revenues</b>	<b>291.6</b>	<b>336.5</b>	<b>358.9</b>	<b>319.2</b>	<b>3.1%</b>
less Incentives	-5.3	-13.6	-16.0	-7.6	
<b>Aeronautical Revenues</b>	<b>286.3</b>	<b>322.9</b>	<b>342.9</b>	<b>311.7</b>	<b>2.9%</b>

(Source: BAC Monthly Management Reporting December 2016)

During the period from 2013 to 2016, net aeronautical revenue less incentives increased in nominal terms from €286.3 million to €311.7 million, at a CAGR of 2.9% (Source: BAC Monthly Management Reporting December 2016).

### *Non-Aeronautical Revenue*

In 2016, BAC generated €207.9 million of non-aeronautical revenue, being 40% of total revenue (including the 2016 Insurance Proceeds). Excluding the 2016 Insurance Proceeds, non-aeronautical revenue represented 34% of the total revenue of BAC (Source: BAC Monthly Management Reporting December 2016).

From 2013 to 2016, non-aeronautical revenue has increased at a CAGR of 13.5% (or 3.5%, excluding the 2016 Insurance Proceeds), with the main driver of growth being increased sales of food and beverages (which attributed to a CAGR of 10%) (Source: BAC Monthly Management Reporting December 2016).

A summary of the commercial revenues for the four years from 31 December 2013 to 31 December 2016 is illustrated in the following table:

### *Commercial (Non-Aeronautical) Revenues*

<b>December 2016</b>	FY2013	FY2014	FY2015	<b>FY2016</b>	2013 -16 CAGR
( in mio €)					
Shopping	35.0	35.9	38.1	36.0	0.9%
Services	3.8	3.6	4.1	3.9	0.9%
Food & Drinks	13.5	15.7	18.6	18.0	10.1%
Advertising	5.9	6.5	5.9	5.2	-4.1%
<b>Car Parking &amp; Car Rentals</b>	<b>23.2</b>	<b>26.6</b>	<b>27.6</b>	<b>25.1</b>	<b>2.7%</b>
<b>Commercial Revenues</b>	<b>81.4</b>	<b>88.3</b>	<b>94.3</b>	<b>88.2</b>	<b>2.7%</b>
<b>Real Estate &amp; Property<sup>(1)</sup></b>	<b>35.9</b>	<b>35.6</b>	<b>38.7</b>	<b>40.7</b>	<b>4.3%</b>

Other Operating Income <sup>(1)</sup>	25.0	26.4	28.5	79.0	46.7%
<b>Total non-aeronautical revenues</b>	<b>142.3</b>	<b>150.3</b>	<b>161.5</b>	<b>207.9</b>	<b>13.5%</b>

*Note (1): the 2013 and 2014 figures have been restated in order to reflect the same underlying elements as the figures for the years ended 2015 and 2016 (“Check-In Revenues” were transferred from “Real Estate Property” to “Other Operating Income” in 2015).*

*(Source: BAC Monthly Management Reporting)*

### **Opex and EBITDA (pre-specifics)**

Between 2013 and 2016, operating expenditure (excluding one-off, exceptional, items that did not arise as a result of an action of management and depreciation and amortisation) (**Opex**) increased in nominal terms from €173.5 million in 2013 to €212.7 million in 2016, due to the increase in total passenger numbers at Brussels Airport and the introduction of new airlines generating additional maintenance operations, personnel costs, commercial marketing and passenger services. Opex also increased in 2016 as a result of additional security measures being implemented in response to the March 2016 Terrorist Attack (Source: BAC Monthly Management Reporting December 2016).

To mitigate the increase of Opex, savings have been realised in utilities and other cost saving initiatives such as the limitation of discretionary expenses. As a result, BAC maintained the same level of Opex per passenger between 2013 and 2016, excluding the 2016 Insurance Proceeds (Source: BAC reporting).

The increase in Opex during the period from 2013 to 2014 was primarily a result of inflation, traffic growth, an increase in the number of full-time employees and the acquisition of resources to support the strategic initiatives together with the introduction of airport crew services to better assist passengers throughout their journey.

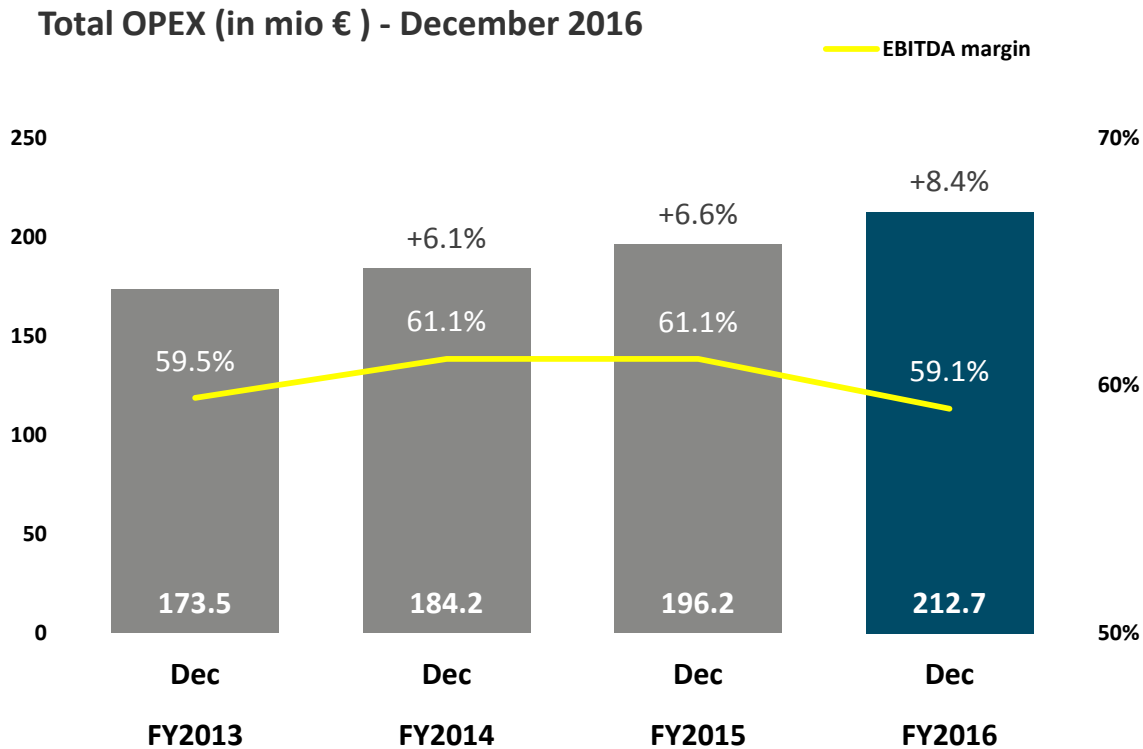
The increase in Opex during the period from 2014 to 2015 was primarily a result of inflation, traffic growth, the opening of the Connector, the outsourcing of the winter operations and a further extension of airport crew services.

The increase in Opex during the period from 2015 to 2016 was primarily a result of an increase in the number of full-time employees at BAC, the introduction of additional security measures at Brussels Airport and that bussing services, which were previously provided by a third party, are now being provided by BAC.

BAC achieved strong EBITDA (pre-specifics) growth in the financial year ended 31 December 2015. However, EBITDA (pre-specifics) decreased by 0.4% in the financial year ended 31 December 2016. In 2016, EBITDA (pre-specifics) was impacted due to the fact that insurance proceeds were not sufficient to cover the loss in revenue that arose as a result of the March 2016 Terrorist Attack.

EBITDA (pre-specifics) per passenger increased from €13.3 per passenger in 2013 to €14.1 per passenger in 2016. Despite the increase in Opex during 2016, Brussels Airport maintained an EBITDA (pre-specifics) margin above 59% between 2013 and 2016 (Source: BAC Monthly Management Reporting December 2016).

*EBITDA (pre-specifics) Margin vs. Opex Evolution (2013-2016)*



*(Source: BAC Monthly Management Reporting 2016)*

**MANAGEMENT TEAM**

***Management and Shareholder Structure***

BAC benefits from a strong senior management team with a significant number of years of experience gained either from working within BAC or within the aviation industry and/or other relevant industries. The management team has a strong and proven track record in the development of BAC and increasing the profitability of BAC. The management team has consistently demonstrated the ability to implement strict cost control plans and to strategically position the business to maximise revenue opportunities from the existing asset base. The following section summarises the key members of the senior management team, all of whom are based at Brussels Airport, BE-1930 Zaventem:

- Arnaud Feist (Chief Executive Officer)*** – Arnaud has been the Chief Executive Officer and a Board Member of BAC since February 2010. He joined BAC as Chief Financial Officer in 2005, soon after the privatisation of the airport. A member of the Management Board, he was responsible for Finance, ICT, Procurement and Risk Management. Prior to joining BAC, Arnaud worked for PwC and then SCA Packaging Group, where he held various senior management positions in Finance, M&A and IT, and finally as Vice-President Finance & ICT for the €3 billion European Division. Arnaud has a Master's degree in Business Engineering from Solvay Business School (Brussels University) as well as a Master's degree in Tax Law. From June 2013 to June 2015, Arnaud was President of the European airports trade body, Airports Council International Europe (**ACI Europe**) and is currently a member of the ACI Europe Executive Committee and the Treasurer of the Board and a member of the Executive Committee of Airports Council International World. Arnaud is member of the Strategy Committee of the Federation of Enterprises in Belgium, and a member of the Board of the Flemish Chamber of Commerce and Industry and the Brussels Chamber of Commerce.

- Marc-André Gennart (Chief Financial Officer & ICT Director) – Marc-André is the Chief Finance Officer and ICT Director of BAC. He joined BAC in 2010. Prior to BAC, Marc-André worked as a Business Controller Ground Handling and as a Corporate Controller at the Sabena Group and as a Finance and Administration Director at Flightcare Belgium. For some time, he worked as an expatriate in South America for Belgian multinationals. As Chief Finance Officer Marc-André provides overall financial leadership to BAC. He is in effect the team leader of the Finance and ICT teams, setting guidelines and direction, and making organisational changes where necessary. Marc-André holds a five year Master's Business degree in Commercial Engineering from the Catholic University of Leuven.
- Dennis Lagast (Treasurer) – Dennis is the Treasurer of BAC and is responsible for Corporate Finance, Treasury, Credit Control, Risk Management and Insurance. Dennis joined BAC in 2012, having previously held management positions at ING Investment Management, GMAC Financial Services and Randstad Financial Services. He has 11 years of experience in corporate finance and treasury. Dennis graduated from the University of Antwerp and holds a Master of Business Administration degree from the Vlerick Business School.
- Yves Van Hooland (Infrastructure and Real Estate Director) – Yves is the Infrastructure and Real Estate Director at BAC. Yves joined BAC in 2010. Yves is the current Chief Executive Officer of DNB. Prior to joining BAC, Yves held several management functions at ING, PwC, De Poste – LaPost, AOS-Studley and McKinsey. Yves holds a Master of Business Administration degree from the University of Chicago and a Master's degree in Real Estate Management from the Solvay Business School.
- Veronique Vogeleer (Human Resources, Communication & Marketing Director) – Veronique Vogeleer has been the Human Resources & Corporate Communications Director at BAC since 2010. In 2017 Veronique was also appointed as the BAC Marketing Director. Veronique has had 22 years of experience in the field of human resources and three years in sales operations. Prior to taking up this position, Veronique held several management functions at the Delhaize Group during a period of 13 years. Before this, Veronique worked as a human resources consultant at Securex and Selor. Veronique studied Industrial and Experimental Psychology at the University of Brussels. She also has a postgraduate degree in Business Administration from the University of Antwerp and completed the Advanced Management Programme at Vlerick Management School.
- Marleen Vandendriessche (Legal & Regulations Director) – Marleen is the Regulations Director at BAC. She joined BAC in 2009. Prior to joining BAC, Marleen held several management functions at General Motors Belgium & GM Europe. Prior to that she was legal counsel at Econocom (a company offering ITC products) and legal counsel at Alcatel Bell. Marleen started her career as a lawyer at Teughels in Antwerp. She studied Law at the University of Leuven and she has also a Master's degree in Business Law from the University of Antwerp.
- Ward Decaluwe (Passenger Experience Director) – Ward was appointed as Passenger Experience Director at BAC in 2017. Ward joined BAC in 2008. Ward has 24 years of experience in the industry with managerial positions at BAC, Sabena Handling and Brussels Airlines. Ward graduated from Vrije Universiteit Brussels and holds a Master of Business Administration degree from Vlerick Business School.
- Lode Ketele (Compliance & Operations Continuity Director) – Lode joined BAC as Head of Airside Services in April 2015, leading Brussels Airport Airside Operations. He was appointed as the Director for Compliance & Operations Continuity in March 2017. With over 20 years of aviation experience, Lode has held various key management roles in the Belgian aviation industry. His experience encompasses all aspects of aircraft and helicopter maintenance, aircraft leasing, project, human resources and crisis management. Lode holds a Master of Business Administration degree and B2B Marketing degree from Vlerick Business School.

OTPP and Macquarie-managed funds (MEIF I and MEIF III) are long-term supportive investors in BAC with significant experience in owning and managing airport and other infrastructure businesses:

- OTTP:
  - (i) With approximately CAD 171 billion in assets, OTTP is the largest single-profession pension plan in Canada. It is an independent organisation running and investing pension fund assets for approximately 316,000 active and retired teachers in Ontario;
  - (ii) Other current airport investments include Birmingham, Bristol and Copenhagen and London City Airport; and
  - (iii) OTTP acquired MAs' 39% economic interest in Brussels Airport in October 2011. MAs' executives were retained by OTTP, providing deep airport expertise and a strong track record in management. In 2011, OTTP acquired a dedicated aviation team with significant operational experience in the airport sector (**OAIL**). OAIL is a controlled subsidiary of OTTP focused on the management of OTTP's airport portfolio, as well as incremental acquisition opportunities.
  
- Macquarie European Infrastructure Fund I and Macquarie European Infrastructure Fund III:
  - (i) Macquarie Infrastructure and Real Assets (**MIRA**), the manager of the MEIF I and MEIF III, is the largest infrastructure asset manager globally (Source: Towers Watson, Global Alternatives Survey 2016, and 2010-2014 (published July 2016, July 2015, July 2014, July 2013, July 2012, July 2011 and July 2010). Based on assets managed on behalf of pension funds globally);
  - (ii) MIRA has a team of approximately 490 experienced professionals managing investments in 129 portfolio companies across 45 funds with A\$136 billion of assets under management (as at September 2016);
  - (iii) MIRA has significant expertise and experience in the airport sector, managing its funds' current interests in Aberdeen, Brussels, Copenhagen, Delhi, Glasgow, Hobart, Hyderabad and Southampton Airports; and
  - (iv) MEIF I and MEIF III own a combined stake of 36% in Brussels Airport. MEIF I acquired its stake in 2004 as part of Brussels Airport's privatisation, while MEIF III acquired its stake in 2008.
  
- Belgian State (rated AA-/Aa3/AA by each of Fitch, Moody's and Standard & Poor's respectively as at the date of this Offering Circular) owns a stake of 25% in Brussels Airport and has been a shareholder of BAC since the privatisation of BAC in 2004.

### ***Shareholders' Ratings Commitment***

The 2009 Remedial Action Plan (**2009 RAP**) refers to a three-year strategy that was initiated by the BAC shareholders to restore the Issuer's investment grade credit rating following a downgrade by Standard & Poor's in July 2009. The 2009 RAP included certain operational initiatives and financial initiatives designed to restore the Issuer's investment grade credit rating. Operational initiatives included: realisation of operating expense efficiencies; the introduction of a more stringent capital expenditure appraisal framework; and an amended working capital management policy. The 2009 RAP included financial initiatives such as: a significant reduction of distributions to shareholders payment of interest only on the profit participating loan; and the early repayment of €100 million of term loan in 2011.

## INFRASTRUCTURE OF BRUSSELS AIRPORT

### *Airport Infrastructure*

Brussels Airport is situated on a site of 1,245 hectares, approximately the same size as London's Heathrow Airport. The airfield of Brussels Airport consists of three runways, two parallel and one crosswind runway. (Source: BAC website [www.brusselsairport.be](http://www.brusselsairport.be))

Brussels Airport has a single, midfield terminal complex consisting of two Piers (**Pier A** and **Pier B**) and the Connector, operated through a single arrivals and departures building, which is located between the two parallel runways. The Piers serve 55 contact stands and 55 remote stands (reachable by bus from 22 bus gates). There are nine additional B747F aircraft stands in the Brucargo zone (Source: BAC website [www.brusselsairport.be](http://www.brusselsairport.be)).

The main terminal area property consists of 47,000 square metres of office space and 430,000 square metres of space in other buildings.

The layout and key features of Brussels Airport are shown below:



Source: BAC

### *Car Parking*

Brussels Airport has approximately 12,000 public passenger parking spaces and most car parks are located within walking distance of the main terminal building (Source: BAC website [www.brusselsairport.be](http://www.brusselsairport.be)).

### *Capacity*

Based on the current runway system and airport site configuration, BAC believes Brussels Airport to have an *ultimate* capacity of 60 million passengers per annum (**mppa**)\*. Brussels Airport's current capacity, however, is limited by the current terminal facilities, which have an estimated capacity of approximately 25 mppa under current daily use patterns (Source: BAC Aviation Development team).

\***Ultimate** capacity reflects the capacity of the airport's runway system. The runway system is understood to have the capacity to handle 74 ATMs per hour. As at the date of this Offering Circular, the current legislative

curfew permits up to 16,000 night slots, of which 5,000 may be used for take-offs. The legislative curfew prohibits night time take-offs during weekends.

Prior to the collapse of Sabena in November 2001, Brussels Airport handled 22 mppa, significantly more than the passenger throughput of 21.8 mppa in the year ended 31 December 2016. The loss of T&T traffic upon Sabena's collapse created significant excess capacity at the airport. O&D traffic at Brussels Airport has since increased and, although below the historical high T&T traffic has increased significantly since Brussels Airlines joined Star Alliance in 2009 leading to some capacity constraints being experienced in peak times at both Pier A and Pier B. These are created by a need for network carriers to operate in waves to ensure short connectivity times for their passengers.

### ***Terminal***

Brussels Airport's terminal facilities include check-in and central dwelling areas, as well as the main baggage system, immigration control, customs and baggage reclaim. Passenger security screening is as at the date of this Offering Circular located in the Connector, with retail, food and beverage offerings located next to the passenger security screening facilities and at the point of entry to the Pier A and Pier B.

### ***Air Traffic Control (ATC)***

Air Traffic Control at Brussels Airport is managed by Belgocontrol, an autonomous public company in charge of the safety of air traffic in the civil airspace for which the Belgian State is responsible. Both the Issuer and Belgocontrol operate under a licence provided by the Belgian Government. The licence provides, *inter alia*, that both the Issuer and Belgocontrol must guarantee at least 74 ATMs per hour when required (Source: Royal Decree 21 June 2004).

The Issuer and Belgocontrol engage in frequent bilateral meetings to ensure sufficient capacity is catered for in light of operational requirements. Therefore, in the event that a boost in capacity is required, Belgocontrol is expected to be able to manage the airspace around Brussels Airport to cater for the increased ATM throughput.

## **REVENUE**

### ***Brussels Airport's Aeronautical Activities***

Aeronautical revenues are, as at the date of this Offering Circular, the largest revenue stream for BAC, accounting for 66% of revenues in the financial year ended 31 December 2016 (excluding the 2016 Insurance Proceeds) (Source: BAC Monthly Management Reporting December 2016). Aeronautical revenues comprise passenger and cargo related airport charges are as follows:

- (a) **Passenger charges:** accounted for 84% of gross aeronautical revenue in 2016 (Source: BAC Monthly Management Reporting December 2016). Charges are applied to departing passengers only and are differentiated by passenger type. O&D passengers have the highest charge, T&T passengers a lower charge (reflecting more limited use of Brussels Airport's infrastructure) and there is no charge for transit passengers (though these transit passengers form a small proportion of the T&T figure). In 2012, T&T passengers accounted for 17% of chargeable departing passengers (Source: BAC Monthly Management Reporting December 2012). By 31 December 2016, this share had increased to 20%, diluting aggregate revenue per total passenger (Source: BAC Monthly Management Reporting December 2016). Passenger fees are driven by the passenger growth and by the inflation and tariff increases following the CPI+X formula.
- (b) **Security charges:** security charges apply to all departing passengers, regardless of their categorisation. Crew on duty and children under the age of two are exempt from such security charges.

- (c) **Landing, take-off and parking charges:** Landing and take-off charges apply to all landings and take-offs at the airport and are based on aircraft weight, noise category and time. Such fees are driven by the landing maximum take-off weight, a negative adjustment factor to reflect rebalancing of day/night charges and by the inflation and tariff increases following the CPI+X formula.

### ***BAC's Non-Aeronautical Activities***

BAC generated approximately 34% of its revenues via commercial business in 2016 (excluding the 2016 Insurance Proceeds) (Source: BAC Monthly Management Reporting December 2016). Non-aeronautical activities can be broken down into of four main areas:

- (a) retail;
- (b) car parking and car rental;
- (c) property and airport facilities rental; and
- (d) other commercial services including ground handling and IT.

### ***Retail***

Retail activities at Brussels Airport include shops, food and beverage outlets, advertising and passenger services.

With approximately 17,500 square metres of terminal space allocated to retail activities at Brussels Airport, as at the date of this Offering Circular there are 45 retail outlets, 31 food and beverage outlets as well as 480 advertising sites within the pier and landside areas. The retail and food and beverage spaces are operated by two main providers, International Duty Free (**IDF**) and Autogrill, which have long term contracts with BAC.

IDF has an exclusive contract with BAC to sell the core product categories (chocolate, tobacco, perfume, alcohol and cosmetics) in the airside zones. The contract requires IDF to pay a concession fee in the form of a fixed percentage of turnover for each of the product categories. The concession fee varies by product category. The contract was renegotiated in July 2012, and an enhanced fee structure is now in place which is expected to raise the average concession fee payable by IDF. The renewed co-operation between IDF and BAC under the renegotiated contract (which reflects a mutual focus on performance and the implementation of a more detailed action plan), has led to an increase of non-aeronautical income (Source: BAC Monthly Management Reporting December 2016). Non-core product categories (such as fashion, jewellery and travel accessories) are offered by IDF and other specialty retailers. IDF contributed €31 million towards BAC's revenue in 2016 (Source: BAC Monthly Management Reporting December 2016).

Food and beverages contributed €1.67 per departing commercial passenger in the financial year ended 31 December 2016 (Source: BAC Monthly Management Reporting December 2016), approximately 75% of which was generated through Brussels Airport's traditional food and beverage channel and approximately 25% through sales in the airport's lounges. The lounge operations contract with Autogrill will end in December 2018 and a new tender will be released in 2017 with the intention of enhancing the lounge experience at Brussels Airport. In recent years, new initiatives have been introduced to target specific passengers' needs (for example, the Black Pearls lounge, which targets business travellers, the Belgorama lounge which targets families and Exki offering healthy meal alternatives, prepared quickly). To further improve the passenger experience, Brussels Airport is continuously looking for new initiatives to implement (for example the anticipated opening of Bistrot in May 2017, which will improve the range of food and beverage options available to passengers).

Food and beverage revenue has increased at a CAGR of 10% from 31 December 2013 to 31 December 2016 (Source: BAC Monthly Management Reporting December 2016). In addition, Brussels Airport lounges have

proven a consistent source of revenue generation (Source: BAC Monthly Management Reporting December 2016).

JCDecaux was awarded a ten year contract to provide advertising at Brussels Airport from 2008 to 2017 (as at the date of this Offering Circular a tender for the next advertising contract has been released). In recent years advertising has benefited from the introduction of advertising podia, the installation of new light boxes and the introduction of two digital sites attracting new clients and the implementation of short term campaigns.

### Car Parking / Rental

There are approximately 12,000 public car parking spaces at Brussels Airport, 10,800 of which are located within walking distance of the main terminal building in three multi-storey car parks (Source: BAC website [www.brusselsairport.be](http://www.brusselsairport.be)). The car parks available have been allocated to ensure that users have a range of options including short stay, long stay discount and premium parking. Car parking revenue is mainly generated from Interparking (a market leader in Belgium, Germany and Austria (Source: AG Real Estate website)) which is contracted until 2040 and operates the majority of the public and staff car parks/rentals at Brussels Airport. Pursuant to the Interparking contract, BAC is paid a 50% per annum share of revenues net of operating costs and annualised investments costs (annuities). Other than public parking, Brussels Airport also offers approximately 4,800 parking spaces for staff, across multiple locations at Brussels Airport.

Additional revenues come from car rentals. There are, as at the date of this Offering Circular, five car rental operators at Brussels Airport providing hire cars to the inbound business and leisure market (being Sixt, Europcar, Hertz, Avis and Enterprise). In the financial year ended 31 December 2016 parking and car rental revenues amounted to €25.1 million, of which €6.7 million related to staff parking. The current contracts (as at the date of this Offering Circular) have been extended for a limited period of time. A new tender will be released in the months following the date of this Offering Circular.

### Real Estate

Brussels Airport's central position in Belgium and large area available for development outside the core aeronautical infrastructure has supported its development as a major logistics hub, with warehouses covering 130 hectares and handling 495,000 tonnes of cargo in the year ended 31 December 2016.

Revenue and/or cashflow risk is minimised due to a significant proportion of real estate being provided on a long term land lease basis, allowing for stable cashflow and no (or limited) construction risk. With many long term land leases coming to an end in the forthcoming decades, a long term plan has been established for the redevelopment of the logistics and maintenance, repair and overhaul areas. BAC is in the process of setting up a special purpose investment vehicle for the redevelopment of the logistics park at Brussels Airport. BAC will hold a minority share in this vehicle. As at the date of this Offering Circular, a tender process to determine which party should hold the majority share is underway. BAC will generate revenues from granting land leases to the special purpose vehicle and from dividends distributed by this vehicle. Brussels Airport is located in a multi-modal transport hub (i.e. an area where transportation via airplane, train, tram, bus, car and cycle are all readily available) in the periphery of Brussels. Large international corporates and consultancy firms have expressed interest in this investment opportunity. BAC is planning a 22 hectare business district development in front of Brussels Airport's terminal. It is intended that, by 2040, the area will offer approximately 270,000 square metres of offices, 40,000 square metres of hotels and conference areas and 20,000 square metres of retail, food and beverage stores, all located within a maximum of 500 metres walking distance from Brussels Airport's terminal.

### Existing Development Plots

As at the date of this Offering Circular, BAC owns certain real estate assets located in the Brucargo zone, which mainly consist of underutilised buildings in sub-standard condition as well as undeveloped plots of

land. BAC envisages the redevelopment of these assets in the future to warrant revenue growth in the long term through increasing (i) non-aeronautical income by enhancing levels of rental income and (ii) aeronautical income by attracting new cargo business.

#### Other Commercial Services

A range of other ancillary airport services are also available to airlines and related businesses, either provided directly by the airport or by licensed third party operators, including ground handling services as well as other chargeable IT services (such as IT services to airlines, wireless internet provision and infrastructure IT).

Ground handling services for passenger and cargo traffic are provided by licensed operators including Aviapartner (i.e. Aviapartner Belgium and Aviapartner Cargo), Swissport (i.e. Swissport Belgium and Swissport Cargo), Brucargo Handling Services and WFS along with airlines that self-handle. BAC charges the operators a volume-based licence fee to provide these airport services. Ground handling revenue is highly volume dependent; passenger handling charges are levied per passenger and cargo handling fees levied per tonne. The charges reflect BAC's direct and indirect (allocated) operational and capital costs associated with providing the ground handling facilities.

In 2016 BAC's other operating revenues amounted to €29 million, of which €7.4 million related to ground handling income.

#### **BRUSSELS AIRPORT'S COMPETITIVE POSITION**

Brussels Airport operates within a limited competitive environment, serving as the primary hub for transport within its catchment area.

#### *Other Airports*

The nearest airport with an overlapping catchment area, and therefore Brussels Airport's primary European market competitor, is Charleroi Airport. The establishment of a Ryanair base at Brussels Airport and the capacity limits at Charleroi Airport have reduced the annual growth results of Charleroi Airport (with Charleroi Airport's share of the O&D market being reduced to 27% in 2015, and 29% in 2016 (the increase which occurred over 2016 is expected to have been a result of the March 2016 Terrorist Attack), from 30% in 2013). The Charleroi Airport network is popular with passengers visiting friends and relatives or travelling for leisure/holiday purposes, with many airlines providing services with a lower frequency than from Brussels Airport. Examples include the number of flights offered from destinations in Southern Europe and Eastern Europe. In particular, Ryanair has shifted several higher frequency business routes from Charleroi Airport to Brussels Airport. Charleroi Airport continues to actively seek to engage with several of Brussels Airport's clients, and has outspoken ambitions to introduce long-haul flights after 2021 according to a statement made by the government of Wallonia and the management of Charleroi Airport (Source: [www.lanouvellegazette.be](http://www.lanouvellegazette.be)).

Brussels Airport's catchment area also partially overlaps with that of CDG, AMS, DUS and FRA, though competition is limited to long-haul or leisure flights as each of these hubs require longer (i.e. two hours or more) travel times by road from Brussels. Only the direct trains to CDG and AMS offer more competitive services (i.e. a travel time of two hours or less).

BAC's cargo business faces competition from Liège Airport in Belgium and from Amsterdam Schiphol Airport and FRA in the wider European Union. The cargo business unit introduced in 2010 has strengthened Brussels Airport's market position in relation to full cargo operations, as well as in product markets such as perishables and pharmaceuticals. Further development of Brussels Airport's cargo area is intended to continue in order to provide new facilities to meet current demand.

BAC's cargo business has been recognised internationally, having recently received the following awards:

- (a) Airport of the Year, World Air Cargo Awards – winner in 2016, 2015 and 2014 (having been a finalist in 2013 and 2012);
- (b) Best Cargo Airport in the World, awarded by the Strat Trade Times in 2017;
- (c) Best European Airport Customer Choice Award and X Factor Innovation Customer Choice Award, Payload Asia Awards - winner in 2016; and
- (d) Best European Airport Industry Choice Award, Payload Asia Awards – winner in 2015.

#### *Rail competition*

The introduction of high speed rail services (**HSRS**) such as the Eurostar initially negatively impacted Brussels Airport's traffic numbers. However, over time traffic levels have stabilised, driven particularly by increased interconnectivity with Brussels Airport.

Typically, HSRS are preferred for journeys within 400-800km, with air travel capturing the market share above this distance. With the completion in 2012 of the Diabolo link and in 2005 of the Nossegem curve, linking Brussels Airport directly to the North (Antwerp) and East of Belgium, Brussels Airport has improved links to domestic and international rail networks. With the completion of the Diabolo link in June 2012, Brussels Airport is directly connected with the Belgian rail network and with several European cities, via the two international axes Amsterdam – Antwerp – Brussels – Paris and Frankfurt – Liège – Brussels – Paris. Moreover, the journey time from Antwerp was cut from 50-60 minutes to 30 minutes resulting in it being quicker for passengers from Antwerp to go to Brussels Airport than to Amsterdam Schiphol Airport (AMS).

### **BAC'S INVESTMENT PROGRAMME**

#### *Historical Capital Expenditure*

BAC's Capex has been on average approximately €100 million per annum in the past four years. BAC is able to reduce the level of Capex, if required, in the event of a crisis or economic downturn to an amount of approximately €50 million by temporarily limiting Capex in relation to expansion. In addition, the favourable regulatory regime in which Brussels Airport operates does not seek to penalise BAC in the event of lower than expected Capex.

See the section entitled "*Stable and Favourable Regulatory Framework*" above for more details.

Capex has increased by 9.7% from 2013 to 2016 to accommodate traffic growth, resulting from the opening of the Connector and renovations in the Pier A shopping area and the runway (Source: BAC Monthly Management Reporting, December 2016).

#### *Projected Capital Investment*

The table below provides an overview of the construction projects that are, as at the date of this Offering Circular, projected for completion during the course of the two years following the date of this Offering Circular:

	Description
A380	Adaption to infrastructure (runways, taxiways, apron, terminal) to welcome A380
Adaptation overall capacity check-in hall	Check-in redevelopment in line with Terminal of the Future principles of creating a smoother and safer passenger journey
Redevelopment bussing platform pier A	Add Schengen bussing gates. Ensure sufficient capacity is in place for peak of Schengen operations.
Creation of de-icing pads for central de-icing	Create a centralized de-icing platform to enable more efficient operations in case of ice in order to increase airport punctuality and increase environmental performance

## BAC

### *Corporate Structure*

The Issuer, Brussels Airport Company NV/SA (**BAC**) (renamed in 2013 following the merger of Brussels Airport Holding NV/SA (**BAH**) and The Brussels Airport Company NV/SA (**TBAC**)), was incorporated in Belgium on 13 June 2007. The Issuer was incorporated under Belgian law as a limited liability company (*naamloze vennootschap/société anonyme*), with its registered office at Auguste Reyerslaan 80, 1030 Schaarbeek (Brussels) and registered with the Belgian Crossroads Bank of Enterprises under enterprise number 0890.082.292.

In December 2004, a consortium of private investors led by Macquarie acquired a 70% shareholding in TBAC (leaving the remaining 30% per cent with the Belgian State). In view of the privatisation, the Transformation Decree converted TBAC into a limited liability company under private law, entitling TBAC to operate Brussels Airport on the basis of the Licence in accordance with the Licence Decree. The consortium led by Macquarie acquired its 70% per cent stake through Macquarie Airports Belgium S.A., which was later renamed Brussels Airport Investment S.à.r.l. (**BAISARL**).

In 2007, the shareholders of TBAC incorporated Brussels Airport Holding NV (**BAH**), and contributed 100% of the shares in TBAC to BAH. Following this contribution, 30% of the shares of TBAC held by BAH were certified to Certi-Fed against the issuance of certificates representing the economic rights attached to these shares to BAH. As a result, BAH was the owner of 100% of the economic rights in TBAC. In October 2007, BAISARL acquired an additional 5% stake in BAH from SFPI/FPIM, bringing SFPI/FPIM's participation in BAH down to 25% plus one share. This led to the decertification of 5% of the TBAC shares held by Certi-Fed at that time, so that 25% plus one share of TBAC remains certified through Certi-Fed.

In October 2011, OTPP acquired (through an acquisition of shares in BAISARL) an indirect interest of 39% in The Brussels Airport Company NV/SA (renamed BAC, following the Permitted Merger) from Map Airports (**MAp**)<sup>4</sup>. Prior to the acquisition by OTPP of MAp's interest, Certi-BAISA was incorporated, and approximately 20% of the shares in BAH held by BAISARL were transferred to it against the issuance of certificates representing the economic rights attached to these shares to BAISARL (BAISARL and Certi-BAISA are together referred to as **BAISA**). See "*Overview of Brussels Airport and the Programme – Shareholders*" for further information regarding the current shareholding in the Issuer.

The articles of association of the Issuer are available at the registered office of the Issuer.

The Issuer has one subsidiary, Distributienet-Beheer Brussels Airport NV/SA (**DNB**), a Belgian limited liability company (*naamloze vennootschap/société anonyme*) registered with the Belgian Crossroads Bank of Enterprises under enterprise number 0863.269.712 and with its registered office at Luchthaven Brussel-Nationaal, 1930 Zaventem, Belgium. DNB is the entity that manages the electricity distribution network of Brussels Airport.

<sup>4</sup> MAp was previously called Macquarie Airports and was a Macquarie managed fund until its internalisation in October 2009. Macquarie Airports was part of the Macquarie-led consortium during the 2004 privatisation

In each of the financial years ended 31 December 2015 and 31 December 2016, the total assets of DNB accounted for less than 3% of the total assets of BAC (Source: key elements from published financial statements).

The obligations under the Bonds will be guaranteed by DNB only.

### ***Management and Control***

The Issuer is managed from and controlled in Belgium.

### ***Share Capital***

The Issuer has an issued share capital of EUR 640,090,000 divided into 1,452,621 shares (363,156 class A shares and 1,089,465 class B shares). The share capital of the Issuer is fully paid up as at the date of this Offering Circular.

### ***Insurance***

As at the date of this Offering Circular, BAC's insurance coverage covers the following risks:

- (a) property damage and business interruption with a general limit of EUR 1 billion (including fire occurring as a result of a terrorist attack) subject to deduction;
- (b) property damage and business interruption with a specific limit of EUR 500 million for terrorist attacks, subject to deduction;
- (c) construction and airport liability with a limit of USD 1.2 billion, subject to deduction and an excess (AVN52G) with a limit of USD 1 billion for terrorist attacks, subject to deduction;
- (d) non-aviation liability;
- (e) compulsory legal liability (relating to minimum coverage against damage arising from fire or explosion pursuant to the Fire and Explosion Prevention Act of 30 July 1979, including coverage for terrorist attacks);
- (f) director and officer liability;
- (g) crime;
- (h) employee accidents (i.e. statutory personnel);
- (i) accidents (i.e. contractual personnel);
- (j) health insurance; and
- (k) group insurance (i.e. life, retirement and disability).

## FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

BAC and DNB have published statutory accounts in accordance with Belgian GAAP that have been audited by PricewaterhouseCoopers (**PwC**) for each of the financial years ended 31 December 2014 to 31 December 2016 (together, the **Financial Statements**). The Financial Statements set out, *inter alia*, the total assets and total liabilities positions of the Issuer on a consolidated basis for the financial years ended 31 December 2014 to 31 December 2016, and the total assets and total liabilities positions of DNB on a non-consolidated basis for the financial years ended 31 December 2014 to 31 December 2016. The contents of this section should be read in conjunction with the Financial Statements. See the section of this Offering Circular entitled "*Documents Incorporated by Reference*" for more information on the Financial Statements.

### HISTORICAL PROFIT AND LOSS STATEMENT

The table below shows a summary of the historic consolidated income statement for the financial years ended 31 December 2013 to 31 December 2016:

#### *Consolidated Income Statement (2013-2016)*

Amounts in € million	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Operating income	438	495	520	536
Operating charges	-273	-312	-319	-343
<b><i>Operating profit</i></b>	<b>165</b>	<b>183</b>	<b>201</b>	<b>193</b>
EBITDA (post-specifics) (calculated as operating profit + depreciations)	246	284	304	291
Financial result	-93	-95	-95	-93
<b><i>Profit before tax</i></b>	<b>72</b>	<b>88</b>	<b>106</b>	<b>100</b>
Income taxes	-25	-31	-36	-35
<b><i>Consolidated result</i></b>	<b>47</b>	<b>57</b>	<b>70</b>	<b>65</b>

Source: key elements from published financial statements

## HISTORICAL BALANCE SHEET STATEMENT

The table below shows a summary of the historic consolidated balance sheet for the financial years ended 31 December 2013 to 31 December 2016:

### *Consolidated Balance Sheet (2013-2016)*

Amounts in € million	2013	2014	2015	2016
Fixed assets	2,593	2,608	2,613	2,607
Current assets	235	279	260	264
<b>Total assets</b>	<b>2,828</b>	<b>2,887</b>	<b>2,873</b>	<b>2,871</b>
Equity	567	545	569	525
Provisions and deferred taxes	178	219	218	204
Amounts payable	2,083	2,123	2,086	2,142
<b>Total equity and liabilities</b>	<b>2,828</b>	<b>2,887</b>	<b>2,873</b>	<b>2,871</b>

Source: key elements from published financial statements

The full consolidated balance sheets for the financial years ended 31 December 2014 to 31 December 2016 are incorporated by reference into this Offering Circular. See the section of this Offering Circular entitled "*Documents Incorporated by Reference*" for more information on the Financial Statements. The Issuer confirms that there has been no material adverse change in the level of the Issuer's indebtedness since 31 December 2016.

## HISTORICAL CASH FLOW STATEMENT

The table below shows a summary of the historic Consolidated EBITDA and cash flow statements for the financial years ended 31 December 2013 to 31 December 2016:

### *Consolidated EBITDA and Cash Flow Statement (2013-2016)*

Amounts in € million	2013	2014	2015	2016
<b>EBITDA (post-specifics)</b>	<b>245.6</b>	<b>283.3</b>	<b>304.2</b>	<b>291.0</b>
Net current Capex	-80.4	-99.6	-124.1	-106.3
Change in working capital	-1.5	34.3	-2.2	-4.2
<b>Operating cash flow</b>	<b>163.7</b>	<b>218.0</b>	<b>177.9</b>	<b>180.5</b>
Other current assets/liabilities	2.2	-0.7	0.5	0.7
Tax and extraordinary cash flow	-11.3	-9.1	-41.3	-37.0
Financial cash flow excluding distributions	-11.6	-94.5	-121.7	-59.8
Distribution cash flow	-92.0	-107.1	-47.8	-93.7
<b>Net cash flow</b>	<b>51.0</b>	<b>6.6</b>	<b>-32.5</b>	<b>-9.3</b>

Source: BAC Monthly Management Reporting December 2016

## AIRPORT REGULATION

### GENERAL

#### Privatisation of Brussels Airport's operations

The current regulatory framework surrounding Brussels Airport is mainly the result of the 2004 privatisation of the (then) "Brussels International Airport Company" (**BIAC**). Following a previous 1998 Brussels Airport reorganisation, BIAC had been incorporated as a "public law company" (in line with the 21 March 1991 Law regarding the conversion of certain autonomous public enterprises) and its operation of the airport was described in a "management contract" between BIAC and the Belgian (federal) State (the **Belgian State**).

The 1998 reforms organised the contribution by the Belgian State to BIAC of the assets previously owned by the "*Regie der Luchtweegen/Régie des voies aériennes*" and transferred to the Belgian State, including the ownership of the buildings, installations and constructions, while the Belgian State remained the owner of the airport land.

Anticipating the 2004 privatisation, a Programme Law of 30 December 2001 (the **Programme Law**) granted extensive "special competencies" to the Government to reform BAC's status and to make the operation of federal airport installations (i.e. actually Brussels Airport) subject to the granting of an operating licence.

In this regard:

- The Royal Decree of 27 May 2004 (the **Transformation Decree**) converted BAC into a private law company no longer subject to the 21 March 1991 Law on the autonomous public enterprises, and entered into force on 29 December 2004.
- The Royal Decree of 21 June 2004 (the **Licence Decree**) granted to BAC a licence for the operation of Brussels Airport (the **Licence**). The Licence Decree entered into force on the date of BAC's conversion into a private law company. Under the Licence Decree, BAC was grandfathered the Licence without having to submit an actual licence application, but it was held that BAC complied with all relevant award criteria. The Licence was renewed by the Royal Decree of 7 May 2013 (published in the Belgian Official Gazette of 31 May 2013).

Finally, the Programme Law of 30 December 2001 allowed the Government to authorise the Belgian State to transfer real estate to BAC and to transfer (part of) its shareholding in BAC to private shareholders, and a Law of 9 July 2004, ratifying the Transformation Decree, authorised the Belgian State to enter into shareholders agreements.

#### Brussels Airport Real Estate

The Programme Law also authorised the Belgian State to transfer real estate to BAC but a number of future limitations will apply. The transfer of real estate was then formally permitted pursuant to the Royal Decrees of 30 December 2001, 12 January 2005, 10 August 2009 and 10 November 2009 and enacted in June 2004 and December 2007. This transfer was subject to a number of specific conditions and limitations.

All real estate sale and purchase agreements between the Belgian State and BAC must include a termination clause under which the sale and purchase is automatically annulled and the airport property returned to the Belgian State with compensation if BAC no longer ensures the operation of the airport. In such a case all Brussels Airport land (together with the buildings) returns to the Belgian State. Such a termination clause was provided in the purchase deeds between the Belgian State and BAC.

In the event of application of the termination clause, the Belgian State will have to repay the purchase price to BAC (adjusted in accordance with a pre-determined index formula). As the case may be, this price will be:

- decreased by: (i) the purchase price that BAC received for those properties previously sold to third parties (other than BAC's affiliates) with the prior consent of the Minister of Transport of the Belgian State; and (ii) the amount of the liabilities secured by mortgage or other security interests on the properties returning to the Belgian State; or
- increased by a compensation for the residual value of the buildings, installations or constructions that BAC or its affiliates acquired or built, the value of which will be determined by experts.

Moreover, the abovementioned Royal Decrees prohibit BAC from granting mortgages or other security interests over the real estate that the Belgian State sold to BAC in order to guarantee commitments whose value exceeds the price paid by BAC to the Belgian State for that real estate.

In addition, BAC must notify the Minister of Transport in the event of any transfer (*vervreemding/aliénation*) of real estate (*onroerende goederen/biens immeubles* – which includes the land and the buildings) or the grant of any rights *in rem* of more than 27 years. The Minister of Transport may only object to this transfer or the grant of any such rights *in rem* if it:

- has a material impact on the long-term viability of the operations of Brussels Airport; and
- is clearly not related to the operations of the airport installations.

In the event of transfer BAC must pay an additional sum to the Belgian State if there is a transfer of real estate during a ten-year period. This amount is 50% (if there is a transfer within the first five-year period) or 25% (if there is a transfer within the second five-year period) of the surplus (if any) realised by the consideration for the alienation, on top of the (original) purchase price, plus compound interest, calculated on the basis the interest rate applicable to the payment mechanism determined in function of Article 2,§3 of the 2001 Royal Decree, for the period between the initial purchase date and the alienation date (Article 4,1° of the 2001 Royal Decree).

There is a pre-emption right (i.e. a right of first refusal) in favour of the Belgian State if there is a transfer of real estate by BAC to a third party (other than BAC's subsidiaries). This right is only exercisable on the basis of the conditions offered by the third party.

BAC has notified the Minister of Transport of its intention to grant a mortgage and a mortgage mandate in the context of the envisaged refinancing. In a letter dated 8 May 2012, the Minister confirmed that he would not object to the grant of such mortgage and/or mortgage mandate.

## THE LICENCE

### General considerations

The Licence is valid for an unlimited period, but can – under the conditions set forth in the Transformation Decree – be amended, revised or suspended. The Transformation Decree also provides events of default that may trigger the termination of the Licence (i.e. cases where the Government may decide to withdraw the Licence) and the events that trigger the Issuer's obligation to request a renewal or transfer of the Licence.

The Government may decide to **revise** the Licence, and amend the Issuer's obligations or impose additional obligations on the Issuer only if the conditions on the basis of which the Licence was granted become inappropriate due to: (i) technical developments at an international level in the air transport/airport industry; (ii) amendments to the provisions relating to the operation of airport installations of the international treaties (or international acts implementing the treaties);

(iii) developments in Belgian air traffic; (iv) an exceptional change in economic circumstances; or (v) if BAC fails to comply with the provisions of the Licence, the Transformation Decree or the "Charter" (regulating the provision of its services to the airport companies).

The Issuer may also ask for a revision of one or several terms and conditions of the Licence.

Modifications or adaptations to the airport installations that increase the airside capacity in excess of 80 coordinated movements per hour at Brussels Airport require an amendment to the Licence. The Issuer must submit an application for amendment in such case.

The Government may decide to suspend the Licence in the event of war. The Transformation Decree only mentions the case of war, without reference to other *force majeure* events.

In the event of a sudden crisis in the air transport market, the Government may also (by means of a Royal Decree deliberated in the Council of Ministers) take the necessary safeguards, including any temporary deviations to those provisions of the Transformation Decree that relate to the operation of federal airport installations.

The Government may withdraw the Licence in a limited number of cases, including: (i) when the Issuer ceases its activities, (ii) enters into a judicial composition, (iii) becomes bankrupt or is dissolved, or (iv) is in grave and persistent breach of its obligations under (A) the provisions of the Licence, (B) the provisions of the Transformation Decree or (C) those mandatory provisions of the international treaties that relate to the operation of airport installations.

In such an event which involves a grave (undefined) shortcoming, the Minister, will need to allow at least two grace periods (of at least three months each). No financial compensation is foreseen in the event of such withdrawal.

Finally, the Government can withdraw the Licence if the Issuer refuses to extend or relocate Brussels Airport installations as required by the Government if the Government may require the Issuer to relocate or extend Brussels Airport installations in order (i) to guarantee the long-term operational effectiveness of Brussels Airport installations, or (ii) to spread fairly the nuisance caused by the operation of Brussels Airport installations.

If the Government withdraws the Issuer's Licence in this scenario, the Issuer will be financially compensated. The amount of compensation must correspond to a reasonable estimate of the Issuer's loss of net future profits for the following ten years (in the framework of the operation of the airport installations and of the closely related activities under "normal" operating circumstances) based on the conditions applicable at the date of withdrawal. The amount of compensation will be calculated by a panel of three experts based on evaluation methods generally accepted for a "going concern".

The withdrawal of the Licence will trigger the automatic return of the fixed assets to the Belgian State, who will have to repay the purchase price to the Issuer.

The Licence may (partially or entirely) be transferred by the Issuer, upon obtaining the executive's branch prior approval.

## **Conditions**

Under the operating conditions, the Issuer is responsible for (i) the landing (alongside Belgocontrol), taxiing, parking and take-off of passenger and freight aircraft, (ii) the handling of passengers and their luggage, (iii) the handling of post and freight, (iv) airport inspection and maintenance of security and safety, excluding police tasks and aviation inspections and (v) the building, developing, maintenance and disposal of airport installations.

Brussels Airport must be operated and developed harmoniously taking into account (i) sufficient capacity, (ii) national and international quality standards and (iii) the interests of passengers and users.

In addition, the Licence Decree requires the Issuer to carry out the insulation programme and allow public service entities to access to the installations.

Moreover, the Issuer must enter into consultation with several bodies to ensure that it meets the needs of disabled people.

### **Quality and availability**

The services rendered at Brussels Airport must meet national and international standards of quality and availability and must be at least equal to the average of reference airports. The Licence Decree defines these reference airports as the surrounding airports having a comparable profile as Brussels Airport, such as the airports of Frankfurt, Paris Charles de Gaulle, London Heathrow, Amsterdam Schiphol, Copenhagen, Vienna and Zurich.

### **Economic regulation**

The Licence Decree distinguishes between:

- **regulated activities:** the activities for which the Issuer is subject to regulatory oversight for the revenues it receives. The Issuer agrees charges with airline customers with reference to a standard building block mechanism, described below. This Dual Till approach allows a return on aeronautical capital employed; and
- **non-regulated activities:** activities that are not regulated include (i) groundwater handling, (ii) letting or otherwise making available commercial space and real estate, (iii) catering and restaurants, (iv) car parks, (v) publicity, (vi) air conditioning and electricity and (vii) some aeronautical activities: ground handling, 400Hz ground power and pre-conditioned air services.

Charges to be regulated are related to (i) passengers, (ii) landing and take-off, (iii) aircraft parking and (iv) security. In addition, a mechanism is defined for passing on the cost of additional Government measures in areas such as environment, security, safety, aviation legislation and licence control

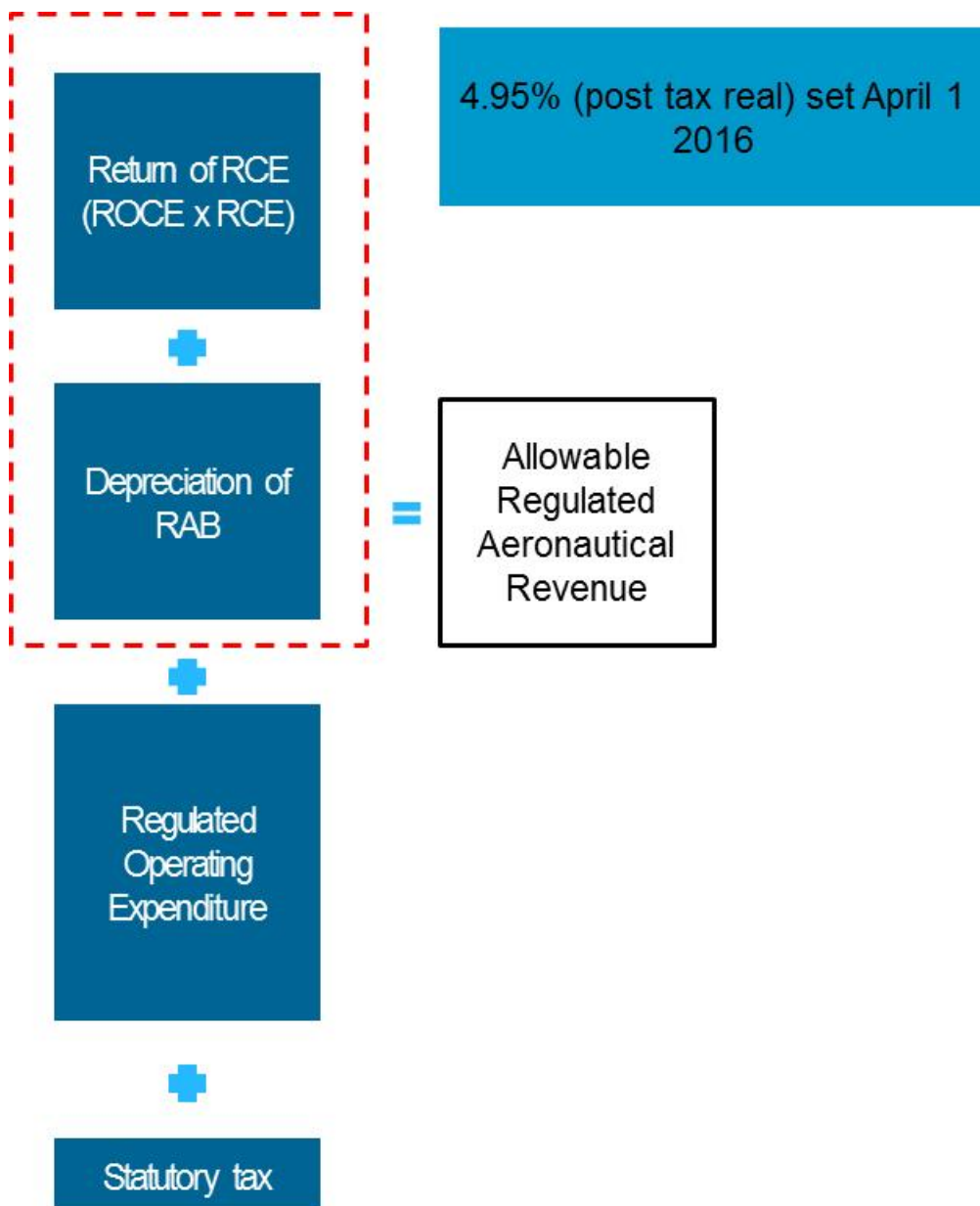
The level of regulated charges are set based on (i) cost relatedness, (ii) fair remuneration on capital invested for the provision of aeronautical activities, (iii) competitiveness with reference airports' tariffs for similar regulated activities and (iv) a non-discriminatory policy.

There is no recovery available to the Issuer if returns are lower than anticipated, or "claw back" by customers if returns are higher. The regulatory framework does not penalise the Issuer for any under-spending on planned capital and operational expenditure. This flexibility encourages greater efficiency in operations which ultimately benefits both Brussels Airport and the airline customers in the medium to long term.

There is no formal service quality rebate or other penalty if Capex is not spent as forecast.

Charges for regulated activities at Brussels Airport are set by direct negotiations between the Issuer and the airline customers or their representatives. If the negotiations with the airlines are successful, the Regulator is unable to overturn the agreement between the airport and its airline customers, and the charges' proposal is sent to the Regulator and eventually the Minister of Transport for ratification.

The building block approach defined in the regulatory framework is designed to remunerate regulated costs and enable a fair return on investment, while ensuring that aeronautical charges remain competitive. The chart below provides an overview of the building block mechanism:



The key regulatory building blocks include:

- Regulated Capital Employed (RCE):** proportion of fixed asset base, based on allocation between regulated and non-regulated activities as agreed with the airlines and the Regulator at the time of charges negotiations, and working capital requirement relating to regulated activities agreed between the airline customers and the Regulator. The RCE has historically been subject to revaluations.
- Regulated Asset Base (RAB):** RCE net of working capital requirement relating to the regulated activities.
- Return on RCE (i.e. ROCE x RCE):** at the start of this current "tariff period" (i.e. the **quinquennium**), on 1 April 2016, the allowable ROCE agreed was 4.95% (post tax real). As a result of the higher ROCE in 2015 (resulting from the business performance), the charges were decreased by 7.7% on 1 April 2016. However, a yearly tariff formula of CPI + 1.7% was agreed upon in order to keep the ROCE in line with the agreed cost of capital. This tariff formula was implemented on 1

April 2016 and is applicable for the current quinquennium. See “*Stable and Favourable Regulatory Framework*” for more information.

- (d) **Depreciation of RAB:** depreciation relating to the RAB.
- (e) **Regulated operating expenditure:** operational expenditure related to regulated activities.
- (f) **Statutory Tax:** the Aeronautical ROCE is calculated on a post-tax basis and statutory tax costs are therefore included in the revenue cap.

The first set of aeronautical charges had to be adopted within a 15-month term following the transformation of BAC into a private law company, and ran from 2006 to 2011; the current “tariff period” (**quinquennium**) is to apply until the five year period ended 31 March 2021.

In principle, the Regulator supervises the economic regulations at Brussels Airport, as described in the section “*Stable and Favourable Regulatory Framework*”. These regulations were updated in 2014 to fully implement the EC Directive on airport charges in the local regulations. These updates provide that the consultation period to determine the tariff structure and control framework is deemed successful if no airline appeals the tariff proposal. The previous framework referred to an agreement with users representing a total volume of 75% of Brussels Airport airline operators.

In general, following the 2014 amendments, which have entered into force from the current tariff quinquennium, the Regulator only has the power to recommend changes if the negotiations with the airlines are unsuccessful, i.e. when a ‘difference of opinion’ occurs.

A “difference of opinion” exists when:

- (a) an airline considers Brussels Airport has not handled the consultations in a forthright manner with regard to the supply of information; or
- (b) an airline files an appeal with the Regulator against the final tariff proposal.

In such a case, the Regulator can (i) impose a new consultation period, (ii) require modifications to be made to the tariff control formula in accordance with the Transformation Decree, (iii) impose a tariff control formula on BAC in accordance with the Transformation Decree, or (iv) confirm the result of the negotiations.

BAC must organise annual consultations with the airline operators, unless expressly agreed otherwise during the regulatory consultation between BAC and (at least) two (non-affiliated) airline operators that together represent at least 75% of the annual movements or at least 75% of the passenger numbers during the last calendar year preceding the regulatory consultation.

During such annual consultations, BAC must exchange information and consult with the airline operators in relation to:

- (a) any modifications to the investment plan and any modifications in relation to the timing of the execution of that plan, as well as with regard to any impact that the modifications will have on the tariff control formula; and/or
- (b) any modifications to the tariffs and/or the tariff system that do not impact on the tariff control formula or any tariff evolution, as determined during the regulatory consultations.

If the annual consultation relates to the modifications to (the timing of the execution of) the investment plan and the impact those modifications will have on the tariff control formula, the Issuer may propose modifications to the tariff control formula, which will only become effective if there is no disagreement

raised by a significant part of the airlines which operate from the airport (defined as at least two non-affiliated companies which each represents at least 1% of the annual operations or 1% of the annual passenger volume, and which jointly represent at least 25% of the annual movements or 25% of the passenger volume during the calendar year preceding the annual consultation. In the event of a disagreement, the Regulator has the same powers as for the quinquennium negotiations.

BAC may not require payment for the following flights: (i) flights for calibration for air traffic control purposes, (ii) exclusive transportation of heads of state or members of a government and their entourage, (iii) non-commercial flights that have an exceptional humanitarian character, (iv) forced repatriation and (v) military flights.

## **GROUND HANDLING**

Under the Ground Handling Directive (Council Directive 96/67/EC dated 15 October 1996 on access to the ground handling market at Community airports), Member States may limit the number of suppliers authorised to provide ground handling activities, provided they do not limit the number of suppliers to fewer than two suppliers for each category of ground handling activities. In addition, Member States must take the necessary measures to organise a selection procedure for appointing the authorised ground handling suppliers.

The Royal Decree dated 6 November 2010 regarding access to the ground handling market at Brussels Airport (the **Ground Handling Decree**) was updated in November 2016. The amended Royal Decree states that the number of suppliers authorised to provide ground handling activities is limited to two or three suppliers for Brussels Airport in relation to ramp handling for passenger and full freighter aircraft, baggage handling and freight, mail and catering transport. BAC may only engage with three suppliers in the event that certain thresholds (determined in relation to total passenger numbers (i.e. 24 million) or tonnes of cargo trafficked (i.e. 140,000 tonnes) on an annual basis) are reached. In the event these thresholds are reached a selection procedure for additional suppliers may commence in the following year. These suppliers must be appointed in accordance with a selection procedure that has been published in the Official Journal of the European Union. Handlers are appointed for a maximum seven-year term.

As at the date of this Offering Circular, Swissport (i.e. Swissport Belgium and Swissport Cargo) and Aviapartner (i.e. Aviapartner Belgium and Aviapartner Cargo) are providing the following services at Brussels Airport: (i) ramp handling for passenger aircraft; (ii) ramp handling for cargo flights; (iii) baggage handling; and (iv) freight and mail handling. In addition, catering services are provided by Newrest-Servair and LSG Sky chefs.

Based on the Ground Handling Decree, ground handling service providers at Brussels Airport must pay a fee for the use of airport facilities (a **Ground Handling Fee**).

The exact amount of the Ground Handling Fee depends on the number and type of categories of services provided by the ground handler: if the ground handlers provide all services included in the Ground Handling Decree, the total amount will be due; if the ground handlers only provide certain services included in the ground handling categories, the Ground Handling Fee will be reduced in light of the services that are provided/the relevant categories and will amount to a fixed percentage of the maximum amount.

## **OTHER REGULATORY FACTORS**

### **Aerodrome Certificate**

On 27 February 2012, BAC was issued the ICAO Annex 14 certificate by the Belgian Civil Aviation Authority (the **Aerodrome Certificate**). This certification evidences to aircraft operators and other parties that:

- (a) at the time of certification, Brussels Airport aerodrome met the specifications regarding the facility and its operation,
- (b) Brussels Airport aerodrome has the capability to maintain these specifications for the period of validity of the certificate; and
- (c) a process is established for continued monitoring of compliance with the specifications.

Before the end of 2017 the ICAO certificate will be transferred into an EASA EU 139/2014 certificate. The application dossier was presented to the Belgian CAA on 24 December 2016, with a response expected by the end of July 2017.

## **Environment**

### *Operating and environmental permits*

The Issuer operates under a 30 December 2004 environmental permit (the **Environmental Permit**) issued by the Flemish Region.

The Environmental Permit will expire on 8 July 2024. BAC's Environmental Permit is completed by a number of additional environmental permits.

In addition, individual operators at the airport hold environmental permits under their name, and responsibility and BAC has no regulatory responsibility or liability for those. BAC does not interfere with or take any responsibility for these different on-site operators. Most of the agreements between BAC and third parties operating on-site operations state that the on-site operator or concessionaire is exclusively responsible for applying for, obtaining and respecting the required environmental permits for their facilities and for complying with environmental operating conditions. BAC is the operator of a number of common facilities on the site, such as the sewage system, the waste water treatment plant and, the central heating installation.

BAC is ISO 14001 certified for its environmental management and ISO 50001 certified for its energy management until 2018. A new certification audit is planned to take place in February 2018 (certificate for the period 2018-2021).

### *Noise issues*

Brussels Airport is located in Zaventem, a municipality in the Flemish Region. Brussels Airport's building and environmental permits are granted by (and must comply with) Flemish environmental permit regulations.

Under the Ministerial Decree dated 3 May 2004 regarding the management of noise nuisance at Brussels Airport (the **Noise Nuisance MD**), noise quotas are imposed depending on the relevant timing, per movement and per season. In this Ministerial Decree, the night-period is defined as the period between 23:00 and 06:00 (Belgian time), whereas under the Brussels Noise Regulations the night-period was defined as the period between 23:00 and 07:00 (Belgian time).

Under the Noise Nuisance MD, dated 2009, the number of 25,000 for allowed night movements was reduced to 16,000 night slots, of which 5,000 could be used for departures. In addition, silent weekend nights were introduced. Accordingly, the noise quota system has become more stringent. However, no airlines have left Brussels Airport as a result of the Noise Nuisance MD dated 2009.

The allocation of flight routes and slots is a federal competence – slots are granted by the Belgian Slot Co-ordination, and the preferential runway system (which determines the "direction" in which aircraft take off and land) is regulated by federal ministerial decrees.

The preferred runway use at Brussels Airport is imposed by the Federal Minister of Transport and indicates, depending on the timing, destination and weight of each aircraft, which runway should preferably be used for landing/taking-off. If the preferred runway use cannot be put into practice (e.g. due to meteorological conditions), Belgocontrol (which is responsible for airport traffic control) will choose the most suitable, alternative configuration.

The Issuer must manage noise nuisance caused by Brussels Airport's operation as required by the various environmental permits held by the Issuer and under the Licence. In this regard, BAC strictly adheres to and complies with the noise classifications for aircraft in light of the noise certificates awarded to aircraft by the International Civil Aviation Organization (the **ICAO**), which depend on the age, type of the aircraft and the maximum take-off weight.

Aircraft taking off or landing at Brussels Airport must fly over the Brussels Metropolitan Region's territory, and that Region has adopted stringent noise thresholds applicable to aircraft (Source: Decree of 27 May 1999 concerning the repression of noise caused by air traffic - published in the Belgian Official Gazette of 11/08/1999). The Brussels Noise Regulations impose administrative fines directly on the carriers that breach the applicable thresholds. On 19 May 2016 the Brussels Minister of Environment announced that the tolerance levels allowed for violations of the noise emission limits previously established by the Brussels Region no longer apply. As a result, the Brussels Institute for Environmental Management will apply "a zero tolerance" policy and will issue official minutes and impose an administrative fine in case the noise limits are exceeded.

The latest assessment of the impact of the abolishment of the Brussels Region noise thresholds is that cargo flights during the night and between 6:00h and 7:00h, as well as passenger and daytime flights will be affected (Source: Ministerial Decision Frémault, as published on the website of the Brussels Institute for Environment: <http://www.leefmilieu.brussels>).

Requests of suspension and annulment before the State Council were filed by BAC and by several other airline companies. In all cases the State Council declared that the request of suspension is inadmissible.

The Flemish Government raised two conflicts of interest. As a result, the decision for the abolishment of the noise tolerance levels, was postponed until 22 April 2017. Consultation meetings between the Regional and the Federal governments have commenced. A number of technical working groups have been established to consider the noise impact in the area surrounding Brussels Airport. On 20 March 2017 it was announced that the Federal Minister of Mobility will begin bilateral meetings with the Flemish, Brussels and Walloon Governments while the working groups complete the final stages of their investigation. After these meetings a plenary meeting will be organised to discuss and agree a solution.

#### *Soil pollution and clean-up management.*

The sale of immovable property from the Belgian State to BAC, as permitted under the Royal Decrees of 30 December 2001 and perfected in June 2004, triggered soil clean-up obligations under local Flemish rules regarding soil pollution and clean-up management. This agreement still applies.

BAC agreed to take over the soil clean-up obligation from the Belgian State. As a result, the soil and groundwater quality of these properties have been investigated thoroughly and has been mapped by BAC covering 898 plots of land owned by BAC. BAC has been working closely together with the competent Flemish regulator to perform and complete all relevant studies and, where necessary, perform soil remediation works. As at the date of this Offering Circular, several soil decontamination works have commenced.

Although BAC had to satisfy these clean-up obligations, the Belgian State is committed to reimburse BAC for 100% of the soil surveys and 95% of the decontamination costs. BAC therefore must bear 5% of the remedial costs.

The Belgian State has determined that additional funding (initially, EUR 32,226,158.22) should be granted to the Flemish Waste Agency. This amount will be sufficient to cover the costs for the soil investigations and the soil decontamination works.

## SUMMARY OF THE FINANCE DOCUMENTS

*The following is a summary of certain terms of the principal Finance Documents, including the CTA, the STID, the Bond Trust Deed and the Security Documents, and is qualified in its entirety by reference to the detailed provisions of the Finance Documents.*

### GENERAL OVERVIEW

The Finance Parties all benefit from common terms under their relevant debt instrument and a common security package granted by the Issuer and DNB (as Obligors under the CTA). It is a requirement of the CTA that any future provider of an Authorised Credit Facility must accede to and be bound by the terms of the CTA (see " – *Common Terms Agreement*" below) and the intercreditor arrangements contained in the STID (see " – *Security Trust and Intercreditor Deed*" below).

The CTA sets out the common terms applicable to the Bonds and each other Authorised Credit Facility (which includes the Initial Authorised Credit Facilities Agreement) into which the Issuer enters. Save for certain limited exceptions, no Finance Party can have additional representations, covenants or events of default beyond the common terms deemed to be incorporated by reference into their Authorised Credit Facility through their execution of, or accession to, the CTA.

The STID regulates among other things: (i) the claims of the Secured Creditors (including the Bondholders); (ii) the exercise and enforcement of rights by the Secured Creditors; and (iii) the giving of instructions, consents and waivers and, in particular, the basis on which votes of the Secured Creditors will be counted.

With the exception of certain Belgian law governed documents and Conditions 1 (*Form, Denomination and Title*) and 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*) of the Bonds with respect to the rules laid down by the Belgian Company Code, all agreements listed below and non-contractual obligations arising out of or in connection with them will be governed by English law and be subject to the exclusive jurisdiction of the English courts with the exception that the Finance Parties may take proceedings in any other court.

### ***Common Terms Agreement***

#### *General*

As noted above, all Finance Parties must accede to the CTA in respect of their Authorised Credit Facility.

Other Secured Creditors which are party to the CTA include the Hedge Counterparties (see " – *Hedging – Hedge Counterparties and the STID*") and the Initial ACF Finance Parties.

It is a requirement of the CTA that future providers of Authorised Credit Facilities must also accede to and be bound by the CTA and the STID.

The CTA also sets out the cash management arrangements applicable to the Issuer (see " – *Cash Management*" below) and the hedging policy (see " – *Hedging*" below).

#### *Representations*

The Obligors jointly and severally make certain representations and warranties (subject to detailed carve-outs, exceptions and qualifications set forth in the CTA) to each Finance Party on the date of the CTA, the date of the Initial Authorised Credit Facilities Agreement and the Initial Issue Date. These representations and warranties include the following as to:

- (a) its corporate status, power and authority and certain other legal matters;

- (b) non-conflict with documents binding on it (to an extent which has a Material Adverse Effect), constitutional documents, licences (other than the Licence) or laws;
- (c) no existing Event of Default;
- (d) compliance with laws, licences and any regulation;
- (e) consents, leases, licences (other than the Licence), authorisations and approvals are obtained and complied with;
- (f) ownership of assets;
- (g) no rights to call for the issue or allotment of share capital and all share capital of each Obligor is validly issued;
- (h) insurances required to be maintained are in full force and effect;
- (i) no Insolvency Event in relation to it or a member of the Group;
- (j) the choice of English law being recognised and enforced in relation to the Finance Documents (other than the Security Documents);
- (k) payment of all taxes and lack of deductions required in respect of payments under any Finance Document;
- (l) pensions;
- (m) ranking and enforceability of security;
- (n) negative pledge;
- (o) no current litigation, arbitration or administrative proceedings (including any Noise Litigation);
- (p) the accuracy and completeness of each offering circular, any Information Memorandum and any factual information provided by an Obligor for the purpose of the Finance Documents;
- (q) Financial Statements have been prepared in accordance with the Accounting Principles and give a true and fair view of the financial condition of each Obligor and each Obligor maintains a system of internal accounting controls;
- (r) compliance with environmental laws;
- (s) its (and that of each of its Subsidiaries') centre of main interests for the purpose of Council Regulation (EC) No 1346/2000;
- (t) intellectual property;
- (u) *pari passu* ranking of the Obligors' payment obligations under the Finance Documents;
- (v) no adverse consequences for Finance Parties;
- (w) validity and enforceability of the Bonds and Relevant Securities;
- (x) Bond and Relevant Securities rank *pari passu* and rateably without preference or priority among themselves and *pari passu* and rateably with the other Senior Permitted Financial Indebtedness;

- (y) validity and enforceability of the Licence;
- (z) no contingent liabilities which have a Material Adverse Effect (except as disclosed in the Financial Statements) and no Financial Indebtedness (other than Permitted Financial Indebtedness) incurred by each of the Issuer and each of its Subsidiaries;
- (aa) Group structure;
- (bb) Permitted Business of the Issuer and each member of the Group;
- (cc) State aid;
- (dd) certain matters of U.S. Securities Laws;
- (ee) the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**);
- (ff) compliance with Margin Regulations;
- (gg) compliance with Foreign Assets Control Regulations, money laundering laws and anti-corruption laws; and
- (hh) status under certain statutes.

The Initial Date Representations are deemed to be repeated by the relevant Obligor (by reference to the facts and circumstances existing at such time and repeated by reference to the facts and circumstances then existing) on the date upon which any new Authorised Credit Facility is entered into, each Issue Date and each Drawdown Date.

The Repeated Representations are deemed to be repeated by the relevant Obligor (by reference to the facts and circumstances existing at such time and repeated by reference to the facts and circumstances then existing) on (i) the date of each Request and the first day of any borrowing; and (ii) in the case of an Obligor acceding to an Authorised Credit Facility, on the date of its accession.

The representation in relation to financial statements is deemed to be repeated by the relevant Obligor (by reference to the facts and circumstances existing at such time and repeated by reference to the facts and circumstances then existing) on the date of delivery of any financial statements to which that representation refers.

The representation in relation to full disclosure in each offering circular, any Information Memorandum, any financial projections, forecasts and the underlying assumptions set out in each offering circular and any Information Memorandum, and any information contained in any investor presentation authorised by the Obligors, is deemed to be repeated by the relevant Obligor (by reference to the facts and circumstances existing at such time and repeated by reference to the facts and circumstances then existing) in so far as such representation relates to the offering circular and any investor presentation or other marketing material authorised by the Group in respect of any such Tranche of Bonds, on each Issue Date (but save as disclosed to the relevant Dealers prior to that Issue Date).

#### *Covenants*

The CTA contains certain covenants from each of the Obligors. A summary of the covenants which are included in the CTA is set out in " – *Information Covenants*" and " – *Operating and Financial Covenants*" below.

## Information Covenants

Secured Creditors will receive from the Issuer:

- (a) consolidated Annual Financial Statements of the Issuer and the related accountants' reports within 180 days after the end of each Financial Year;
- (b) the end of the first half of each of the Issuer's Financial Years, and the Semi-Annual Financial Statements of the Issuer for that financial half year within 90 days after the end of such financial half-year;
- (c) a Compliance Certificate, which will be delivered (i) at the same time as the financial statements referred to in paragraphs (a) and (b) above and (ii) within the required period as set forth in the Restricted Payment Condition. This Compliance Certificate will be published on the Designated Website and confirm information including:
  - (i) the Excess Cashflow for the Financial Year of the Group ending on the relevant Calculation Date;
  - (ii) the actual Interest Cover Ratio for the 12-month period ending on the relevant Calculation Date;
  - (iii) that the Issuer is in compliance with the Hedging Policy;
  - (iv) in the case of a Compliance Certificate required to be delivered in accordance with the conditions to make a Restricted Payment, that none of the following circumstances is subsisting or would result from making such proposed Restricted Payment (in each case, a **Lock-Up**):
    - (A) the Lock-Up Tests have been met ((i) Net Debt: Consolidated EBITDA exceeds 7.75x, and (ii) the Interest Cover Ratio is less than 1.35x);
    - (B) none of the Debt Service Requirements have been met; or
    - (C) the Total Accretion Amount exceeds 15% of Senior Debt on the relevant Calculation Date;
  - (v) the Guarantors Asset Value represents not less than 85% of the book value of the assets owned by the Group (on a consolidated basis, by reference to the book value of the assets), excluding Existing Development Plots;
  - (vi) that the Guarantors EBITDA represents not less than 85% of Consolidated EBITDA; and
  - (vii) that no Default has occurred or is continuing, or if a Default has occurred and is continuing, details thereof and the relevant remedial steps are being undertaken.

The Issuer's senior management shall also participate in a telephone conference with the Secured Creditors (on an annual basis and in respect of each Financial Year), which shall take place no later than four weeks after the date of delivery of the relevant Annual Financial Statements, where the Issuer's senior management will present:

- (a) the financial results for the relevant Financial Year;
- (b) an update on the Capital Expenditure Requirements of the Group for the following Financial Year; and

- (c) an update in relation to the Existing Development Plots.

Each Obligor also undertakes to provide:

- (a) in relation to the Licence: (i) any contemplated change which if implemented would be reasonably likely to have a Material Adverse Effect; (ii) any notice received which is reasonably likely to have a Material Adverse Effect; and (iii) the details of any challenge to the Licence.
- (b) any negative rating change;
- (c) notification of any Default (see " – *Events of Default*");
- (d) notification of the address of the Designated Website or notice if the Designated Website cannot be accessed or is infected by any electronic virus or similar software for a period of five Business Days;
- (e) subject to any duty of confidentiality and any applicable legal or regulatory restrictions, details of any Noise Litigation or litigation, arbitration or administrative proceedings which are current or threatened against any Obligor and which, if adversely determined, are reasonably likely to have a Material Adverse Effect or give rise to a payment by a member of the Group in excess of EUR 5,000,000,000; and
- (f) any documentation or evidence as reasonably required by an Authorised Credit Provider for it to comply with all necessary "know your customer" checks.

#### Operating and Financial Covenants

The covenants given by each of the Obligors include the following (subject to detailed carve-outs, exceptions and qualifications set forth in the CTA):

- (a) ensuring that the Interest Cover Ratio is greater than 1.1x calculated by reference to the 12-month period ending on the relevant Calculation Date and delivering a Compliance Certificate (including supporting calculations) at the same time as the Financial Statements are delivered;
- (b) limiting its and the Group's business to the Permitted Business;
- (c) obtaining, complying with and maintaining any material Authorisation;
- (d) complying with all laws if failure so to comply has or is reasonably likely to have a Material Adverse Effect;
- (e) ensuring that (i) the claims of the Secured Creditors under the Finance Documents (to the extent they are secured pursuant to the Security Documents) rank (subject to the Reservations) prior to all the claims of all its unsecured and unsubordinated creditors (save for those creditors mandatorily preferred by law); and (ii) claims in respect of the Senior Permitted Financial Indebtedness will rank *pari passu* among themselves.
- (f) maintaining the Security Interests;
- (g) negative pledge other than Permitted Security;
- (h) restrictions on disposals other than Permitted Disposals;
- (i) restrictions on payments such that a Restricted Payment may only be made if:
  - (i) no Default is subsisting or would result from making any proposed Restricted Payment;

- (ii) the Issuer has delivered a Compliance Certificate confirming that no Lock-Up is subsisting or would result from making any proposed Restricted Payment by no later than 20 calendar days prior to the proposed date on which such Restricted Payment is to be made and no Challenge Period or any re-started Challenge Period is continuing;
  - (iii) the Debt Service Requirement is met; and
  - (iv) the Restricted Payment is paid within 45 days of the date on which the Compliance Certificate setting out such Restricted Payment has been delivered and such Compliance Certificate is neither a Flawed Certificate, or an Unsubstantiated Certificate, nor the subject of any ongoing challenge by the Security Trustee acting in accordance with the STID;
- (j) restrictions on incurrence of Permitted Financial Indebtedness, including restrictions on incurrence of any Incremental Debt such that any Incremental Debt raised may only be incurred if certain conditions are met, as more particularly described in the definition of Permitted Financial Indebtedness (see "*Glossary*") (these include conditions relating to: no Default; lenders of Incremental Debt acceding to CTA and STID; no Lock-Up and no Lock-Up Projected in the following 12 months; the final maturity date of the Incremental Debt being after the Final Maturity Date of Facility A Tranche 2 and the then current long-term credit rating on the Bonds (or if there are no Bonds, the Senior Secured Debt) would not, as a consequence of the incurrence of such financial indebtedness, be reduced below the lower of: (a) BBB by Fitch, BBB by S&P and Baa2 by Moody's (that is, by the Rating Agency that then rates the Bonds or Senior Secured Debt, and, if more than one, only taking into account the higher or highest of the ratings); and (b) the then current long-term credit rating (before the incurrence of such Financial Indebtedness);
  - (k) complying with the Hedging Policy and restrictions on Treasury Transactions;
  - (l) restrictions on mergers;
  - (m) restrictions on acquisitions other than Permitted Acquisitions;
  - (n) restrictions on joint ventures other than Permitted Joint Ventures;
  - (o) restrictions on making investments in or providing guarantees or indemnities in relation to Existing Development Plots;
  - (p) compliance with environmental laws;
  - (q) notice of environmental claims;
  - (r) maintaining necessary insurances;
  - (s) restrictions on the making of loans (other than Permitted Loans) or the giving of any guarantees (other than Permitted Guarantees);
  - (t) restrictions on redemption or issuance of share capital other than a Permitted Share Issue;
  - (u) ensuring the Guarantors EBITDA represents not less than 85% of Consolidated EBITDA;
  - (v) ensuring the Guarantors Asset Value represents not less than 85% of the value of the assets owned by the Group, excluding Existing Development Plots;
  - (w) maintaining necessary intellectual property rights;
  - (x) ensuring all transactions are entered into on arm's length terms;

- (y) restrictions on distributions to shareholders other than Restricted Payments or Permitted Payments;
- (z) complying with pension obligations and providing actuarial reports to the Agent;
- (aa) paying Taxes;
- (bb) complying with the Licence and any other licences, permits, covenants, decrees, treaties and other regulations relating to the operation of Brussels Airport;
- (cc) maintaining in good working order and condition its material assets necessary to carry on business;
- (dd) permitting the Security Trustee to access its premises, assets, books, accounts and records and to meet and discuss with management and the auditors if the Security Trustee believes a Default is outstanding or is likely to occur;
- (ee) not to amend, vary, novate, supplement, supersede, waive or terminate any term of a Finance Document, except in accordance with the provisions of the STID and its own terms;
- (ff) complying with terrorism sanctions regulation;
- (gg) maintaining a rating from at least one Rating Agency or any other internationally recognised rating agency for each Series and Tranche of Bonds or, if there are no Bonds outstanding, the then long-term credit rating on the Senior Secured Debt and providing all necessary information to the Rating Agency in order for it to provide and maintain a rating;
- (hh) the Issuer must procure that a Defeasance Account is opened and maintained in its name with the Account Bank and: (i) comply with the circumstances in which Defeasible Senior Debt needs to be credited to the Defeasance Account in respect of an Equity Cure Right; (ii) grant security over its interest in the Defeasance Account to the relevant Secured Creditors of the relevant Defeasible Senior Debt; and (iii) comply with the circumstances in which withdrawals may be made from the Defeasance Account; and
- (ii) where the Issuer elects to fulfil the Debt Service Requirements by the provision of a Fully Funded Debt Service Reserve Account, the Issuer must: (i) open and maintain the Debt Service Reserve Account with the Account Bank; (ii) grant security over its interest in the Debt Service Reserve Account in favour of the Security Trustee on behalf of the Secured Creditors; (iii) ensure that on the Initial Issue Date the Debt Service Reserve Account is Fully Funded from the proceeds of the Senior Secured Debt; (iv) comply with the circumstances in which the Debt Service Reserve Account is funded; and (v) comply with the circumstances in which withdrawals may be made from the Debt Service Reserve Account.

#### *Events of Default*

The CTA contains a number of events of default (the **Events of Default**), which will be Events of Default under each Finance Document (other than, in respect of the Hedge Counterparties, the Hedging Agreements). Subject, in some cases and including, as stated below, to agreed exceptions, materiality thresholds and qualifications, reservations of law, grace periods and remedies, the Events of Default are:

- (a) non-payment of amounts payable under the Finance Documents;
- (b) non-compliance with certain other obligations under the Finance Documents;
- (c) misrepresentation;

- (d) insolvency of any Obligor or insolvency proceedings being commenced against a member of the Group;
- (e) the expropriation, attachment, sequestration, distress or execution by a Creditor which affects any assets or assets of any Group (other than Agreed Mortgage Exclusions) member in respect of an amount in excess of EUR 25,000,000;
- (f) any Financial Indebtedness of EUR 25,000,000 or more of any member of the Group (excluding any intercompany loans made from one member of the Group to another member of the Group or to a Sponsor or any Subordinated Liability) (i) is not paid when due or within any applicable grace period; (ii) becomes due and payable prior to its specified maturity as a result of an event of default; (iii) any commitment is cancelled or suspended as a result of an event of default; or (iv) is capable of being declared due and payable prior to its specified maturity;
- (g) termination of the Licence (except where it is replaced with a licence or licences on substantially similar terms);
- (h) suspension or non-renewal of the Licence;
- (i) repudiation, rescission, illegality or unenforceability of a Finance Document or any material obligation contained therein;
- (j) any of the Security ceasing to be in full force and effect;
- (k) any subordination under the STID ceasing to be effective;
- (l) failure by any Obligor to comply with any final judgment and such failure has or would be reasonably likely to have a Material Adverse Effect, or pay any sum exceeding EUR 5,000,000;
- (m) an Obligor suspending or ceasing to carry on (or threatening to suspend or cease to carry on) its business or a material part of its business;
- (n) any litigation, arbitration, administrative, governmental, regulatory or other investigation, proceedings or disputes are commenced or threatened in relation to the Finance Documents or any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect;
- (o) any party to the STID fails to comply with the terms of the STID or any representation or warranty given in the STID is incorrect in any material respect;
- (p) an Obligor (other than the Issuer) is not or ceases to be a wholly owned Subsidiary of the Issuer;
- (q) any part of the assets or shares of a member of the Group is nationalised, expropriated, confiscated, compulsorily acquired or repurchased (including repurchased in accordance with the provisions of the RE Royal Decrees);
- (r) the auditors qualify the audited annual consolidated financial statements of the Issuer in a manner which may reasonably be expected to cause a Material Adverse Effect;
- (s) the Interest Cover Ratio as at the most recently occurring Calculation Date is not greater than 1.1:1; and
- (t) the Issuer disposes all or substantially all of the assets of the Group.

In respect of the Events of Default described in paragraph (s) above, no Event of Default will have occurred if, within 20 Business Days of the relevant Compliance Certificate being delivered, the Issuer procures that the Sponsors, to the extent they have unused Equity Cure Right, procure the provision of Additional Equity in an amount at least necessary to cure the relevant breach (the **Equity Cure Amount**) and by applying that Equity Cure Amount towards prepayment of (i) the Senior Permitted Financial Indebtedness, (ii) (to the extent the Senior Permitted Financial Indebtedness is Defeasible Senior Debt) making a deposit to the Defeasance Account; and (iii) payment of any related Repayment Costs (including to any amounts payable to Hedging Counterparties).

### *Cash Management*

#### Operating Account

The CTA requires the Issuer to open and maintain the operating account. The Issuer will also operate the accounts held by any of the Obligors and is authorised by such Obligors and the Security Trustee to operate all such accounts pending the occurrence of an Event of Default.

Under the CTA, the Issuer will ensure that all of its revenues (excluding any amounts required or elected by the Issuer to be deposited into the Defeasance Account, will be paid into the Operating Accounts. The Issuer will use the funds standing to the credit of the Operating Accounts to make payments permitted pursuant to the Finance Documents.

The Operating Accounts will be the accounts of the Issuer through which all operating and Capital Expenditure, any Taxes incurred by Obligors, distributions or any other payments to shareholders, any Permitted Payments and payments in respect of the Financial Indebtedness of the Group will be cleared.

Prior to enforcement, payments from the Operating Account to Secured Creditors will be paid in accordance with a pre-enforcement priority of payments waterfall.

### ***Security Trust and Intercreditor Deed***

#### *General*

The intercreditor arrangements in respect of the Obligors, the Secured Creditors and Subordinated Creditors (the **Intercreditor Arrangements**) are contained in the STID and the CTA. The Intercreditor Arrangements bind each of the Secured Creditors, the Subordinated Creditors and each of the Obligors.

The Secured Creditors will include all providers of Senior Secured Debt that enter into or accede to the STID. Any new Authorised Credit Provider will be required to accede to the STID and the CTA. The STID also contains provisions restricting the rights of Subordinated Creditors and contains mechanics requiring any creditors in respect of Subordinated Liabilities to accede to the STID as a Subordinated Creditor.

The purpose of the Intercreditor Arrangements is to regulate, among other things, (a) the claims of the Secured Creditors; (b) the exercise, acceleration and enforcement of rights by the Secured Creditors; (c) the rights of the Secured Creditors to instruct the Security Trustee; (d) the Entrenched Rights and the Reserved Matters of the Secured Creditors; and (e) the giving of consents and waivers and the making of modifications to the Common Documents.

The Intercreditor Arrangements also provide for the ranking in point of payment of the claims of the Secured Creditors, both before and after the delivery of an Enforcement Notice and for the subordination of all claims of Subordinated Creditors, including claims of the Group. Each Secured Creditor and each Obligor gives certain undertakings in the STID which serve to maintain the integrity of these arrangements.

## *Modifications, Consents and Waivers*

### General

The STID contains detailed provisions setting out the voting and instruction mechanics in respect of (a) Ordinary Voting Matters; (b) Extraordinary Voting Matters; (c) Entrenched Rights and (d) Reserved Matters (as further described below in "*Security Trust and Intercreditor Deed – Types of Voting Categories*"). Subject to Entrenched Rights and Reserved Matters (which, in the case of Entrenched Rights, will always require the consent of all of the Affected Secured Creditors, and, in the case of Reserved Matters, will only apply to Finance Documents which are not Common Documents and which will require the consent of the relevant Secured Creditor affected), the Security Trustee will only agree to any modification of or grant any consent or waiver under the Common Documents with the consent of or if so instructed by the relevant majority of Participating Qualifying Secured Creditors (the **Majority Creditors**), provided that the relevant Quorum Requirement has been met. The percentage of Majority Creditors required for the Security Trustee to agree to such modification, consent or waiver depends on whether the matter is an Ordinary Voting Matter or an Extraordinary Voting Matter.

The Issuer is entitled to provide the Security Trustee with written notice requesting any modification, consent or waiver it requires under or in respect of any Common Document (a **STID Proposal**). The STID Proposal will certify whether such STID Proposal is a Discretion Matter, an Ordinary Voting Matter or an Extraordinary Voting Matter or whether it gives rise to an Entrenched Right (as further described in "*Security Trust and Intercreditor Deed – Types of Voting Categories*" below), will state the Decision Period (as further described in "*Security Trust and Intercreditor Deed – Decision Periods*" below) and will provide such supporting information as necessary for the recipient to make an informed assessment of the matters contained in the STID Proposal. If the STID Proposal is in relation to a Discretion Matter, the Issuer must also provide a certificate evidencing this status. If the STID Proposal is in relation to an Entrenched Right, the Issuer must include information as to the Secured Creditors who are affected by such Entrenched Right.

The Security Trustee will, within five Business Days of receipt of a STID Proposal, send a request (the **STID Voting Request**) in respect of any Ordinary Voting Matter, Extraordinary Voting Matter or Entrenched Right to each Secured Creditor (through its Secured Creditor Representative). If a STID Proposal gives rise to an Ordinary Voting Matter or an Extraordinary Voting Matter, the STID Voting Request will contain a request that each Qualifying Secured Creditor votes on the relevant STID Proposal and provides a certificate stating that it is entitled to vote on the matter and setting out its Outstanding Principal Amount of Qualifying Secured Debt. If the STID Proposal gives rise to an Entrenched Right, the STID Voting Request will contain a request that each relevant Affected Secured Creditor confirms whether or not it wishes to consent to the relevant STID Proposals that would affect the Entrenched Right.

The Qualifying Secured Creditors representing at least 10% of the Qualifying Secured Debt are able to challenge the Issuer's determination of the voting category of a STID Proposal as an Ordinary Voting Matter or an Extraordinary Voting Matter, subject to such dissenting creditors providing supporting evidence or substantiation for their disagreement with such determination. In addition, the Secured Creditors, through their respective Secured Creditor Representatives, are able to challenge the Issuer's determination as to whether there is an Entrenched Right, subject to such dissenting creditors providing supporting evidence or substantiation for their disagreement with such determination. Challenging creditors that comply with the foregoing requirements may instruct the Security Trustee to inform the Issuer in writing within five Business Days of receipt of the relevant STID Proposal that they disagree with the Issuer's determination and specifying, as applicable, the voting category they propose should apply or whose Entrenched Right is affected along with the required supporting evidence. The Issuer and the relevant Qualifying Secured Creditors and/or relevant Secured Creditors will agree the voting category or whether there is an Entrenched Right within five Business Days from receipt by the Issuer of the relevant notice from the Security Trustee. If they are unable to agree within this time, or if no agreement can be reached, then an appropriate expert will make a decision as to the voting category or whether there is an Entrenched Right, which decision will be final and binding on each of the parties.

## Types of Voting Categories

### **Ordinary Voting Matters**

Ordinary Voting Matters include all matters which are not designated as Extraordinary Voting Matters or Discretion Matters (see " – *Extraordinary Voting Matters*" and " – *Discretion Matters*" below). If the Quorum Requirement is met (see " – *Quorum Requirements*" below), a resolution in respect of an Ordinary Voting Matter may be passed by a simple majority of the Qualifying Secured Debt that was voted.

### **Extraordinary Voting Matters**

The STID also describes the treatment of Extraordinary Voting Matters. If the Quorum Requirement for an Extraordinary Voting Matter is met (see " – *Quorum Requirements*" below), the majority required to pass a resolution in respect of an Extraordinary Voting Matter will be at least 66.67% of the Voted Qualifying Debt by reference to the Outstanding Principal Amount of the aggregate Voted Qualifying Debt of such Participating Qualifying Secured Creditors.

### **Entrenched Rights**

Entrenched Rights are rights that cannot be modified or waived in accordance with the STID without the consent of the Affected Secured Creditor(s).

### **Reserved Matters**

Reserved Matters are matters which, subject to the STID and the CTA, a Secured Creditor is free to exercise in accordance with its own debt instrument including:

- (a) to receive any sums owing to it for its own account;
- (b) to make determinations of and require the making of payments due and payable to it;
- (c) to exercise the rights vested in it or permitted to be exercised by it under and pursuant to the terms of the CTA, the STID and the other Finance Documents;
- (d) to receive notices under the Finance Documents;
- (e) to assign its rights or transfer any of its rights and obligations under any Authorised Credit Facility to which it is a party subject to the provisions of the STID; and
- (f) in the case of each Hedge Counterparty, (i) to terminate the relevant Hedging Agreement provided such termination is a Permitted Hedge Termination or to terminate the relevant Hedging Agreement in part and amend the terms of the Hedging Agreement to reflect such partial termination or (ii) to exercise rights permitted to be exercised by it under a Hedging Agreement.

### *Discretion Matters*

The Security Trustee may (but is not obliged to) make modifications to the Finance Documents without the consent of any other Secured Creditor where such modifications, consents or waivers:

- (a) in the opinion of the Security Trustee, are:
  - (i) to correct manifest errors; or
  - (ii) of a formal, minor, administrative or technical nature; and

- (b) would not, in the opinion of the Security Trustee, materially prejudice (as defined in the STID) the interests of any of the Qualifying Secured Creditors.

### *Quorum Requirements*

Pursuant to the terms of the STID, the Quorum Requirement is in respect of an Ordinary Voting Matter or an Extraordinary Voting Matter, one or more Participating Qualifying Secured Creditors representing in aggregate at least 20% of the entire Outstanding Principal Amount of all Qualifying Secured Debt. If the Quorum Requirement is not met by (a) for an Ordinary Voting Matter, within the Decision Period or (b) for an Extraordinary Voting Matter, the Business Day immediately preceding the last day of the Decision Period (as described further below in "*Security Trust and Intercreditor Deed – Decision Periods*"), the Decision Period will be extended and the Quorum Requirement will reduce to 10% of the aggregate Outstanding Principal Amount of all Qualifying Secured Debt.

### *Decision Periods*

The STID includes provisions specifying the relevant decision periods within which votes must be cast (each a **Decision Period**), which period must not be less than (a) ten Business Days from the date of delivery of the STID Proposal for any Discretion Matter; (b) 15 Business Days from (i) the date following the fifth Business Day since the relevant STID Proposal was delivered; (ii) if there is an agreement or determination that the original STID Proposal's categorisation is incorrect, the date the dissenting creditors and Obligors' Agent reach agreement on the applicable voting category; or (iii) if there is an agreement or determination that the original STID Proposal is incorrect, the date of receipt of an appropriately amended STID Proposal (the **Decision Commencement Date**) for any Ordinary Voting Matter; (c) 15 Business Days from the Decision Commencement Date for any Extraordinary Voting Matter; and (d) 15 Business Days from the Decision Commencement Date for an Entrenched Right. However, the Decision Period for an Entrenched Right for which any Bondholder is the Affected Secured Creditor will not be less than 50 days.

In the case of an Ordinary Voting Matter or an Extraordinary Voting Matter for which a duly convened general meeting of Bondholders of Tranche of Bonds is not convened during such initial 15 Business Day period due to such general meeting being inquorate in accordance with the terms of the Bond Trust Deed, the Decision Period shall be extended for such additional number of days as is required to convene an adjourned meeting of such Bondholders, and the Bond Trustee shall notify the Security Trustee as soon as reasonably practicable of any such adjournment and the proposed date of any such adjourned meeting. In addition, if the Quorum Requirement has not been met during the initial Decision Period, the Decision Period may be extended for a further ten Business Days to allow for a second vote at the lower quorum threshold (as further described in "*Security Trust and Intercreditor Deed – Quorum Requirements*" above).

Modifications, consents and waivers will be passed by the requisite number of creditors as further described in "*Security Trust and Intercreditor Deed – Types of Voting Categories*" above.

### *Qualifying Secured Debt*

#### General

Creditors to whom Qualifying Secured Debt is owed are entitled to vote the amount of such debt when consenting to proposals made by the Issuer or instructing the Security Trustee to take action in accordance with the STID.

#### Certification of amounts of Qualifying Secured Debt

Each Qualifying Secured Creditor must certify to the Security Trustee the relevant amount of the Qualifying Secured Debt that it is permitted to vote within five Business Days of the date on which either (i) the Qualifying Secured Creditors have been notified of a STID Proposal, the Qualifying Secured Creditors

receive an Initial Enforcement Instruction Notice, a Further Enforcement Instruction Notice or a Direction Notice, or a Qualifying Secured Creditor delivers a Qualifying Secured Creditor Instruction Notice, or (ii) the Security Trustee requests such certification. If any Qualifying Secured Creditor fails to provide such certification through its Secured Creditor Representative within the time required, then the Security Trustee will notify the Issuer of such failure. The Issuer must (to the extent it is aware of such amount after having made enquiry) promptly inform the Security Trustee of the Outstanding Principal Amount of Qualifying Secured Debt of such Qualifying Secured Creditor, and such notification will be binding on the relevant Qualifying Secured Creditors except in the case of manifest error and without liability to the Issuer.

#### Tranching of Qualifying Secured Debt and Determination of Voted Qualifying Debt

##### *Voting of Bonds by Bondholders*

If the procedures of the relevant Clearing System(s) in which the Bonds are cleared and/or relevant applicable laws and/or regulations permit the use of STID Direct Voting Mechanics, the votes of the Bondholders of each Tranche of Bonds in respect of a STID Proposal (other than a STID Proposal which relates to an Entrenched Right where such Bondholders are Affected Secured Creditors) will be cast by the Bondholders of such Tranche (through the Bond Trustee on their behalf) subject to and as required by the STID and the Bond Trust Deed in respect of Entrenched Rights, in respect of a Tranche of Bonds and a STID Proposal as follows:

- (a) subject to paragraph (c) below, by the aggregate of the Outstanding Principal Amount of each Bond which voted in favour of the relevant STID Proposal, for such STID Proposal both in respect of Quorum Requirements and the requisite majority;
- (b) subject to paragraph (c) below, by the aggregate of the Outstanding Principal Amount of each Bond which voted against the relevant STID Proposal, against such STID Proposal both in respect of Quorum Requirements and the requisite majority;
- (c) if any of the below applies to any Tranche of Bonds paragraphs (a) and (b) above shall not apply for that Tranche of Bonds:
  - (i) subject to paragraph (iii) below, if, in respect of a Tranche of Bonds and a STID Proposal:
    - (A) holders of 25% or more of the Outstanding Principal Amount of such Tranche of Bonds cast a vote in relation to such STID Proposal on or before the end of the relevant Decision Period; and
    - (B) holders of 75% or more of the Outstanding Principal Amount of the Bonds of such Tranche which so voted voted the same way,then the entire Outstanding Principal Amount of such Tranche of Bonds will count as having voted in such way both in respect of Quorum Requirements and the requisite majority;
  - (ii) in the event that (i)(A) does apply but (i)(B) does not apply, then the entire Outstanding Principal Amount of such Tranche of Bonds will count for the purposes of Quorum Requirements (but not the requisite majority, for which they will count on a euro-for-euro basis either for or against the STID Proposal according to their vote in accordance with paragraphs (a) and (b) above); and
  - (iii) in respect of a Tranche of Bonds and a STID Proposal which gives rise to an Entrenched Right in respect of which the Bondholders, are an Affected Secured Creditor in respect of which a Bondholders' meeting was called in accordance with the Bond Trust Deed or as

required by this Deed, the entire Outstanding Principal Amount of such Tranche of Bonds will count either for or against the STID Proposal according to the outcome of such meeting.

If the procedures of the relevant Clearing System(s) in which the Bonds are cleared and/or relevant applicable laws and/or regulations do not permit voting in the manner set out above, the votes of the Bondholders of such Tranche in respect of a STID Proposal will be cast by the Bondholders of each Tranche of Bonds (through the Bond Trustee on their behalf) subject to and as required by the STID and the Bond Trust Deed as follows:

- (a) if in respect of a Tranche of Bonds the requisite quorum (either at the initial general meeting of Bondholders or at an adjourned general meeting of Bondholders) and voting majority specified in the Bond Trust Deed relating to a general meeting of Bondholders to consider the STID proposal to be voted on by the Bondholders are met, then the entire Outstanding Principal Amount of such Tranche of Bonds will count as having voted in such way both in respect of Quorum Requirements and the requisite majority; and
- (b) if in respect of a Tranche of Bonds the requisite quorum specified in the Bond Trust Deed relating to a meeting of Bondholders to consider the STID Proposal is not met, then the Outstanding Principal Amount of such Tranche of Bonds will not count for the purposes of Quorum Requirements or towards the requisite majority.

#### *Voting in respect of Hedging Transactions by Hedge Counterparties*

Subject to the application of the Post-Enforcement Priority of Payments following the delivery to the Issuer of an Enforcement Notice, voting in respect of the Hedging Transactions will be made by each Hedge Counterparty in respect of (A) in relation to any Hedging Transaction arising under an Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant Hedging Agreement) has been designated, the amount (if any) outstanding to the relevant Hedge Counterparty following such termination (as calculated in accordance with the terms of the Hedging Agreement) and/or (B) otherwise, the mark-to-market value (being the amount which would be payable to the relevant Hedge Counterparty if any Early Termination Date (as defined in the relevant Hedging Agreement) were treated as having been designated on the date falling two Business Days after the commencement of the relevant Decision Period, and such amount calculated by the Hedge Counterparty and notified in writing by the Hedge Counterparty to the Security Trustee) of all transactions arising under the Hedging Transactions to which it is a party. Only such mark-to-market value will be counted towards the Quorum Requirement. In respect of each Hedge Counterparty, a single vote by reference to the aggregate of the mark-to-market value of all such Hedging Transactions arising under the Hedging Agreements of such Hedge Counterparty will be counted for or against the applicable STID Proposal, Initial Enforcement Instruction Notice, Further Enforcement Instruction Notice or Direction Notice.

#### *Voting of Bank Facilities by Lenders*

The votes of the Lenders in respect of a STID Proposal will be cast by the Lenders (through the Facility Agent on their behalf) subject to and as required by the STID and the Initial Authorised Credit Facilities Agreement. In the event that the voting majority specified in the Initial Authorised Credit Facilities Agreement relating to a STID Proposal to be voted on by the Lenders is not met, any votes so cast by the Lenders shall be divided by the Facility Agent between votes cast in favour and votes cast against, on a euro-for-euro basis, in respect of the Commitment of any Lender that voted on such STID Proposal within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors.

### *Voting of Institutional Private Placement Debt*

The votes of the Institutional Private Placement Debt Providers in respect of a STID Proposal will be cast by the Institutional Private Placement Debt Providers (through the Secured Creditor Representative authorised to act for such Institutional Private Placement Debt Providers under the relevant Institutional Private Placement Debt Document) subject to and as required by the STID and the relevant Institutional Private Placement Debt Document. If in respect of any Institutional Private Placement Debt the minimum quorum and voting majority specified in the relevant Institutional Private Placement Debt Document relating to a STID Proposal to be voted on by the Institutional Private Placement Debt Providers are not met, votes in respect of such Institutional Private Placement Debt will be divided between votes cast in favour and votes cast against, on a euro-for-euro basis in respect of Qualifying Secured Debt then owed to the relevant Institutional Private Placement Debt Providers who are Participating Qualifying Secured Creditors that vote on such STID Proposal within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors.

### *Voting of other Authorised Credit Facilities*

If in respect of any Authorised Credit Facility (other than those provided for above) provided other than on a bilateral basis, the minimum quorum and voting majorities specified in the relevant Authorised Credit Facility are not met, votes so cast in respect of the relevant Authorised Credit Facility will be divided between votes cast in favour and votes cast against, on a euro-for-euro basis in respect of the Qualifying Secured Debt then owed to Participating Qualifying Secured Creditors that vote on such STID Proposal within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors.

### *Aggregation of Votes*

In order to determine whether the requisite majority for any STID Proposal or other matter has been satisfied, the Security Trustee will aggregate all votes for and against the relevant STID Proposal or other matter on the basis specified above.

### Qualifying Secured Creditor Instructions

A Qualifying Secured Creditor which by itself or together with any other Qualifying Secured Creditor(s) is or are owed Qualifying Secured Debt having an aggregate Outstanding Principal Amount of at least 20% of the aggregate Outstanding Principal Amount of all Qualifying Secured Debt then outstanding may instruct the Security Trustee to exercise any of the rights granted to the Security Trustee under the Common Documents (except the right to take Enforcement Action or deliver an Enforcement Notice), including: (i) to challenge a statement(s), calculation(s) or ratio(s) in a Compliance Certificate or call for substantiating evidence; (ii) to nominate an independent expert and/or approve the appointment of an independent expert specified by such Qualifying Secured Creditor(s) to investigate the statement(s), calculation(s) or ratio(s) contained in any Compliance Certificate; (iii) to request further information; (iv) to request further information in order to determine whether there have been any breaches of the Common Terms Agreement; following the taking of Enforcement Action, to send a Further Enforcement Instruction Notice; and (v) to agree with the Issuer certain amendments to the Debt Service Letter of Credit Requirements.

### Request for Direction

The Security Trustee may request an instruction for the Qualifying Secured Creditors as to which the Security Trustee should agree to a consent, approval, waiver or modification or exercise a right or discretion or make a determination under or pursuant to the Finance Documents and any other matter and the manner in which it should do so (a **Direction Notice**) (except in relation to those matters which are the subject of a STID Proposal, Qualifying Secured Creditor Notice, an Initial Enforcement Instruction Notice or a Further

Enforcement Instruction Notice). With respect to any request for instructions in relation to the Direction Notice, the Security Trustee will deliver the Qualifying Secured Creditors a copy of the Direction Notice in the same manner as a STID Voting Request and the requisite Quorum Requirement and majority required will be the same as for an Ordinary Voting Matter.

#### *Enforcement and Acceleration*

Following receipt by the Security Trustee of actual notice pursuant to the STID of an Event of Default and for so long as it is continuing, the Security Trustee will request an instruction from the Qualifying Secured Creditors (an **Initial Enforcement Instruction Notice**) (through their Secured Creditor Representatives) as to whether the Security Trustee should:

- (a) deliver an Enforcement Notice to exercise or enforce all or any part of the Security; and/or
- (b) take any other Enforcement Action.

At any time following the taking of any Enforcement Action or the exercise or enforcement of all or any part of the Security, the Security Trustee, following receipt by the Security Trustee of a Qualifying Secured Creditor Instruction Notice, shall request by notice (a **Further Enforcement Instruction Notice**) an instruction from the Qualifying Secured Creditors as to how or whether the Security Trustee should undertake any other or further Enforcement Action, (including whether the Security Trustee should deliver an Enforcement Notice to exercise or enforce all or any part of the Security).

When voting on an Initial Enforcement Instruction Notice and a Further Enforcement Instruction Notice:

- (a) the Quorum Requirement will be one or more Participating Qualifying Secured Creditors representing, in aggregate, at least the Relevant Percentage of the aggregate Outstanding Principal Amount of all Qualifying Secured Debt;
- (b) the Decision Period will be 20 Business Days from the date of delivery of the Initial Enforcement Instruction Notice or Further Enforcement Instruction Notice provided that if a general meeting of Bondholders of a Tranche of Bonds is convened during such initial 20 Business Day period but no business is transacted at such general meeting due to a lack of requisite quorum, the Decision Period shall be extended for such additional days as is required to convene an adjourned meeting of such Bondholders and the Bond Trustee shall notify the Security Trustee as soon as reasonably practicable of any such adjournment and the proposed date of any such adjourned meeting; and
- (c) the majority required to pass the resolution will be at least the Relevant Percentage of the Voted Qualifying Debt.

For the purposes of Quorum Requirements, the Relevant Percentage is, in relation to any Initial Enforcement Instruction Notice or Further Enforcement Instruction Notice delivered:

- (a) up to and including the date falling six months after the occurrence of the Event of Default, 50%;
- (b) during the period following the date falling six months after the occurrence of the Event of Default up to and including the date falling 12 months after the occurrence of the Event of Default, 33.33%; and
- (c) at any time following the date falling 12 months after the occurrence of the Event of Default, 10%.

For the purposes of the required majority, the Relevant Percentage is, in relation to any Initial Enforcement Instruction Notice or Further Enforcement Instruction Notice delivered:

- (a) up to and including the date falling six months after the occurrence of the Event of Default, 75%;

- (b) during the period following the date falling six months after the occurrence of the Event of Default up to and including the date falling 12 months after the occurrence of the Event of Default, 50%; and
- (c) at any time following the date falling 12 months after the occurrence of the Event of Default, 25%.

*Distressed Disposals*

On the occurrence of a Distressed Disposal the Security Trustee may, without any consent from any Secured Creditor, release any Security as is required to effect the disposal in accordance with the STID. The net proceeds of disposal are to be applied in accordance with the Post-Enforcement Priority of Payments (see " – *Post-Enforcement Priority of Payments*" below).

***Post-Enforcement Priority of Payments***

Following the delivery of an Enforcement Notice, all Available Enforcement Proceeds (other than any Defeasance Amounts, which shall be applied in redemption of the Bonds and/or repayment of the Bank Facility and/or redemption or repayment of the Institutional Private Placement Debt to which the Defeasance Account in question relates) shall be applied by or on behalf of the Security Trustee or any delegate or other representative appointed by the Security Trustee on each Payment Date (or, following the delivery of an Enforcement Notice, on any day on which sums are due and payable) in the following order, without double counting:

- (a) *first, pro rata and pari passu*, according to the respective amounts thereof in or towards satisfaction of the fees, costs, charges, liabilities, expenses and other remuneration and indemnity payments (if any) and any other amounts payable by any Obligor to (i) the Security Trustee, and (ii) the Bond Trustee, under any Finance Document;
- (b) *second, pro rata and pari passu*, according to the respective amounts thereof in or towards satisfaction of the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of:
  - (i) each Account Bank under any Finance Document; and
  - (ii) the Principal Paying Agent, the Domiciliary Agent and the Agent Bank and the Calculation Agent (if any) incurred under the Agency Agreement or a Calculation Agency Agreement;
- (c) *third*, according to the respective amounts thereof, in or towards satisfaction of the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Facility Agent under any Finance Document;
- (d) *fourth, pro rata and pari passu*, according to the respective amounts thereof, in or towards satisfaction of:
  - (i) all amounts due by the Issuer to any Liquidity Facility Provider (and any Liquidity Facility Agent and arranger under any Liquidity Facility Agreement) (other than in respect of Liquidity Subordinated Amounts); and
  - (ii) all amounts due by the Issuer to any Debt Service Letter of Credit Provider;
- (e) *fifth, pro rata and pari passu*, according to the respective amounts thereof, in each case without double counting, in or towards satisfaction of:
  - (i) all amounts of interest, underwriting and commitment commissions due or overdue in respect of the Bank Facilities;

- (ii) all amounts of interest due or overdue in respect of the Bonds;
  - (iii) all amounts of interest due or overdue in respect of the Institutional Private Placement Debt;
  - (iv) all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay as you go payments) payable to each Hedge Counterparty under any Hedging Agreement; and
  - (v) all amounts of interest due or overdue in respect of any other Senior Permitted Financial Indebtedness;
- (f) *sixth, pro rata and pari passu*, according to the respective amounts thereof, in each case without double counting, in or towards satisfaction of:
- (i) all amounts of principal due or overdue in respect of the Bank Facilities;
  - (ii) all amounts of principal due or overdue in respect of the Bonds and any Make-Whole Amount due and payable on the Bonds (if any);
  - (iii) all amounts of principal due or overdue in respect of the Institutional Private Placement Debt any Make-Whole Amount or swap breakage amounts (if any) due and payable in respect of the Institutional Private Placement Debt;
  - (iv) all principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay as you go payments or other unscheduled sums due and payable by the Issuer to each Hedge Counterparty under any Hedging Agreement; and
  - (v) all amounts of principal due or overdue in respect of any other Senior Permitted Financial Indebtedness;
- (g) *seventh*, according to the respective amounts thereof, in or towards satisfaction of any Liquidity Subordinated Amounts due or overdue to any Liquidity Facility Provider; and
- (h) *eighth*, following the Security Trustee having confirmed to the Obligors' Agent that the Senior Discharge Date has occurred, the surplus (if any) together with all amounts standing to the credit of the Accounts of the Obligors shall be available to such other person(s) as are entitled to them.

### ***Guarantee and Security Documents***

#### *Guarantees*

Distributienet-Beheer Brussels Airport NV (**DNB**) guarantees the obligations of the Obligors under the Finance Documents (in the case of DNB, subject to specified guarantee limitations) in accordance with the terms of the STID.

#### *Security*

Subject to Belgian law limitations and certain exceptions (see "*Risk Factors – Financing and Security Risks*"), the obligations of the Obligors under the Finance Documents (including but not limited to the Bonds, the Bank Facilities and any Institutional Private Placement Debt) will be secured by security over the following assets of the Issuer and DNB, including:

- (a) a mortgage over all the real property of the Issuer and DNB (excluding Agreed Mortgage Exclusions);

- (b) a pledge on the business of the Issuer and DNB (the pledge on the business is a general charge over a substantial part of the assets of the businesses (*fonds de commerce/handelszaak*) of the Issuer and DNB, including, among others, equipment and receivables. Real estate is not covered);
- (c) a mandate to grant a mortgage on all the real property owned by the Issuer and DNB (excluding the Agreed Mortgage Exclusions);
- (d) a mandate to grant a pledge on the business of the Issuer and DNB (a mandate to grant a real property mortgage or a pledge on the business is an irrevocable power of attorney, delivered to the Security Trustee by the Issuer and DNB. It entitles the Security Trustee to register (an) additional mortgage(s) or pledge(s) on the business up to the secured amount stated in the mandate, at any time, without further notice to or authorisation from the Issuer or DNB. Until the mandate is exercised to register the security, however, it does not constitute a perfected security interest. If the mandate is exercised (and the security is registered) during the "suspect" (preference) period prior to bankruptcy, it could be invalidated in the bankruptcy as a new security for a pre-existing debt. The suspect (preference) period in Belgium can relate back up to six months prior to the declaration of bankruptcy).
- (e) a pledge over all the intellectual property rights of the Issuer and DNB;
- (f) a pledge over all the shares in DNB; and
- (g) a pledge over all present and future receivables (including e.g. intra-group receivables, insurance receivables, trade receivables etc.) and bank accounts of the Issuer and DNB.

The Security Documents will be governed by Belgian law.

## **Hedging**

### *Hedge Counterparties and the STID*

Each Hedge Counterparty will become a Secured Creditor party to the STID and the CTA.

Hedge Counterparties are able to vote on STID Proposals: (a) in respect of which an Early Termination Date has been designated, in relation to the amount (if any) outstanding to the relevant Hedge Counterparty; and/or (b) otherwise, in respect of the mark-to-market value of all transactions arising under the Hedging Transactions to which it is a party, but only to the extent that such value represents an amount which would be payable to them if an Early Termination Date was designated in respect of such transactions on the date falling two Business Days after the commencement of the relevant Decision Period (see " – *Security Trust and Intercreditor Deed – Qualifying Secured Debt*"). The mark-to-market value will count toward the Quorum Requirement and the aggregate of the mark-to-market value of all Hedging Transactions arising under the Hedging Agreements of such Hedge Counterparty will be counted towards the vote.

### *General Principles*

Only the Issuer may enter into Hedging Agreements.

The purpose of the hedging policy is to manage the exposure of the Issuer to fluctuations in interest rates, currencies and inflation. No member of the Group will enter into treasury transactions for the purpose of speculation, but rather only to manage risk inherent in its business or financings. Subject to the approvals contemplated above, the Hedging Policy will be reviewed from time to time by the Group and amended (subject to and in accordance with the provisions of the STID) as appropriate in order to reflect market practice, regulatory developments and good industry practice.

The Issuer may enter Accreting Swaps, provided that the Total Accreting Amount (defined as the aggregate amount of all accretions to the notional principal amount of the Accreting Swaps) does not exceed an amount equal to 15% of Senior Debt on any Calculation Date

#### *Currency Risk Principles*

The Issuer must not bear unhedged currency risk in respect of the interest payable to expected maturity and the repayment of principal under any foreign currency denominated debt instruments.

#### *Interest Rate Risk Principles*

At any time, the Issuer will hedge the interest rate risk in relation to the total outstanding Relevant Debt to ensure that at any time:

- (a) from the date falling 60 days after the Drawdown Date to the first anniversary of the Drawdown Date, a minimum of 65% of the total outstanding Relevant Debt: (i) is fixed rate; or (ii) effectively bears a fixed rate pursuant to a Hedging Agreement for a period of at least five years from the Drawdown Date, save for any Hedging Agreement entered into in relation to Facility A Tranche 1 for which the Issuer will hedge such interest risk for three years;
- (b) from the first anniversary of the Drawdown Date, a minimum of 75% of the total outstanding Relevant Debt: (i) is fixed rate; or (ii) effectively bears a fixed rate pursuant to a Hedging Agreement for a period of at least five years from the Drawdown Date, save for any Hedging Agreement entered into in relation to Facility A Tranche 1 for which the Issuer will hedge such interest risk for three years; and
- (c) at all times, the aggregate notional amount of the Hedging Agreements does not exceed 110% of the total Relevant Debt (excluding any fixed rate indebtedness),

and the Issuer may, from time to time, increase or reduce the notional amount of the Hedging Agreements (in accordance with the Hedging Policy) (within the parameters set out in paragraphs (a) to (c) above).

If the aggregate notional amount of the Hedging Agreements exceeds 110% of the Relevant Debt (excluding any fixed rate indebtedness) (after taking into account any off-setting/equal and opposite swaps) (an **Overhedged Position**), the Issuer must, within 20 Business Days of becoming aware of the Overhedged Position, reduce the notional amount of the Hedging Agreements by terminating one or more Hedging Agreements (in accordance with the Hedging Policy) and/or entering into off-setting swaps.

The Group may hedge its exposure to interest rate risk through instruments such as interest rate swaps or interest rate options.

The Group will, in addition, be permitted to enter into derivative instruments such as forward starting interest rate swap transactions and/or inflation rate swap transactions (the **Pre-Hedges**). Any Pre-Hedge must have an effective date no later than 24 months from the date of entry into such treasury transaction. Subject to no Event of Default having occurred, such Pre-Hedges will not count towards the Overhedged Position prior to the applicable effective date of the relevant Pre-Hedge. In addition, such Pre-Hedges will contain provisions to the effect that:

- (a) such Pre-Hedges may be terminated at the election of the Issuer who is party to such Pre-Hedge if the projected Financial Indebtedness is either not incurred by the time it is projected to be incurred or is incurred and the pre-hedging is no longer required; or
- (b) in the event the notional amount of such Pre-Hedges exceeds at any given time 110% of the total amount of projected Financial Indebtedness to be incurred, then the Issuer must, within 20 Business

Days of becoming aware of such excess (a **Pre-Hedge Excess**) reduce the notional amount of the Pre-Hedges in accordance with the Hedging Policy.

*Principles relating to Hedge Counterparties*

The Issuer must only enter into Hedging Agreements with counterparties whose long-term, unsecured and unsubordinated debt obligations are assigned a rating by the Rating Agencies which is no less than the Minimum Long Term Rating, or (i) where a parent guarantee is provided by an institution which meets the same criteria and/or (ii) the counterparty enters into a credit support annex with the Issuer. Such a rating requirement is tested only on the entry of a Hedging Agreement.

*Principles relating to Hedging Agreements*

The Issuer will only enter into a Hedging Agreement with a Hedge Counterparty if such Hedging Agreement limits the Early Termination Event in accordance with the Hedging Policy, including as follows:

- (a) with respect to Hedging Agreements:
  - (i) an Event of Default in respect of which the Secured Liabilities is accelerated or the Security is enforced;
  - (ii) certain insolvency events affecting the Issuer; or
  - (iii) the Issuer has not paid any amount owed to a Hedge Counterparty under a Hedging Agreement, and such failure to pay has not been remedied within five Business Days of the due date;
- (b) any termination event under the relevant Hedging Agreement relating to illegality (as defined in the relevant Hedging Agreement);
- (c) a force majeure event under the relevant Hedging Agreement;
- (d) certain tax events;
- (e) if a right of early termination granted in favour of the Issuer or the relevant Hedge Counterparty is exercisable in accordance with the terms of the relevant Hedging Agreement, provided that such right may only be exercised to the extent that:
  - (i) the Issuer remains in compliance with the requirements of the Hedging Policy;
  - (ii) such right is being exercised on or about the time of discharge and cancellation in full of the Bank Facilities (excluding Facility C) by a Hedge Counterparty which is a Lender or an affiliate of such Lender; or
  - (iii) such right is being exercised by a Hedge Counterparty which is a Lender or an affiliate of such Lender on or about the time of repayment and cancellation in full of that Lender under the terms of the Initial Authorised Credit Facilities Agreement;
- (f) the Issuer has not, within 20 Business Days of becoming aware of an Overhedged Position or a Pre-Hedge Excess, reduced the notional amount of its Hedging Agreements so that each is in compliance with the Hedging Policy, provided that:
  - (i) an Early Termination Date (as defined in the relevant Hedging Agreement) may only be designated in respect of the notional amount of Hedging Agreements to the extent necessary to bring the Issuer in compliance with the Hedging Policy; and

- (ii) the Hedge Counterparties (each acting reasonably) agree a time period over which Early Termination Dates for the Hedging Agreements are to be designated and a reasonable mechanism to determine the price to the Issuer of affecting such reduction in accordance with the Hedging Policy; and
- (g) prepayment, repayment or cancellation in full of the Relevant Debt (excluding any fixed rate indebtedness).

Upon the designation of an Early Termination Date in accordance with paragraph 19(vi) of the Hedging Policy, the Hedge Counterparties, acting together, shall designate an Early Termination Date.

Upon the designation of an Early Termination Date in accordance with paragraph 19(vii) of the Hedging Policy:

- (a) if an Early Termination Date has been designated as a result of an Overhedged Position, the Hedge Counterparties shall designate an Early Termination Date with respect to the Hedging Agreements in relation to which such Overhedged Position has occurred and reduce the notional amount of such Hedging Agreements on a *pro rata* basis; and
- (b) if an Early Termination Date has been designated as a result of a Pre-Hedge Excess, the Hedge Counterparties shall designate an Early Termination Date with respect to the Pre-Hedges in relation to which such Pre-Hedge Excess has occurred and reduce the notional amount of such Pre-Hedges on a *pro rata* basis.

All Hedging Agreements must be entered into in the form, as amended by the parties thereto, of the 2002 Master Agreement published by ISDA or any successor thereto published by ISDA unless otherwise agreed by the Security Trustee.

#### ***Debt Service Requirements***

The Issuer must confirm in each Compliance Certificate that the Debt Service Requirements are met. The Debt Service Requirements are:

- (a) a Fully Funded Debt Service Reserve Account;
- (b) a Liquidity Facility; or
- (c) a Debt Service Letter of Credit.

If none of the Debt Service Requirements are met, the Issuer will be in Lock-Up, meaning (among other things) that the Issuer may not make any Restricted Payments.

#### ***Liquidity Facility Requirements***

Each Liquidity Facility Provider must be: (i) a bank or financial institution which has a rating for its long term unsecured and non credit enhanced credit obligations that is sufficient to maintain the rating of the Bonds in accordance with Rating Agency requirements; (ii) a Lender / Initial ACF Lender; or (iii) approved by the Security Trustee. The exceptions are:

- (a) where a Standby Drawing has been made or a guarantee from a guarantor with a rating not less than that of an Acceptable Liquidity Bank, as a result of a Liquidity Facility Provider ceasing to be an Acceptable Liquidity Bank; or
- (b) any grace period set out in the Liquidity Facility Agreement in respect of the matters set out in paragraph (a) above has not expired.

The Liquidity Facility shall be available in an amount greater than or equal to the Interest Service Obligations for each subsequent Calculation Period during the maturity of the Liquidity Facility to enable the Issuer to:

- (a) make payments in respect of any Liquidity Shortfall; and
- (b) place on deposit the Standby Drawing in the Liquidity Standby Account if:
  - (i) a Liquidity Facility Provider does not renew the facility at the end of its term; or
  - (ii) a Liquidity Facility Provider ceases to be an Acceptable Liquidity Bank and there is no replacement eligible Liquidity Facility Provider or guarantor for such Liquidity Facility Provider.

A Liquidity Facility Provider shall not be obliged to make facilities available if the Issuer fails to pay any sum under the Liquidity Facility Agreement, a Liquidity Insolvency Event has occurred or any of the Senior Debt is declared immediately due and payable.

Unless otherwise agreed by the Issuer and the Security Trustee, amounts becoming available to be drawn by the Issuer under the Liquidity Facility Agreement (whether as a result of repayment of an earlier drawing or otherwise) will be treated as providing liquidity in respect of items (a) to (e) (inclusive) of paragraph 8 of Schedule 6 (*Cash Management*) (excluding sub-paragraph (e)(iv) and, for the avoidance of doubt, all payments on final maturity and all other unscheduled amounts payable).

It shall be an event of default under the Liquidity Facility Agreement if:

- (a) there is any failure to pay any sums due from the Issuer under any Liquidity Facility Finance Document, subject to any grace period;
- (b) a Liquidity Insolvency Event has occurred; or
- (c) an Enforcement Notice has been delivered.

#### *Debt Service Letter of Credit Requirements*

The Debt Service Letter of Credit must be issued by: (i) a bank or financial institution which has a rating for its long term unsecured and non credit enhanced credit obligations that is sufficient to maintain the rating of the Bonds in accordance with Rating Agency requirements; (ii) a Lender / Initial ACF Lender; or (iii) approved by the Security Trustee.

The Debt Service Letter of Credit shall be available in an amount greater than or equal to the Interest Service Obligations for each subsequent Calculation Period during the maturity of the Liquidity Facility to enable the Issuer to:

- (a) make payments in respect of any Liquidity Shortfall; and
- (b) place on deposit the Standby Drawing in the Liquidity Standby Account if:
  - (i) a Debt Service Letter of Credit Provider does not renew the facility at the end of its term; or
  - (ii) a Debt Service Letter of Credit Provider ceases to be an Acceptable Liquidity Bank and there is no replacement eligible Debt Service Letter of Credit Provider or guarantor for such Debt Service Letter of Credit Provider.

Unless otherwise agreed by the Issuer and the Security Trustee (acting on the instructions of Qualifying Secured Creditors in accordance with the STID), amounts becoming available to be drawn by the Issuer under the Debt Service Letter of Credit (whether as a result of repayment of an earlier drawing or otherwise) will be treated as providing liquidity in respect of item (a) to (e) inclusive of paragraph 8 of Schedule 6 (*Cash Management*) (excluding sub-paragraph (e)(iv) and, for the avoidance of doubt, all payments on final maturity and all other unscheduled amounts payable).

## OTHER FINANCE DOCUMENTS

### *Initial Authorised Credit Facilities Agreement*

The Issuer, the Obligors and the Initial ACF Arrangers among others, entered into the Initial Authorised Credit Facilities Agreement on the Initial Issue Date. Credit facilities that were made available to the Issuer by the Initial ACF Lenders which comprise:

- (a) (i) EUR 550,000,000 Facility A Tranche 1 (the **Facility A Tranche 1**); and
  - (ii) EUR 800,000,000 Facility A Tranche 2 (the **Facility A Tranche 2**),
- (together, **Facility A**).

Facility A is subject to a scale-back mechanism set out in a schedule of the Initial Authorised Credit Facilities Agreement.

- (b) A euro revolving credit facility in an aggregate amount equal to the Total Facility B Commitments, capable of being reborrowed as specified under the Initial Authorised Credit Facilities Agreement (**Facility B**) with such amounts to be applied by the Issuer:
  - (i) to the repayment in full of the bank facilities provided to the Issuer as at the date of this Offering Circular; and
  - (ii) to fund up to 70% of its aggregate Capital Expenditure or to refinance or redeem such amounts to the extent they were initially funded from other sources.

Facility B will be available from and including the day which is three Business Days before the Initial Issue Date until the date which is one month prior to the date falling five years after the first drawdown of Facility B under the Initial Authorised Credit Facilities Agreement and any such sums unutilised at the end of such a period shall be immediately cancelled.

- (c) A euro revolving credit facility in an aggregate amount equal to the Total Facility C Commitments, capable of being reborrowed as contemplated under the Initial Authorised Credit Facilities Agreement (**Facility C**) with such amounts to be applied by the Issuer:
  - (i) to the repayment in full of the bank facilities provided to the Issuer as at the date of this Offering Circular; and
  - (ii) to finance the Group's working capital and general corporate requirements (including funding the Debt Service Reserve Account) (but not towards payment of any amounts in respect of acquisitions and/or principal repayments under Facilities A and B).

Facility C will be available from and including the day which is three Business Days before the Initial Issue Date until the date which is one month prior to the date falling five years after the Initial Utilisation Date and any such sums unutilised at the end of the Availability Period shall be immediately cancelled.

The availability period for each of Facility A, Facility B and Facility C shall automatically terminate and all commitments shall be immediately cancelled if the first drawdown under the Initial Authorised Credit Facilities is not made before close of business on Wednesday 17 July 2013.

An Ancillary Lender may make available an Ancillary Facility to the Issuer in place of all or part of its Commitment under Facility B or Facility C.

Each of Facility C, any Ancillary Outstanding under the Ancillary Facilities and any cash loans covered by a letter of credit or guarantee under an Ancillary Facility is subject to clean-down provisions requiring the facility to be repaid in full for a period of not less than five successive Business Days in each Financial Year elapsing after the Drawdown Date and is subject to a minimum period of three months between clean-down periods.

The Obligors will make representations and warranties, covenants and undertakings to the Initial ACF Finance Parties on the terms set out in the CTA.

The Events of Default under the CTA will apply under the Initial Authorised Credit Facilities Agreement.

The ability of the Initial ACF Finance Parties to accelerate any sums owing to them under the Initial Authorised Credit Facilities Agreement upon or following the occurrence of an Event of Default thereunder is subject to the STID. However, no further drawings may be made under the Initial Authorised Credit Facilities Agreement following the occurrence of an Event of Default which is continuing.

For so long as there are outstanding amounts under the IACFA, the Lenders will benefit from certain provisions under the IACFA over and above the representations, warranties and covenants set out in the CTA. These provisions are set out below. There can be no assurance as to whether some or all of these provisions, or different provisions, will apply in respect of any future bank debt raised by the Issuer.

<b>IACFA position</b>	<b>CTA position</b>	<b>Effect on Bonds</b>
The bank lenders have the benefit of a clean-down period of five successive business days in each financial year after the drawdown date and no less than three months are required to have elapsed between two successive clean down periods. During each clean-down period, the Issuer would need to ensure that its net working capital position is zero.	Not Applicable	Bonds do not have the benefit of a clean-down.
If a Change of Control or Flotation occurs, the Agent may cancel the total commitments of the bank lenders and declare all outstanding utilisations (together with accrued amounts) immediately due and payable.	Not Applicable	In the event of a Change of Control or Flotation, the Bondholders do not have a right of early redemption or any other prepayment or step-up rights.
Cash sweep has been provided as a mandatory prepayment to the bank lenders at the end of year 4 and year 5 of the bank facilities, i.e. the Borrower will be required to pay down on the bank loans on a set date occurring in:	Not Applicable	The Bondholders do not have the right to any excess cash in prepayment of the Bonds. The redemption mechanics as provided for in the Conditions

IACFA position	CTA position	Effect on Bonds
<ul style="list-style-type: none"> <li>on the Calculation Date occurring around December 2017, within 10 days of the delivery of a compliance certificate, in an amount of the excess cashflow generated between (i) the later of July 2017 and fourth anniversary of the drawdown date and (ii) December 2017; and</li> <li>December in subsequent financial years (i.e. year 5), in an amount of the excess cashflow for the financial year.</li> </ul>		will apply. <sup>5</sup>
<p>Asset disposal proceeds shall be:</p> <ul style="list-style-type: none"> <li>used to pre-fund budgeted Capex; and then</li> <li>applied as a mandatory prepayment pursuant to the order of priority set out in the IACFA.</li> </ul>	Not Applicable	The Bondholders do not have the right to receive any disposal proceeds in prepayment or defeasance of the Bonds. <sup>6</sup>
<p>Proceeds of any refinancing of Senior Secured Debt are a mandatory prepayment and shall be applied as such in the order of priority set out in the IACFA.</p>	Not Applicable	The Bondholders do not have the right to receive any proceeds of refinancing in prepayment or defeasance of the Bonds. <sup>7</sup>
<p>Insurance proceeds are a mandatory prepayment and shall be applied as such in the order of priority set out in the IACFA.</p>	Not Applicable	The Bondholders do not have the right to receive any insurance proceeds in prepayment or defeasance of the Bonds.
<p>The CTA position regarding the Equity Cure Right is applicable generally. However, Equity Cure Amounts are mandatory prepayments under the IACFA and shall be applied as such in the order of priority set out therein. Further, pursuant to the IACFA, the Group shall not exercise the Equity Cure Right in consecutive testing periods or more than three times during a five-year period.</p>	<p>Equity Cure may be exercised by way of: (i) prepayment or purchase of Senior Permitted Financial Indebtedness or making a deposit to the Defeasance Account in respect of Defeasible</p>	<p>In the event that the Issuer cures a breach of the Financial Covenant by way of an Equity Cure, it has complete discretion as to the Senior Debt to which it applies the Equity Cure Amount, meaning that it may choose to prepay or defease Senior Debt other than the Bonds.</p>

<sup>5</sup> The mandatory prepayment contemplated by the cash sweep provisions will terminate on the repayment in full of Facility A on the 2017 Amendment Date pursuant to the 2017 Amendment Letter. The requirement, pursuant to clause 8.7 (Mandatory Prepayment – Cash Sweep) of the IACFA, to mandatorily prepay the bank facilities on and from December 2017 from Excess Cashflows shall, pursuant to the 2017 Amendment Letter, be deleted together with clause 8.9 (Application of mandatory prepayments) of the IACFA which documents the application of such prepaid amounts. (see “*Summary of Finance Documents – 2017 Amendment Letter*”)

<sup>6</sup> The mandatory application of such asset disposal proceeds will terminate on the repayment in full of Facility A on the 2017 Amendment Date pursuant to the 2017 Amendment Letter. (see “*Summary of Finance Documents – 2017 Amendment Letter*”)

<sup>7</sup> The mandatory prepayment provisions contemplated herein will terminate on the repayment in full of Facility A on the 2017 Amendment Date pursuant to the 2017 Amendment Letter. (see “*Summary of Finance Documents – 2017 Amendment Letter*”)

IACFA position	CTA position	Effect on Bonds
	<p>Senior Debt; and (ii) payment of any related Repayment Costs including that of termination of related swaps.</p> <p>However, investors should note that the Issuer has complete discretion over which Senior Permitted Financial Indebtedness should be prepaid using any Equity Cure Amount and therefore that there is no assurance that any such amount would be applied to the early redemption or defeasance of any Tranche or Series of Bonds.</p>	
<p>The covenant relating to the incurrence by the Obligors of ‘Permitted Financial Indebtedness’ is more restrictive than the restrictions which applies to the covenant contained in the CTA.</p>	<p>The more restrictive regime applicable to the IACFA will cease to apply once the facilities are repaid or prepaid in full.</p>	<p>After the bank facilities under the IACFA have been fully repaid, the Issuer would be bound only by the less restrictive covenant in the CTA; the more restrictive regime under the IACFA will cease to apply.</p>
<p>The covenant which controls the payment of dividends, subordinated liabilities etc. under the IACFA is more restrictive than that which applies under the CTA.</p>	<p>The more restrictive regime applicable to the IACFA will cease to apply once the facilities are repaid or prepaid in full.</p>	<p>After the bank facilities under the IACFA have been fully repaid, the Issuer would be bound by the less restrictive covenant in the CTA; the more restrictive regime under the IACFA will cease to apply.</p>
<p>To satisfy the Restricted Payment Condition in respect of the IACFA, a Liquidity Facility or a Debt Service Letter of Credit would not suffice, instead, a Fully Funded DSRA would be required.</p>	<p>There is no such additional restriction in the CTA.</p>	<p>After the bank facilities under the IACFA have been fully repaid, the Issuer may use any of the Debt Service Requirements for the purposes of its Compliance Certificate, i.e., (i) a Fully Funded DSRA, (ii) a Liquidity Facility or (iii) a</p>

IACFA position	CTA position	Effect on Bonds
		Debt Service Letter of Credit, at its discretion. <sup>8</sup>
Until the fifth anniversary of the Permitted Merger, the Issuer is not permitted to incur Incremental Debt if the then current rating of the Bonds (or if none, then Issuer's corporate rating) falls below a BBB- (or equivalent) threshold.	No such restriction in the CTA – Incremental Debt can be incurred provided that the then current rating of the Bonds (or, if none, the Issuer's corporate rating) is not reduced below the lower of (i) BBB (or equivalent) or (ii) the current rating of the Bonds (or, if none, the Issuer's corporate rating).	After the bank facilities under the IACFA have been fully repaid, this additional restriction will fall away and the Issuer will be able incur Incremental Debt even if the ratings of the Bonds have fallen to a level below BBB-, provided that the then applicable rating of the Bonds is not lowered by the incurrence thereof.
The IACFA contains an additional requirement for the annual management presentation to contain "any information relating to the actual number of passengers against the budgeted forecasts".	There is no such requirement in the CTA.	After the bank facilities under the IACFA have been repaid in full, the Issuer's senior management may choose not to include in their annual presentation to the creditors information relating to the actual number of passengers against budgeted forecasts.
The Issuer undertakes an additional information covenant to supply its annual budget.	There is no such additional requirement in the CTA.	After the bank facilities under the IACFA have been repaid in full, the Issuer would have no obligation to provide its annual budget to the Bondholders.
Certain additional restrictions are placed on the Issuer's making of permitted acquisitions including, <i>inter alia</i> , that at the time of such acquisition, no Default is continuing, the Issuer is not in Lock-Up, the acquired company has, or is reasonably expected to have, positive EBITDA in the applicable financial year etc.	There is no such additional restriction in the CTA.	Any acquisition made by the Issuer after the repayment of the bank facilities shall be subject only to the restrictions contained in the CTA and the MDA; the additional restrictions contained in the IACFA in this regard will fall away.

<sup>8</sup> The requirement to retain a Fully Funded DSRA will terminate on the repayment in full of Facility A on the 2017 Amendment Date pursuant to the 2017 Amendment Letter, with a committed Liquidity Facility satisfying the Restricted Payment Condition on and from the 2017 Amendment Date. Pursuant to the 2017 Amendment Letter, paragraph 20.2 (Restricted Payment Condition) of part 3 (Other Covenants) of schedule 2 (Covenants) to the Common Terms Agreement, which provides that for the purpose of satisfying the Debt Service Requirement of the Restricted Payment Conditions the Issuer may only provide a Fully Funded Debt Service Reserve Account, shall also be deleted, with a Liquidity Facility instead being granted to the Issuer on and from the 2017 Amendment Date in accordance with the Liquidity Facility Requirements (see "Summary of Finance Documents – 2017 Amendment Letter").

IACFA position	CTA position	Effect on Bonds
<p>The Issuer shall undertake an additional covenant for the duration of the life of the facilities under the IACFA, to open, on the Initial Issue date, a Registration Fee Account (secured in the favour of the secured creditors) and to keep it funded, though the life of the facilities, with an amount necessary to register the full amount of the Mortgage Mandate and the Business Pledge Mandate. The Security Trustee, upon the occurrence of a Mandate Exercise Event and acting in accordance with and subject to the terms of the Mortgage Mandate, the Business Pledge Mandate and the STID, may withdraw amounts from the Registration Fee Account to pay any amounts necessary to grant additional mortgages up to the extent of the outstanding amounts under the Senior Secured Debt at the relevant time.</p>	<p>The IACFA regime in relation to the Registration Fee Account will cease to apply once the facilities under the IACFA are repaid or prepaid in full.</p>	<p>After the bank facilities have been repaid in full, the Issuer shall not be required to maintain a Registration Fee Account to provide for expenses for the registration of the full amount of the Mortgage Mandate and the Business Pledge Mandate. In the event that the Security Trustee is instructed by the requisite majority of the Qualifying Secured Creditors to convert these two mandates, it may be that the Issuer has insufficient funds to meet the registration costs as at that time.<sup>9</sup></p>
<p>The covenant in relation to the Guarantors contains certain additional restrictions on the Issuer's ability to use companies for the development of Existing Development Plots.</p>	<p>No such additional restrictions are provided in the CTA.</p>	<p>After the bank facilities under the IACFA have been repaid in full, the Issuer shall be required to comply with the relevant covenant in the CTA, but not with the additional restrictions in the IACFA.</p>
<p>The Issuer may not enter into accreting swaps such that the total accretion exceeds EUR 82,500,000 in aggregate on any Calculation Date, being approximately, 5% of the Senior Debt and the calculation method for Overhedged Position is more restrictive.</p>	<p>The equivalent restriction in the CTA is 15% of the aggregate Senior Debt and Overhedged Position is calculated based on categories of Hedging Transactions.</p>	<p>After the bank facilities under the IACFA have been repaid in full, the Issuer may not enter into accreting swaps such that the total accretion exceeds 15% of the aggregate Senior Debt, and the method of calculation of Overhedged Position of the CTA shall apply.</p>

<sup>9</sup> The obligation to maintain a funded Registration Fee Account will terminate on the repayment in full of Facility A on the 2017 Amendment Date pursuant to the 2017 Amendment Letter. The obligation in clause 9.8 (Registration Fee Account) IACFA to deposit the Registration Required Amount in the Registration Fee Account shall be waived pursuant to the 2017 Amendment Letter such that (x) the amount which is required to be deposited in the Registration Fee Account is one euro and (y) any amount standing to the credit of the Registration Fee Account in excess of one euro may be withdrawn from the Registration Fee Account and credited to any Operating Account (see "Summary of Finance Documents – 2017 Amendment Letter").

## 2017 AMENDMENT LETTER

Pursuant to an amendment letter dated 12 April 2017 between the Obligors' Agent and the Facility Agent on behalf of the Lenders (the **2017 Amendment Letter**), certain provisions of the IACFA will be terminated with effect from the date on which Facility A is fully repaid (the **2017 Amendment Date**).

## 2017 STID PROPOSAL

### *Proposed Consents provided in the 2017 STID Proposal*

A STID Proposal, dated 7 April 2017, has been provided by the Borrower to the Security Trustee and the Secured Creditor Representatives (the **2017 STID Proposal**) and notified to existing Bondholders. The 2017 STID Proposal is annexed as Appendix 1 to this Offering Circular. The contents of this section should be read in conjunction with the 2017 STID Proposal.

The approval of the 2017 STID Proposal is sought upon the expiry of the Decision Period on 15 May 2017, as specified in Clause 2.3 of the 2017 STID Proposal.

The 2017 STID Proposal requests that the Qualifying Secured Creditors consider voting in respect of various amendments to the Finance Documents to implement the consents summarised in this section of the Offering Circular (paragraphs (a), (b) and (c) below, together, the **Proposed Consents**). The Proposed Consents constitute Extraordinary Voting Matters for the purposes of the STID.

### (a) **Permitted Development Consent**

- (i) The Borrower wishes to enhance its ability to develop real estate owned by it to facilitate the development of airport facilities at Brussels Airport. The Borrower wishes to be capable of entering into property development arrangements itself, either with Joint Ventures or through third parties to develop real estate in which it has an interest. Such activities would be value-accretive for the Borrower.
- (ii) The CTA permits the development of Existing Development Plots under the Existing Development Programme. However, the ability to develop real estate at Brussels Airport is limited by:
  - (A) the Permitted Investment Restriction, which limits the amount of Investment which may be made in respect of the Existing Development Plots; and
  - (B) the limitations of the definitions of Permitted Business and Permitted Transaction, which both limit the ability to develop real estate to the Existing Development Programme.
- (iii) In addition, the Security Trustee is authorised by each Secured Creditor, upon receipt of a request from the Obligors' Agent, to execute on behalf of itself and each Secured Creditor all releases of any Security (including any Mortgages) in relation to any Permitted Disposal by such Obligor provided that two directors of such Obligor certify in writing to the Security Trustee that the relevant conditions (if any) to such Permitted Disposal have been met.
- (iv) Permitted Disposals are similarly limited to transactions related to Existing Development Plots under the Existing Development Programme. Further, such disposals do not capture the granting of a right *in rem* (such as a right to build or a long lease, where residual property rights remain with the Borrower) in favour of a third party to develop real estate so the Borrower is left in a position where any grant of a right *in rem* over its real estate in favour of, for example, a Permitted Joint Venture will effectively require Secured Creditor approval

in each instance. Furthermore, any such third party or Joint Venture would be unable to mortgage its right *in rem* and the buildings owned and/or developed by it on the lands in favour of third party financiers. This presents practical difficulties for the Borrower in seeking to develop the real estate comprising the Mortgaged Property.

- (v) The 2017 STID Proposal therefore proposes amendments to the Finance Documents to:
  - (A) allow the development of real estate in which it has an interest for the operation and development of the airport facilities at Brussels Airport;
  - (B) allow any third party or Joint Venture holders of rights *in rem* in real estate in which the Borrower has an interest to mortgage such right *in rem* and any developments made by it on the lands in favour of third party financiers for the duration of the right *in rem*;
  - (C) increase the level of the Permitted Investment Restriction from EUR150,000,000 (Indexed) in any five year period to EUR300,000,000 in any five year period and apply this to real estate referred to in paragraph (i) above and not simply the Existing Development Programme; and
  - (D) streamline the process for any releases of security necessary to implement the above.
- (vi) To streamline the process for the release of security necessary to implement the above, the 2017 STID Proposal proposes the introduction of a conditional release process (the **Conditional Release Process**) under which the Security Trustee shall consent in advance, on behalf of the Secured Creditors, to the release of Mortgaged Property which is required to be disposed of, developed or leased as part of a Permitted Disposal.
- (vii) As part of the Conditional Release Process, the Security Trustee will authorise, pursuant to a conditional permitted release letter, the release (which will be notarised) of any Mortgaged Property the subject of any Permitted Disposal where the Belgian notary has received a certificate from the Borrower (A) containing a detailed identification of the Mortgaged Property to be released and (B) certifying that the proposed disposal and release of the identified Charged Property which is the subject of the Mortgage or the Mortgage Mandate constitutes a "Permitted Disposal". The Conditional Release Process will at all times be subject to the service of a revocation letter by the Security Trustee following the occurrence of an Event of Default which is continuing, following which the Conditional Release Process will no longer apply.

(b) **Right to Sale Consent**

- (i) Pursuant to a STID Proposal dated 16 March 2016, agreed and approved by the Security Trustee on 28 April 2016 (the **March 2016 STID Proposal**), an Extraordinary STID Resolution was passed (and the consent of the Security Trustee obtained) approving the granting to Regie der Gebouwen (**RdG**), the authority which manages the buildings and real estate of the Belgian State, a right *in rem* to build (**Right to Build**) on certain land (with cadastral references – Steenokkerzeel, 1st Division, Section C, nr. 51E, and shown in red on the plan annexed to the April 2017 STID Proposal at Appendix 2) (the **Land**) which is the subject of the Mortgage and the Mortgage Mandate entered into by the Mortgagors with the Security Trustee on 1 July 2013 in order to build housing units for refugees (the **RdG Project**).

- (ii) Subsequently, following the approval of the March 2016 STID Proposal, the Right to Build was not granted as the RdG made a request to buy the entire plot of 28.871,84m<sup>2</sup> containing the Land together with the plot on which the actual building "127bis" is located.
- (iii) The 2017 STID Proposal proposes that the Entire Plot be sold to RdG to allow it to further control the development of the RdG Project (the **Proposed Sale**). It should be noted that the approval of the Proposed Sale to RdG has to be viewed in light of the overall good relationship of the Borrower with the governmental authorities, which is essential for the management of the airport.
- (iv) The Entire Plot is located between two other plots currently managed by RdG and has an area of 28,871.84m<sup>2</sup>, compared to the overall area of approximately 10,000,000m<sup>2</sup> owned by the Group. In connection with the Proposed Sale, RdG has agreed to:
  - (A) pay to the Borrower a total of EUR 2,021,028.80 for the purchase of the Entire Plot, which will be paid into the Operating Account thereby making a positive contribution to Consolidated EBITDA; and
  - (B) grant the Borrower a right of repurchase in respect of the Entire Plot where it ceases to be used as a refugee shelter.
- (v) The 2017 STID Proposal requests that the Secured Creditors consider the Proposed Sale, notwithstanding that the CTA provides that "no Obligor shall....enter into a single transaction or a series of transactions....to sell, lease, transfer or otherwise dispose of any asset unless it constitutes a Permitted Disposal or a Permitted Transaction."
- (vi) The 2017 STID Proposal further provides that the Borrower will undertake that where the Entire Plot is repurchased in accordance with paragraph (iv)(B) above, it will amend the terms of the Mortgage and the Mortgage Mandate to procure that full ownership of the Entire Plot, and all rights and interests relating thereto, will become subject to the Security granted pursuant to the Mortgage and the Mortgage Mandate, provided that the Borrower has not executed a new agreement with respect to the Entire Plot (or any part thereof), within three months from the early termination of the Right to Build, pursuant to which the Borrower receives revenues pledged in favour of the Secured Creditors pursuant to the Receivables Pledge.

(c) **Additional Covenant Consent**

In order to diversify the Borrower's funding base, the Borrower may wish in the future to give representations and covenants to multilateral lenders, which representations and/or covenants are required for policy reasons by those funders. As matters stand, under the CTA, the Borrower may not give such additional representations and/or covenants. The 2017 STID Proposal therefore proposes to amend the CTA so that it can give such additional representations and/or covenants where customarily required by such multilateral lenders.

*2017 STID Proposal and Bondholders*

- (a) Pursuant to Condition 13 (*Consent to 2017 STID Proposal*), subject to paragraph (b), any holder of Bonds to be issued on or following the date of this Offering Circular, but prior to or on the 2017 STID Approval Date, is deemed, by subscribing for such Bonds for the purposes of the quora and majorities required under the provisions of the STID relating to voting, including Clauses 12 (*Tranching of Qualifying Secured Debt and Determination of Voting Qualifying Debt*) to 16 (*Extraordinary Voting Matters*) (inclusive) of the STID and the provisions of Schedule 2 of the Bond Trust Deed, to have consented to the Proposed Consents set out in the 2017 STID Proposal.

- (b) Paragraph (a) above shall not apply to any Bonds issued after the date on which the Proposed Consents have been approved in accordance with the Finance Documents (the **2017 STID Approval Date**).

#### **PREVIOUS STID PROPOSALS**

BAC has made various STID Proposals since the Establishment Date, all of which have been approved by the Qualifying Secured Creditors. These have related to minor real estate matters, including rectification of the map showing the Agreed Mortgage Exclusions, the granting of utility easement rights and the facilitation of a warehouse development.

## TERMS AND CONDITIONS

*The following, other than this italicised text, is the text of the terms and conditions which (subject to completion and as supplemented in accordance with the provisions of the relevant Final Terms), shall be applicable to the Bonds. Further information with respect to each Tranche of Bonds will be given in the relevant Final Terms which will provide for those aspects of these Conditions which are applicable to such Tranche of Bonds. References in the Conditions to "Bonds" are to the Bonds of one Series only; not to all Bonds that are issued under the Programme.*

The Bonds are issued by Brussels Airport Company NV/SA (the **Issuer**), are constituted by, are subject to, and have the benefit of, a bond trust deed dated 24 June 2013 (such bond trust deed as modified and/or supplemented and/or restated from time to time and pursuant to a supplemental bond trust dated on or about 20 April 2017, the **Bond Trust Deed**) made between the Issuer and Citicorp Trustee Company Limited (the **Bond Trustee**, which expression shall include any successor trustee and all other persons for the time being appointed pursuant to the Bond Trust Deed to act for and on behalf of the Bondholders) and are the subject of an agency agreement (as amended, supplemented and/or restated from time to time, the **Agency Agreement**) dated 26 June 2013 between, *inter alios*, the Issuer, the Bond Trustee, the Principal Paying Agent and the other Paying Agents and the Agent Bank. As used herein, each of **Domiciliary Agent**, **Principal Paying Agent**, **Paying Agents** and **Agent Bank** means, in relation to the Bonds, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Domiciliary Agent and Agent Bank, respectively, and, in each case, any successor to such person in such capacity, and **Agents** shall mean the Principal Paying Agent, the Agent Bank, the Domiciliary Agent and any Calculation Agent (as defined below) appointed thereunder and any additional Paying Agents also appointed thereunder. The Bonds may also have the benefit (to the extent applicable) of a calculation agency agreement (in the form or substantially in the form of schedule 1 to the Agency Agreement, the **Calculation Agency Agreement**) between, *inter alios*, the Issuer and any calculation agent appointed by the Issuer as calculation agent (the **Calculation Agent**).

Each Series of Bonds may be denominated in different currencies or have different interest rates, maturity dates or other terms. Bonds of any Series may be fixed rate Bonds (**Fixed Rate Bonds**), floating rate Bonds (**Floating Rate Bonds**) or index-linked Bonds (**Indexed Bonds**) depending on the method of calculating interest payable in respect of such Bonds and may be denominated in sterling, euro, U.S. dollars or in other currencies subject to compliance with applicable law.

As used herein, **Tranche** means Bonds which are identical in all respects (including as to listing and admission to trading), and **Series** means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Bond Trustee acts for the benefit of the Bondholders, in accordance with the provisions of the Bond Trust Deed.

The final terms for each Tranche of the Bonds (or the relevant provisions thereof) are set out in the applicable Final Terms and supplement these Conditions. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) relating to those Bonds. In the event of any inconsistency between these Conditions and the applicable Final Terms, the applicable Final Terms shall prevail.

The Issuer entered into a programme agreement on the date hereof (the **Programme Agreement**) with the dealers named therein (the **Dealers**) in respect of the Programme, pursuant to which any of the Dealers may enter into subscription agreements (each a **Subscription Agreement**) in relation to each Tranche of Bonds issued by the Issuer, and pursuant to which the Dealers will agree to subscribe for the relevant Bonds. In any

Subscription Agreement relating to a Tranche of Bonds, any of the Dealers may agree to procure subscribers to subscribe for the relevant Tranche of Bonds.

On 26 June 2013, the Issuer entered into a common terms agreement, with among others, the other Obligor and the Secured Creditors (the **CTA**) and a security trust and intercreditor deed between, amongst others, the other Obligor and the Secured Creditors (the **STID**).

The Issuer may enter into liquidity facility agreements (together, the **Liquidity Facility Agreements**) with certain liquidity facility providers (each a **Liquidity Facility Provider** and together, the **Liquidity Facility Providers**) pursuant to which the Liquidity Facility Providers agree to make certain facilities available to meet liquidity shortfalls.

The Issuer may enter into certain currency, inflation-linked and interest rate hedging agreements (together, the **Hedging Agreements**) with certain hedge counterparties (together, the **Hedge Counterparties**) in respect of certain Tranches of Bonds, pursuant to which the Issuer hedges certain of its currency and interest rate obligations.

Pursuant to Clause 9 (*Guarantee*) of the STID, DNB (being the **Guarantor**) provides the Guarantee, under which each Guarantor irrevocably and unconditionally jointly and severally (a) guarantees to each Finance Party the punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents (including the obligations of the Issuer under the Bonds); (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover. The Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party. The maximum liability of DNB under the Guarantee will be limited to the higher of (i) the highest level of (without double counting) the aggregate amount of on-lending made available by any Obligor directly or indirectly, to DNB between the date of the STID and the date on which a demand is made on DNB under the Guarantee, and (ii) an amount equal to 80% of the net assets (*netto actief/actif net* as defined in Article 617 of the Belgian Companies Code) of DNB calculated on the basis of the latest available audited annual financial statements of DNB at the date of the STID.

The Bond Trust Deed, the Bonds (including the applicable Final Terms), the Initial Authorised Credit Facilities Agreement, the Agency Agreement, the Security Documents, the Hedging Agreements, the STID, the CTA and the master definitions agreement between, among others, the Issuer and the Bond Trustee dated 23 June 2016 (the **Master Definitions Agreement**) (each, if not defined above, as defined below or in the Master Definitions Agreement), are together with certain other documents defined in the Master Definitions Agreement, as the **Finance Documents**.

Certain statements in these Conditions are summaries of the detailed provisions appearing in the relevant Final Terms or in the Bond Trust Deed, the STID, the CTA or the Security Documents. Copies of the Bond Trust Deed, STID, CTA, Master Definitions Agreement and the Security Documents are available for inspection during normal business hours at the specified offices of the Principal Paying Agent, save that, if this Bond is an unlisted Bond of any Tranche, the applicable Final Terms will only be obtainable by a Bondholder holding one or more unlisted Bonds of that Tranche and such Bondholder must provide evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Bonds and identity.

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Bond Trust Deed, the Security Documents, the STID, CTA and other Finance Documents applicable to them and the relevant Final Terms and to have notice of those provisions of the Agency Agreement and the other Finance Documents applicable to them. In the event of any inconsistency between

the terms and conditions set out herein and the terms set out in the STID, the Security Documents and the CTA, the terms of the STID, the Security Documents or the CTA (as the case may be) shall prevail.

Capitalised terms defined in the Bond Trust Deed or the Security Documents or used in the applicable Final Terms shall have the same meanings when used in these Conditions unless the context otherwise required or unless otherwise stated.

Capitalised terms not otherwise defined in these Conditions, the Bond Trust Deed, the Security Documents or the applicable Final Terms shall bear the meanings given to them in the Master Definitions Agreement and these Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Agreement. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

Any reference in these Conditions to a matter being **specified** means as the same may be specified in the relevant Final Terms.

## 1. FORM, DENOMINATION AND TITLE

The Bonds are in dematerialised form in accordance with Article 468 *et seq.* of the Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) and cannot be physically delivered. The Bonds will be represented exclusively by book entry in the records of the clearing system operated by the National Bank of Belgium (**NBB**) or any successor thereto (the **NBB System**). The Bonds can be held by their holders through participants in the Securities Settlement System, including Euroclear and Clearstream, Luxembourg, or other participants in the Securities Settlement System. The Bonds are accepted for clearance through the Securities Settlement System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 (each as amended or re-enacted or as their application is modified by other provisions from time to time) and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition 1 being referred to herein as the **NBB System Regulations**). The Bondholders will not be entitled to exchange the Bonds into notes in bearer form. Bonds of one Specified Denomination may not be exchanged for Bonds of another Specified Denomination.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an **Alternative Clearing System**).

Bondholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents, and other associative rights (as defined for the purposes of Article 474 of the Belgian Company Code) upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, Luxembourg or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing such holder's position in the Bonds (or the position held by the financial institution through which such holder's Bonds are held with the NBB, Euroclear, Clearstream, Luxembourg or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Bonds are issued in the Specified Denomination(s) specified in the applicable Final Terms. The Bonds may be Fixed Rate Bonds, Floating Rate Bonds, Indexed Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms and to the extent the Bonds are eligible to be cleared through the NBB System. Under the Programme, Bonds will not be issued for so long as they cannot be cleared through the Securities Settlement System.

For so long as the Bonds are held by or on behalf of the NBB System, each person (each an **Accountholder**) who is for the time being shown in the records of a participant or sub-participant in the NBB System as the holder of a particular principal amount of the Bonds (in which regard any certificates or other documents issued by the NBB System or a participant or sub-participant therein as to the principal amount of such Bonds standing to the account of any Accountholder (together with any notification from the NBB System or the operator thereof as to the identity of a relevant participant with whom the Accountholder holds its Bonds) shall be conclusive and binding for all purposes) and such Accountholder shall be treated by the Issuer, the Bond Trustee, the Security Trustee, the Domiciliary Agent, each Paying Agent and the Calculation Agent (if applicable) as the holder of that principal amount for all purposes (including but not limited to, for purposes of any quorum requirements of, or the right to demand a poll or meeting of the Bondholders and any voting rights in respect thereof), provided that with respect to the payment of principal or interest on the Bonds, such payment will be made to participants in the NBB System and with respect to the delivery of any notice to be given to or by a Holder in respect of the Bonds pursuant to these Conditions, such notice must be given in accordance with the standard procedures of the NBB System and, in the case of notice by a Holder, may only be given by a participant in the NBB System (whether acting on its own behalf or on behalf of other subscribers holding through such participant) in respect of the relevant Bonds held by or through it, and the expressions **Holder** and **holder of Bonds** and related expressions shall be construed accordingly.

## 2. TRANSFERS OF BONDS

Title to the Bonds will pass by account transfer.

## 3. STATUS OF BONDS

### 3.1 *Status of the Bonds*

The Bonds are direct, unconditional and unsubordinated obligations of the Issuer, are secured in the manner described in Condition 4 (*Security, Priority and Relationship with Secured Creditors*) and rank *pari passu* without any preference among themselves.

### 3.2 *Bond Trustee not responsible for monitoring compliance*

The Bond Trustee shall not be responsible for monitoring compliance by the Issuer with any of its obligations under the Finance Documents except by means of receipt of a Compliance Certificate from the Issuer in accordance with the Common Terms Agreement which will state, among other things, that no Event of Default is outstanding. The Bond Trustee shall be entitled to rely on such certificates absolutely. The Bond Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under the Finance Documents. The Bond Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any one director of the Issuer or any other party to the Finance Documents to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Bond Trustee may require to be satisfied. The Bond Trustee is in no way bound to call for further evidence or be responsible to any person for any loss that may be occasioned by acting on any such certificate although the same may contain some error or is not authentic. The Bond Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

## 4. SECURITY, PRIORITY AND RELATIONSHIP WITH SECURED CREDITORS

### 4.1 *Security*

As continuing security for the payment or discharge of the Secured Liabilities (including, without limitation, all monies payable in respect of the Bonds under the Bond Trust Deed and the remuneration, costs, charges, expenses and other claims of the Bond Trustee under the Bond Trust Deed and the Security Trustee and any receiver or other Appointee or Representative appointed under the Security Documents), the Issuer has entered into the following Security Documents to create as far as permitted by and subject to compliance with any applicable law, the following security (the **Security**) in favour of the Security Trustee for itself and on trust for the other Secured Creditors (including the Bondholders):

- (a) the Mortgage;
- (b) the Mortgage Mandate;
- (c) the Business Pledge Agreement;
- (d) the Business Pledge Mandate;
- (e) the Receivables Pledge;
- (f) the IP Pledge Agreement; and
- (g) the Share Pledge.

All Bonds issued by the Issuer under the Programme will share in the Security constituted by the Security Documents, upon and subject to the terms thereof.

### 4.2 *Relationship among the Bond Trustee and the Bondholders and Secured Creditors*

The Bondholders from time to time are Secured Creditors. The Bond Trustee is a Secured Creditor on its own behalf and on behalf of the Bondholders from time to time.

The Bond Trust Deed contains provisions detailing the Bond Trustee's obligations to consider the interests of Bondholders as regards all discretions of the Bond Trustee (except where expressly provided otherwise or referred to in Condition 15 (*Bond Trustee Protections*)). In addition, the STID contains provisions detailing the Security Trustee's obligations to consider the interest of the Secured Creditors (including the Bond Trustee on behalf of the Bondholders).

### 4.3 *Enforcement of Security*

In the event of the Security becoming enforceable as provided in the Security Documents and the STID, the Security Trustee shall enforce its rights with respect to the Security in accordance with the STID, but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Bondholder or other Secured Creditor, provided that the Security Trustee shall not be obliged to take any action unless it is indemnified and/or secured and/or prefunded to its satisfaction.

Pursuant to Clause 19 (*Enforcement of Security*) of the STID and the Security Documents, the Security shall become enforceable during an Enforcement Period.

No Bondholder, nor any person acting on behalf of a Bondholder (other than the Bond Trustee or Security Trustee or an Appointee or Representative appointed by the Security Trustee), shall have

any right to take or initiate any proceedings or steps against an Obligor to enforce rights under the Finance Documents including without limitation by way of attachment, execution or diligence.

Bondholders acknowledge and agree that only the Security Trustee is entitled to (i) deliver an Enforcement Notice (save that each Secured Creditor (other than the Bond Trustee) agrees that the Bond Trustee shall be required to declare all amounts to be due and payable under the Bonds following the delivery of an Enforcement Notice by the Security Trustee in accordance with the terms of the STID), (ii) take Enforcement Action against any Obligor save as permitted under Clause 6.1 (*Undertakings of Secured Creditors*) of the STID or (iii) take proceedings or to exercise any rights, discretions or powers, or to grant any consents or releases, in respect of the security given under or pursuant to the Security Documents or otherwise have direct recourse to the Security.

No Secured Creditor (other than the Security Trustee) shall have the right to take or join any person in taking steps against any Obligor for the purposes of obtaining payment of any amount due whatsoever from such Obligor to such Secured Creditor, provided that nothing shall prevent a Secured Creditor from proving for the full amount owed to it by any Obligor in the insolvency of such Obligor.

#### **4.4 *Application before enforcement***

Before enforcement of the Security, the Issuer shall (to the extent such funds are available) use funds standing to the credit of the Operating Accounts to make payments in accordance with the Pre-Enforcement Priority of Payments (as set out in Paragraph 8 of schedule 6 (*Cash Management*) to the Common Terms Agreement).

#### **4.5 *Application following enforcement***

After enforcement of the Security, the Security Trustee shall (to the extent that such funds are available) use all Available Enforcement Proceeds (other than any Defeasance Amounts, which shall be applied in redemption of the Bonds and/or repayment of the Bank Facilities and/or redemption or repayment of Institutional Private Placement Debt or other Defeasible Senior Debt to which the Defeasance Account in question relates) to make payments in accordance with the Post-Enforcement Priority of Payments (as set out in schedule 2 (*Post-Enforcement Priority of Payments*) to the STID).

#### **4.6 *Bond Trustee and the Security Trustee not liable for security***

Neither the Bond Trustee nor the Security Trustee will be liable for any failure to make the usual investigations or any investigations which might be made by a security holder in relation to the property which is the subject of the Security and shall not be bound to enquire into or be liable for any defect or failure in the right or title of an Obligor to the Security whether such defect or failure was known to the Bond Trustee or the Security Trustee, or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will they have any liability for the enforceability of the Security created under the Security Documents whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security or otherwise. The Security Trustee and the Bond Trustee shall have no responsibility for the value of any such Security.

#### **4.7 *Bond Trustee and Security Trustee authorisations and directions***

The Bond Trustee is authorised hereby on behalf of the Bondholders to execute the STID and the Common Terms Agreement (and the Bondholders are deemed, by acquiring an interest in the Bonds, to consent to such authorisation).

The Security Trustee is authorised hereby on behalf of the Bondholders to execute the Security Documents as Security Trustee for *inter alia* the Bondholders (and the Bondholders are deemed, by acquiring an interest in the Bonds, to consent to such authorisation).

## 5. INTEREST AND OTHER CALCULATIONS

### 5.1 *Interest on Fixed Rate Bonds*

Each Fixed Rate Bond bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date at the Interest Rate, such interest being payable in arrear (unless otherwise specified in the relevant Final Terms) on each Interest Payment Date in each year up to and including the Final Maturity Date.

Interest will cease to accrue on each Bond (or, in the case of the redemption of part only of a Bond, that part only of such Bond) on the due date for redemption unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Interest Rate that would otherwise apply in respect of unpaid amounts on such Bonds at such time to the Bond Relevant Date (as defined in Condition 12 (*Prescription*)).

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Amount specified in the applicable Final Terms. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount specified in the applicable Final Terms.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Interest shall be calculated in respect of any period by applying the Interest Rate (as defined below) to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

### 5.2 *Day Count Fraction*

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (A) in the case of Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (B) in the case of Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
- I. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
  - II. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
  - (iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
  - (iv) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
  - (v) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
  - (vi) if "30/360 (ICMA)" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
  - (vii) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

where:

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

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (viii) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

where:

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

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (ix) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

where:

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

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

In these Conditions:

**Determination Date**, in respect of any Series of Bonds, has the meaning given to that term in the applicable Final Terms.

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent; and

**Outstanding Principal Amount** means, in respect of a Bond on any day, the principal amount of that Bond on the relevant Issue Date thereof less principal amounts received by the relevant Bondholder in respect thereof on or prior to that day.

### 5.3 *Interest on Floating Rate Bonds and Indexed Bonds*

#### (a) *Interest Payment Dates*

Each Floating Rate Bond and Indexed Bond bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each **Interest Period** (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Period is specified in accordance with this Condition 5.3, the **Floating Rate Convention**, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of paragraph (c) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the **Preceding Business Day Convention**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (iv) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Brussels and any Additional Business Centre specified in the applicable Final Terms; and
- (v) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any Bond denominated or sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System or any successor thereto (the **TARGET 2 System**) is open.

(b) **Interest Rate**

The Interest Rate payable from time to time in respect of Floating Rate Bonds and Indexed Bonds will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this paragraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent and/or the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Principal Paying Agent, Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the relevant Series (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is the period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this paragraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Interest Rate shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Bonds

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable) for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (A) above, no offered quotation appears or if, in the case of sub-paragraph (B) above, fewer than two offered quotations appear, in each case as at the Relevant Time, the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable) shall request the principal Relevant Financial Centre office of each of the Reference Banks to provide the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable) with its offered quotation (expressed as a percentage rate per annum) for the Relevant Rate at approximately the Relevant Time on the Interest Determination Date in question in respect of prime banks in the Relevant Financial Centre interbank market (or, if appropriate, money market) in an amount that is representative for a single transaction in that market at that time. If two or more of the Reference Banks provide the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable) with offered quotations, the Interest Rate for the Interest Period shall be the arithmetic mean (rounded if necessary to the seventh decimal place with halves being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable).

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable) with an offered quotation as provided in the preceding paragraph, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable) determines as being the arithmetic mean (rounded if necessary to the seventh decimal place, with halves being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent and/or the Agent Bank (or Calculation Agent, if applicable) by the Reference Banks (being the rates nearest to the Relevant Rate as determined by the Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable)) quoted by the Reference Banks at the Relevant Time on the relevant Interest Determination Date) for loans in the relevant currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount plus or minus (as appropriate) the Margin (if any).

In respect of Floating Rate Bonds to which Screen Rate Determination applies, **Relevant Screen Page** means the agreed screen page of a commercial quotation service as specified in the applicable Final Terms.

(iii) Indexed Bonds

The Interest Rate applicable to Indexed Bonds will be the Interest Rate specified in the applicable Final Terms subject to adjustment for indexation in accordance with Condition 7.2 (*Application of the Index Ratio*).

(c) ***Minimum Interest Rate and/or Maximum Interest Rate***

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(d) ***Determination of Interest Rate and calculation of Interest Amounts***

The Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable) will, at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate for the relevant Interest Period.

The Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable) will calculate the amount of interest (the **Interest Amount**) payable on the Bonds for the relevant Interest Period by applying the Interest Rate to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and, in the case of Indexed Bonds only, adjusted according to the indexation set out in Condition 7.2 (*Application of the Index Ratio*). Where the Specified Denomination of a Floating Rate Bond and Indexed Bonds is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

(e) ***Notification of Interest Rate and Interest Amounts***

The Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Bond Trustee and any stock exchange on which the relevant Floating Rate Bonds and Indexed Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to trading (by no later than the first date of each Interest Period) and notice thereof to be published in accordance with Condition 16 (*Notices*) as soon as possible after their determination but in no event later than the fourth Brussels Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Bond Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Bonds or Indexed Bonds are for the time being listed and to the Bondholders

in accordance with Condition 16 (*Notices*). For the purposes of this paragraph (e), the expression **Brussels Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Brussels.

(f) ***Determination or calculation by Bond Trustee***

If for any reason at any relevant time the Principal Paying Agent or the Agent Bank (or the Calculation Agent, if applicable) does not at any time for any reason determine any Interest Rate, Interest Amount, Redemption Amount or any other amount to be determined or calculated by it (including, for the avoidance of doubt, in the case of Indexed Bonds any applicable Index Ratio to be calculated in accordance with Condition 7.2 (*Application of the Index Ratio*)), the Bond Trustee or any agent appointed by it shall (without liability on the part of the Bond Trustee to any person for so doing) determine such Interest Rate, Interest Amount, Redemption Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to (i) any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms and (ii) the terms of the Bond Trust Deed) it shall deem fair and reasonable in all the circumstances or, subject as aforesaid, apply the foregoing provisions of this Condition 5 (*Interest and Other Calculations*), with any consequential amendments, to the extent that, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable). In making any such determination or calculation, the Bond Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute).

(g) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 5 (*Interest and Other Calculations*) whether by the Bond Trustee, the Principal Paying Agent or the Agent Bank (or the Calculation Agent, if applicable) shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Issuer, each Obligor, the Agent Bank, the Bond Trustee, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Bondholders and (in the absence as aforesaid) no liability to the Issuer, the Obligors, the Bond Trustee, the Bondholders shall attach to the Bond Trustee, the Principal Paying Agent, the Agent Bank or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**5.4 *Accrual of interest***

Each Bond (or in the case of the redemption of part only of a Bond, that part only of such Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Bond have been paid and/or all assets deliverable in respect of such Security have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Bond has been received by the Principal Paying Agent as the case may be, and notice to that effect has been given to the Bondholders in accordance with Condition 16 (*Notices*).

## 6. REDEMPTION, PURCHASE AND CANCELLATION

### 6.1 *Final redemption*

If the Bonds of any Series have not previously been redeemed in full, or purchased and cancelled, the Bonds will be finally redeemed at the then Outstanding Principal Amount (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) of such Series plus accrued but unpaid interest on the Final Maturity Date specified in the relevant Final Terms for such Tranche (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)).

### 6.2 *Optional redemption*

Subject as provided below, upon giving not more than ten nor less than five days' notice to the Bond Trustee and the Bondholders, the Issuer may (prior to the Final Maturity Date) redeem any Series of the Bonds in whole or in part (but on a *pro rata* basis only) on any Interest Payment Date at their Redemption Amount, provided that Floating Rate Bonds may not be redeemed before the Call Protection Date (if any) specified in the relevant Final Terms, as follows:

- (i) In respect of Fixed Rate Bonds denominated in sterling, the Redemption Amount will, unless a Modified Redemption Amount or an Alternative Redemption Amount is specified in the relevant Final Terms, be an amount equal to the higher of (A) their Outstanding Principal Amount and (B) the price determined to be appropriate by a financial adviser in London (selected by the Issuer and approved by the Bond Trustee) as being the price at which the Gross Redemption Yield on such Bonds on the Reference Date is equal to the Gross Redemption Yield at 3.00 pm (London time) on the Reference Date on the Reference Stock while that stock is in issue, and thereafter such government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee) determine to be appropriate, plus accrued but unpaid interest on the Outstanding Principal Amount.

For the purposes of this paragraph(i), **Gross Redemption Yield** means a yield expressed as a percentage and calculated on a basis consistent with the formula indicated in the relevant Final Terms (**Gross Redemption Yield Formula**); **Reference Date** means the date which is two Business Days prior to the despatch of the notice of redemption under this paragraph (i); and **Reference Stock** means the government stock specified in the relevant Final Terms.

- (ii) For the purposes of this Condition 6.2, the **Alternative Redemption Amount** is the amount specified as such in the relevant Final Terms (if any); and the **Modified Redemption Amount** if specified as applicable in the relevant Final Terms will be an amount equal to the higher of (x) the Outstanding Principal Amount of the relevant Bonds or the relevant portion thereof available for redemption (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) and (y) (in the case of Fixed Rate Bonds or Indexed Bonds denominated in sterling) an amount calculated by multiplying the Outstanding Principal Amount of such Bonds or the relevant portion thereof available for redemption (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) by that price (expressed as a percentage) (as reported in writing to the Issuer and the Bond Trustee by a financial adviser nominated by the Issuer and approved by the Bond Trustee) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Bonds on the Reference Date is equal to the Redemption Rate or (in the case of Fixed Rate Bonds denominated in euro) at the Redemption Amount calculated in accordance with paragraph (iv) below provided that the reference in such calculation to the Bund Rate shall be construed as a reference to the Redemption Rate or (in the case of Fixed Rate Bonds denominated in a currency other than

sterling or euro or Indexed Bonds denominated in a currency other than sterling) the Alternative Redemption Amount calculated in accordance with the relevant Final Terms, plus, in each case, accrued but unpaid interest (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) on the Outstanding Principal Amount or the relevant portion thereof available for redemption to (but excluding) the date of redemption; **Redemption Rate** means the sum of the Relevant Swap Mid Curve Rate and 0.50% per annum or 0.20% per annum (as specified in the relevant Final Terms) or, if the Relevant Swap Mid Curve Rate is not able to be determined, the sum of such rate as may be specified by a Financial Adviser nominated by the Issuer and approved by the Bond Trustee and 0.50% per annum or 0.20% per annum (as specified in the relevant Final Terms); **Gross Redemption Yield** has the meaning given to it (in the case of Fixed Rate Bonds) in this paragraph (ii) or (in the case of Indexed Bonds) in paragraph (i) above; **Relevant Swap Mid Curve Rate** means the mid-point of the bid-side and offer-side rates for the fixed leg of a hypothetical interest rate swap with a notional profile equal to the interest profile applicable to the relevant Tranche of Bonds to be redeemed to (but excluding) the Final Maturity Date, with the same payment dates as the relevant Bonds, against a floating leg of the Relevant Interest Rate, with no spread, where such hypothetical interest rate swap is between two highly-rated (as rated AA- by S&P or Fitch or equivalent or higher) and fully collateralised market counterparties (the Relevant Swap Mid Curve Rate shall be determined by a financial adviser (nominated by the Issuer and approved by the Bond Trustee) using its standard valuation methodology (as at the date of calculation) as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date); and **Relevant Interest Rate** means the interest rate for deposits in the currency of the relevant Bonds and of a duration equal to the length of the Interest Period (other than the first or last Interest Period, if different) of the relevant Bonds as determined as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date by reference to the Reuters screen (if the relevant Bonds are denominated in sterling or U.S. dollars) LIBOR01, (if the relevant Bonds are denominated in euro) EURIBOR01 or (if the relevant Bonds are denominated in a currency other than sterling or euro) specified in the relevant Final Terms or, in each case, such other page as may replace such page or, if that service ceases to display such information, such page as displays such information on such service as may replace the Reuters screen.

- (iii) In respect of Indexed Bonds denominated in sterling, the Redemption Amount will (unless otherwise specified in the relevant Final Terms) be the higher of (i) the Outstanding Principal Amount (as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) and (ii) the price determined to be appropriate (without any additional indexation beyond the implicit indexation in such determined price) by a financial adviser in London (selected by the Issuer and approved by the Bond Trustee) as being the price at which the Gross Real Redemption Yield on the Bonds on the Reference Date (as defined below) is equal to the Gross Real Redemption Yield at 3.00 pm (London time) on the Reference Date on the Reference Stock while that stock is in issue, and thereafter such government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee), determine to be appropriate, plus accrued but unpaid interest (as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) on the Outstanding Principal Amount.

For the purposes of this paragraph (ii), **Gross Real Redemption Yield** means a yield expressed as a percentage and calculated on a basis consistent with the formula indicated in the relevant Final Terms (**Gross Real Redemption Yield Formula**); **Reference Date** means the date which is two Business Days prior to the despatch of the notice of redemption under this paragraph (ii); and **Reference Stock** means the government stock specified in the relevant Final Terms.

- (iv) In respect of Fixed Rate Bonds denominated in euro, the Redemption Amount will, unless a Modified Redemption Amount or an Alternative Redemption Amount is specified in the relevant Final Terms, be an amount equal to the higher of (i) their Outstanding Principal Amount and (ii) the present value at the Reference Date of (A) their Outstanding Principal Amount plus (B) all required interest payments due on the Bonds (excluding accrued but unpaid interest to the date on which the Bonds are to be redeemed (the **Redemption Date**)), computed using a discount rate equal to the Bund Rate as of the Reference Date and assuming the relevant Fixed Rate Bonds would otherwise have been redeemed on the Final Maturity Date plus accrued but unpaid interest to the Redemption Date (the **Redemption Amount**).

For the purposes of this paragraph (iv), **Bund Rate** means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination; **Comparable German Bund Issue** means the German Bundesanleihe security specified in the relevant Final Terms or, if no such security is specified or the specified security is no longer in issue, the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Reference Date to the Final Maturity Date and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then Outstanding Principal Amount of the Bonds and of a maturity most nearly equal to the Final Maturity Date provided, however, that if the period from such Redemption Date to the Final Maturity Date is less than one year, a fixed maturity of one year shall be used; **Comparable German Bund Price** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Financial Adviser obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; **Financial Adviser** means a financial adviser in Frankfurt (selected by the Issuer and approved by the Bond Trustee); **Reference Date** means the date which is three Business Days prior to the despatch of the notice of redemption under this paragraph (iv); **Reference German Bund Dealer** means any dealer of German Bundesanleihe securities appointed by the Financial Adviser; and **Reference German Bund Dealer Quotations** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Financial Adviser of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference German Bund Dealer at or about 3.30 pm (Frankfurt, Germany time) on the Reference Date.

- (v) In respect of Fixed Rate Bonds denominated in a currency other than sterling or euro, the Redemption Amount will be an Alternative Redemption Amount as specified in the relevant Final Terms.
- (vi) In respect of Floating Rate Bonds, the Redemption Amount will be the Outstanding Principal Amount plus any accrued but unpaid interest on the Outstanding Principal Amount.

### 6.3 *Redemption for Index Event*

Upon the occurrence of any Index Event, the Issuer may, upon giving not more than 15 Business Days nor less than five Business Days' notice to the Bond Trustee and the Bondholders of the Indexed Bonds in accordance with Condition 16 (*Notices*), redeem all (but not some only) of the

Indexed Bonds of all Series on any Interest Payment Date at the Outstanding Principal Amount (adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) plus accrued but unpaid interest (adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)). No single Series of Indexed Bonds may be redeemed in these circumstances unless all the other Series of Indexed Bonds are also redeemed at the same time. Before giving any such notice, the Issuer shall provide to the Bond Trustee a certificate signed by an authorised signatory (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption and to discharge any amounts to be paid in priority to, or *pari passu* with, the Bonds being redeemed under the applicable Payment Priorities.

**Index Event** means if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7.3(a)(ii) (*Delay in publication of Index*) and the Bond Trustee has been notified by the Principal Paying Agent or the Agent Bank (or the Calculation Agent, if applicable) that publication of the Index has ceased and no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing.

#### **6.4 *Redemption for taxation or other reasons***

If at any time the Issuer satisfies the Bond Trustee:

- (i) that the Issuer would become obliged on the next Interest Payment Date to deduct or withhold from any payment of interest or principal in respect of the Bonds any amount for or on account of any present or future taxes, levies, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the laws or regulations of Belgium or any political subdivision thereof or any other authority thereof, or pay additional amounts as provided or referred to in Condition 9 (*Taxation*) (adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) by reason of any change or amendment to the laws or regulations of Belgium or any political subdivision thereof or any other authority thereof or any change in the application or official interpretation of such laws or regulations, in each case which change becomes effective on or after the Initial Issue Date; or
- (ii) that the Issuer or any Paying Agent would be required to deduct or withhold any amount from any payment in respect of any Series of Bonds pursuant to FATCA,

and such obligation cannot be avoided by the Issuer taking reasonable measures, then the Issuer may upon giving not more than ten nor less than five days' notice in writing to the Bond Trustee and the Bondholders in accordance with Condition 16 (*Notices*), redeem all (but not some only) of the relevant Series of Bonds on any Interest Payment Date at their Outstanding Principal Amount plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Bonds, in accordance with Condition 7.2 (*Application of the Index Ratio*)). Before giving any such notice of redemption, the Issuer shall provide to the Bond Trustee a certificate signed by an Authorised Signatory of the Issuer (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have been satisfied (together with evidence satisfactory to the Bond Trustee that such conditions have been satisfied, including such legal opinions as the Bond Trustee may require) and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption and to discharge any amounts to be paid in priority to, or *pari passu* with, the Bonds being redeemed under the applicable Payment Priorities.

## 6.5 **Purchase of Bonds**

The Issuer, a nominee of the Issuer or any other Obligor or a Subsidiary of any Obligor, provided that no Event of Default has occurred and is continuing, purchase Bonds in the open market or otherwise at any price (without any obligation to surrender such Bonds for cancellation other than as set out in this Condition 6) and, to the extent that such Bonds have not been cancelled, may resell them in the open market or otherwise at any price.

## 7. **INDEXATION**

### 7.1 **Definitions**

**affiliate** means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person or any entity, directly or indirectly, under common control with that person and, for this purpose, **control** means control as defined in the Companies Act 2006, including the meaning given to the term "Companies Acts" in section 2 of the Companies Act 2006, with the addition of the words "to the extent that they are in force" at the end of section 2(1)(a) and any regulations made pursuant to those Acts to the extent that they are in force (the **Companies Act**);

**Base Index Figure** means (subject to Condition 7.3(a)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms;

**Index** or **Index Figure** means, subject as provided in Condition 7.3(a)(i) (*Change in base*), the index or index figure as specified in the relevant Final Terms or any comparable index which may subsequently replace such index for the purpose of calculating the amount payable on repayment of the Reference Stock.

Any reference to the **Index Figure** applicable to a particular Calculation Date shall, subject as provided in Conditions 7.3 (*Changes in Circumstances Affecting the Index*) and 7.5 (*Cessation of or Fundamental Changes to the Index*), and if "3 month lag" is specified in the applicable Final Terms, be calculated in accordance with the following formula:

$$IFA = Index_{m-3} + \frac{(Day\ of\ Calculation\ Date - 1)}{Days\ in\ month\ of\ Calculation\ Date} \times (Index_{m-2} - Index_{m-3})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

**IFA** means the Index Figure applicable;

**Index<sub>m-3</sub>** means the Index Figure for the first day of the month that is three months prior to the month in which the payment falls due; and

**Index<sub>m-2</sub>** means the Index Figure for the first day of the month that is two months prior to the month in which payment falls due.

Any reference to **Index Figure** applicable to a particular Calculation Date shall, subject as provided in Condition 7.3 (*Changes in Circumstances Affecting the Index*) and 7.5 (*Cessation of or Fundamental Changes to the Index*), and if "8 month lag" is specified in the applicable Final Terms, be calculated in accordance with the following formula:

$$IFA = Index_{m-8} + \frac{(Day\ of\ Calculation\ Date - 1)}{Days\ in\ month\ of\ Calculation\ Date} \times (Index_{m-7} - Index_{m-8})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

**IFA** means the Index Figure applicable;

**Index<sub>m-8</sub>** means the Index Figure for the first day of the month that is eight months prior to the month in which payment falls due; and

**Index<sub>m-7</sub>** means the Index Figure for the first day of the month that is seven months prior to the month in which the payment falls due.

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary offering circular;

**Index Ratio**, applicable to any month, means the Index Figure applicable to such month divided by the Base Index Figure;

**Limited Index Linked Bonds** means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies;

**Limited Index Ratio** means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month 12 months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

**Limited Indexation Factor** means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month 12 months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

**Limited Indexation Month** means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated; and

**Reference Stock** means the government stock specified as in the relevant Final Terms, for so long as such stock is in issue, as the benchmark stock the maturity of which most closely matches the average life of the relevant Indexed Bonds, and thereafter such issue of index-linked government stock determined to be appropriate by a market maker or other adviser selected by the Issuer and approved by the Bond Trustee (an **Indexation Adviser**).

## **7.2** *Application of the Index Ratio*

In respect of Indexed Bonds, each payment of interest and principal shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Index Linked Bonds applicable to the month in which such payment falls to be made and rounded as follows:

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, **unit** means, with respect to

any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

### 7.3 *Changes in Circumstances Affecting the Index*

#### (i) *Change in base*

If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect (A) the definition of Index and Index Figure in Condition 7.1 (*Definitions*) shall be deemed to refer to the new date or month in substitution for such other date or month as it may have been substituted therefor, and (B) the new Base Index Figure shall be the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.

#### (ii) *Delay in publication of Index*

If the Index Figure relating to any month (the **relevant month**) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the 14th Business Day before the date on which such payment is due (the **date for payment**) (otherwise than because the Index has ceased to be published), the Index Figure applicable to the relevant month shall be (A) such substitute index figure (if any) as the Bond Trustee considers to have been published by the government or central bank relevant to the Reference Stock, as the case may be, for the purposes of indexation of payments on the Reference Stock or, failing such publication, on any one or more issues of index-linked government stock selected by an Indexation Adviser (and approved by the Bond Trustee) or (B) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to (A) above) before the date for payment.

### 7.4 *Application of changes*

Where the provisions of Condition 7.3(a)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7.3(a)(ii) (*Delay in publication of Index*), the Index Figure relating to the relevant month is subsequently published while a Bond is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7.3(a)(ii) (*Delay in publication of Index*), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the 14th Business Day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

### 7.5 *Cessation of or Fundamental Changes to the Index*

- (i) If (A) the Bond Trustee has been notified by the Principal Paying Agent and/or the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (B) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change

which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.

- (ii) If the Issuer and the Bond Trustee fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in paragraph (i) above, a bank or other person in London shall be appointed by the Issuer (and approved by the Bond Trustee) or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 Business Day period referred to above, by the Bond Trustee (in each case, such bank or other person so appointed being referred to as the **Expert**), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been in had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.
- (iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in paragraph (i) above but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the relevant month is not available in accordance with the provisions of Condition 7.3(a)(i) (*Change in base*)) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a **provisional payment**) on the Bonds having been made on the basis of an Index applicable under Condition 7.3(a)(ii) (*Delay in publication of Index*) and the Bond Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7.5, then:
  - (A) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Bonds on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Bonds if such adjustment or substituted index had been in effect on that date; or
  - (B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 16 (*Notices*) of such amendments as promptly as practicable following such notification.

## 8. PAYMENTS

### 8.1 *Payments in euro*

Without prejudice to Article 474 of the Belgian Company Code, payment of principal in respect of the Bonds, payment of accrued interest payable on a redemption of the Bonds and payment of any interest due on an Interest Payment Date in respect of the Bonds will be made through the Domiciliary Agent and the NBB System in accordance with the NBB System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB in respect of each amount so paid. Each payment referred to in this Condition 8.1 will be made in euro by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET 2 System.

### 8.2 *Payment in other currencies*

Without prejudice to Article 474 of the Belgian Company Code, payment of principal in respect of the Bonds, payment of accrued interest payable on a redemption of the Bonds and payment of any interest due on an Interest Payment Date in respect of the Bonds will be made through the Principal Paying Agent.

### 8.3 *Payment Day*

If the date for payment of any amount in respect of any Bond is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other sum in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 12 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and in each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of each such relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the TARGET 2 System is open.

### 8.4 *Payments subject to fiscal laws*

All payments are subject in all cases (i) to any applicable fiscal or other laws, regulations and directives in the jurisdiction of payment, but without prejudice to the provisions of this Condition 8.4, and (ii) to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

### 8.5 *Appointment of the Agents*

The Agents appointed by the Issuer (and their respective specified offices) are listed in the Agency Agreement. Any Calculation Agent will be listed in the relevant Final Terms and will be appointed pursuant to a Calculation Agency Agreement. The Agents act solely as agents of the Issuer (and in the circumstances set out in the Agency Agreement, the Bond Trustee if it so requires) and do not

assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right, with the prior written consent of the Bond Trustee, at any time to vary or terminate the appointment of any Agent, and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Domiciliary Agent, and the Domiciliary Agent will at all times be a participant in the NBB System (and, to the extent practicable, the Principal Paying Agent and the Domiciliary Agent will remain the same entity), (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms), (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced to conform to, such Directive as long as at least one such member state does not require a paying agent with an office in that member state to withhold or deduct amounts for or on account of tax, whether pursuant to European Council Directive 2003/48/EC, under the law of that member state or otherwise and (v) if and for so long as the Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, a Paying Agent, as applicable, having its specified office in the place required by such listing authority, stock exchange and/or quotation system. Notice of any such variation, termination, resignation or appointment shall be given promptly to the Bondholders in accordance with Condition 16 (*Notices*).

## 9. TAXATION

All payments in respect of the Bonds will be made (whether by the Issuer, any Paying Agent or the Bond Trustee) free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature unless the Issuer, any Paying Agent or, where applicable, the Bond Trustee is required by applicable law to make any payment in respect of the Bonds subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature. In that event, the Issuer, such Paying Agent or (subject to the provisions of the Bond Trust Deed) the Bond Trustee, as the case may be, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer may require holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

The Issuer will pay such additional amounts in respect of any taxes imposed by such relevant authorities as shall be necessary in order that the net amounts received by Bondholders after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of the Bonds in the absence of such withholding or deduction, except that no such additional amounts shall be payable in respect of any Bond:

- (a) Other connection: to, or to a third party on behalf of, a Bondholder who is liable to such Taxes in respect of such Bond by reason of its having some connection with Belgium other than the mere holding of the Bond; or
- (b) Non-Eligible Investor: to a Bondholder, who at the time of acquisition of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of acquisition of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- (c) Conversion into registered securities: to a Bondholder who is liable to such Taxes because the Bonds were upon its request converted into registered bonds and could no longer be cleared through the Clearing System.

Any reference in these Conditions to any amounts in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 10. EVENTS OF DEFAULT

### 10.1 *Events of Default*

If an Event of Default as set out in schedule 3 (*Events of Default*) to the CTA occurs and is continuing, the Security Trustee and the Secured Creditors may take action in relation to enforcement subject to, and in accordance with, the STID.

### 10.2 *Confirmation of no Events of Default*

The Issuer shall provide written confirmation to the Bond Trustee, on a semi-annual basis (and at any other time on request of the Bond Trustee), that no Event of Default has occurred pursuant to the terms of the Common Terms Agreement (which obligation to provide confirmation may be satisfied by the delivery of the Compliance Certificate pursuant to the Common Terms Agreement).

### 10.3 *Consequences of the service of Enforcement Notices and taking of Enforcement Action*

- (a) Upon service of an Enforcement Notice in accordance with the STID, the whole of the Security shall become enforceable by the Security Trustee in accordance with the STID.
- (b) Upon the service of an Enforcement Notice in accordance with the STID, the Bond Trustee at its discretion may, and if so requested by holders of at least 25% in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Bonds are, and they shall immediately become, due and repayable at their Outstanding Principal Amount (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)) plus accrued but unpaid interest (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.2 (*Application of the Index Ratio*)).

## 11. ENFORCEMENT AGAINST ISSUER

No Bondholder or other Secured Creditor is entitled to take any action against the Issuer or against any assets of the Issuer to enforce its rights in respect of the Bonds or to enforce any of the Security unless the Bond Trustee or, as the case may be, the Security Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period, and such failure or neglect is continuing. The Security Trustee shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing (a) at its discretion or (b) upon it being so directed by the Qualifying Secured Creditors together holding or representing the requisite percentage of the Qualifying Secured Debt as provided for under the STID, give notice to the Issuer to enforce the Security in accordance with the STID and the Security Documents (the **Enforcement Notice**).

## 12. PRESCRIPTION

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

For the purposes of this Condition 12, **Bond Relevant Date** means the date on which such payment first becomes due except that if the full amount of the moneys payable has not been duly received by

the Bond Trustee or the Principal Paying Agent, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Bondholders in accordance with Condition 16 (*Notices*)).

### 13. CONSENT TO 2017 STID PROPOSAL

- (a) Subject to paragraph (b), any holder of Bonds to be issued on or following 20 April 2017, but prior to or on the 2017 STID Approval Date, is deemed by subscribing for such Bonds, for the purposes of the quora and majorities required under the provisions of the STID relating to voting, including Clauses 12 (*Tranching of Qualifying Secured Debt and Determination of Voting Qualifying Debt*) to 16 (*Extraordinary Voting Matters*) (inclusive) of the STID and the provisions of Schedule 2 of the Bond Trust Deed, to have consented to the Proposed Consents (as defined in the 2017 STID Proposal) set out in the STID Proposal (the **2017 STID Proposal**), dated 7 April 2017, provided by the Borrower to the Security Trustee and the Secured Creditor Representatives and notified to Bondholders as at such date.
- (b) Paragraph (a) shall not apply to any Bonds issued after the date on which the Proposed Consents have been approved in accordance with the Finance Documents (the **2017 STID Approval Date**).

### 14. MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

#### 14.1 *Meetings of Bondholders*

The Bond Trust Deed contains provisions for convening meetings of Bondholders of one or more Tranches, to consider matters affecting their interests, including the modification of these Conditions, the Bond Trust Deed and any other Finance Document and any other document to which the Bond Trustee is a party or in relation to which the Security Trustee holds security. Subject to Condition 14.2 (*Modification and waiver*), any modification may (subject to the detailed provisions of the STID in relation to the voting of Qualifying Secured Creditors and subject to the provisions concerning meetings of Bondholders as set out in this Condition 14 and Schedule 2 to the Bond Trust Deed) be made if sanctioned by a resolution passed at a meeting or meetings of the Bondholders of the relevant Series duly convened and held in accordance with the Bond Trust Deed and at which the requisite quorum is present, by a majority of not less than three-quarters of the votes cast (an **Extraordinary Resolution**) of such Bondholders. Such a meeting may be convened by the Bond Trustee or the Issuer and shall be convened by the Issuer upon the request in writing of the Bondholders holding not less than one-tenth of the aggregate Outstanding Principal Amount of the outstanding Bonds of the relevant Series.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50% of the aggregate Outstanding Principal Amount of the relevant outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders, whatever the Outstanding Principal Amount of the relevant outstanding Bonds held or represented, provided, however, that certain proposals (the **Basic Terms Modifications**) in respect of any particular Series of Bonds, being any proposal:

- (i) to change any date fixed for payment of principal, premium or interest in respect of such Series of Bonds, to reduce the amount of principal, premium or the interest payable on any date in respect of such Series of Bonds or (other than as specified in Conditions 6 (*Redemption, Purchase and Cancellation*) and 8 (*Payments*)) to alter the method of calculating the amount of any payment in respect of such Series of Bonds on redemption or maturity or the date for any such payment;
- (ii) other than pursuant to Condition 6 (*Redemption, Purchase and Cancellation*), to effect the exchange, conversion or substitution of such Series of Bonds for, or their conversion into

shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

- (iii) to change the currency in which amounts due in respect of such Series of Bonds are payable other than pursuant to redenomination into euro pursuant to Condition 18 (*European Economic and Monetary Union*);
- (iv) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or
- (v) to amend the definition of Basic Terms Modification or this Condition 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*),

may be sanctioned only by an Extraordinary Resolution passed at a meeting of holders of such Series of Bonds at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one-quarter of the aggregate Outstanding Principal Amount of the relevant outstanding Bonds form a quorum. Any resolution duly passed at any such meeting shall be binding on all the relevant Bondholders, whether present or not.

For so long as the procedures of the relevant Clearing System(s) in which the Bonds are cleared do not permit the use of STID Direct Voting Mechanics, votes of the Bondholders of each Tranche of Bonds in respect of a STID Proposal will be cast by the Bondholders of each Tranche of Bonds (through the Bond Trustee on their behalf) subject to and as required by the STID and the Bond Trust Deed as follows: (a) if in respect of a Tranche of Bonds the requisite quorum (either at the initial general meeting of Bondholders or at an adjourned general meeting of Bondholders) and voting majority specified in the Bond Trust Deed relating to a general meeting of Bondholders to consider the STID proposal to be voted on by the Bondholders are met, then the entire Outstanding Principal Amount of such Tranche of Bonds then outstanding will count as having voted in such way both in respect of Quorum Requirements and the requisite majority; and (b) if in respect of a Tranche of Bonds the requisite quorum specified in the Bond Trust Deed relating to a meeting of Bondholders to consider the STID Proposal is not met, then the Outstanding Principal Amount of such Tranche of Bonds will not count for the purposes of Quorum Requirements or towards the requisite majority.

An initial general meeting of Bondholders requires (i) at least 15 days' notice given to the Bondholders in the manner provided by Condition 16 (*Notices*) and (ii) a quorum of at least (A) in the case of any general meeting (other than where the business of such meeting includes the proposal of a Basic Terms Modification), one or more persons present representing 50% of the aggregate Outstanding Principal Amount of the then outstanding Bonds; or (B) in the case of a general meeting where the business of the meeting is a Basic Terms Modification, two or more persons present representing 75% of the aggregate Outstanding Principal Amount of the then outstanding Bonds. In the event that a quorum is not present at the initial meeting described above, such general meeting shall, if convened upon the requisition of Bondholders, be dissolved. In any other case, it shall be adjourned for not less than a further 15 days from the date of the initial general meeting and notice regarding the adjourned meeting shall be given to the Bondholders in the manner provided by Condition 16 (*Notices*) and the Decision Period for any Ordinary Voting Matter or Extraordinary Voting Matter (being 15 Business Days from the date of the commencement of the Decision Period determined in accordance with Clause 13.6 (*Commencement of Decision Period*) of the STID) shall be extended for such additional number of days as is required to convene an adjourned meeting of such Bondholders.

In respect of a STID Proposal giving rise to any Entrenched Right in which a Bondholder is an Affected Secured Creditor, and if a general meeting of Bondholders of a Tranche of Bonds is convened during such initial 15 Business Day period but no business is transacted at such general

meeting due to a lack of requisite quorum, then the Decision Period for such STID Proposal shall not be less than 50 days from the date of commencement of the Decision Period determined in accordance with Clause 13.6 (*Commencement of Decision Period*) of the STID.

In the event that the procedures of the relevant Clearing Systems in which the Bonds are cleared do permit the use of STID Direct Voting Mechanics, votes of the Bondholders of each Tranche will be collated on a euro-for-euro basis as described in "*Summary of the Finance Documents – Security Trust and Intercreditor Deed – Voting of Bonds by Bondholders*" of this Offering Circular.

In addition, a resolution in writing signed by all of the holders of the relevant Tranche of Bonds will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more relevant Bondholders.

In accordance with articles 574 and 575 of the Belgian Company Code, no Extraordinary Resolution shall be adopted or implemented if not approved by Bondholders present in person or represented at the meeting and holding or representing at least 75% in Outstanding Principal Amount of Bonds (for the time being outstanding) of the aggregate Outstanding Principal Amount of the Bonds (for the time being outstanding) which participated in the vote at such meeting.

If in relation to a Basic Terms Modification, an Extraordinary Resolution is adopted by Bondholders holding or representing less than one-third of the aggregate Outstanding Principal Amount of the Bonds for the time being outstanding (whether or not present or represented at the meeting), such Extraordinary Resolution is not and shall not be binding unless approved by the competent Court of Appeal in the district where the Issuer's registered office is located.

For the purpose of the STID, the term **requisite quorum** in the context of a STID Proposal which gives rise to a Basic Terms Modification shall be construed as:

- (A) Bondholders holding or representing one-third or above of the aggregate Outstanding Principal Amount of the Bonds for the time being outstanding (whether present or represented at the meeting or not); or
- (B) (in the event that the quorum specified in paragraph (A) above is not met) such lower quorum convened to approve the relevant Extraordinary Resolution which has been approved by the competent Court of Appeal in the district where the Issuer's registered office is located. For the avoidance of doubt, such lower quorum does not meet the requisite quorum in the absence of the requisite approval by the competent Court of Appeal.

A meeting of such Bondholders will also have the power (exercisable by Extraordinary Resolution) to advise or instruct the Bond Trustee (including to instruct the Bond Trustee to instruct the Security Trustee) in connection with the exercise by the Bond Trustee and/or the Security Trustee (at the direction of the Trustee), as the case may be of any of its rights, powers and discretions under the Finance Documents including to appoint any persons (whether Bondholders or not) as a committee to represent the interests of such Bondholders and to confer upon such committee any powers which such Bondholders could themselves exercise by Extraordinary Resolution.

## **14.2 *Modification and waiver***

The Bond Trustee may, without the consent of the Bondholders or (subject as provided below) any other Secured Creditor, concur with the Issuer or any other relevant parties in making (i) any modification to the Conditions, the Bond Trust Deed, Bonds or the other Finance Documents (subject as provided in the STID in relation to any of the Common Documents, or other document to which the Bond Trustee or Security Trustee is a party or in respect of which the Security Trustee

holds security if in the opinion of the Bond Trustee such modification is made to correct a manifest error, or is of a formal, minor or technical nature, or (ii) any modification (other than a Basic Terms Modification) to the Conditions, the Bonds, the Bond Trust Deed or any other Finance Document (subject as provided in the STID in relation to any Common Documents) or other document to which the Bond Trustee or Security Trustee is a party or in respect of which the Security Trustee holds security if the Bond Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Bondholders then outstanding.

The Bond Trustee is authorised to execute and deliver on behalf of the Bondholders all documentation required to implement such modification and such execution by the Bond Trustee shall bind each of the Bondholders as if such documentation had been duly executed by it.

The Bond Trustee may, without the consent of the Bondholders or (subject as provided below) any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Event of Default, from time to time, and at any time but only if and in so far as in its opinion the interests of the Bondholders then outstanding shall not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or any other relevant party of any of the covenants or provisions contained in the Conditions, the Bond Trust Deed or any other Finance Document (subject always as provided in the STID) or other document to which the Bond Trustee or Security Trustee is a party or in respect of which the Security Trustee holds security, or determine that any event which would otherwise constitute an Event of Default shall not be treated as such for the purposes of the Bond Trust Deed, provided that the Bond Trustee shall not exercise such powers in contravention of any express direction given by Extraordinary Resolution of the holders of the Bonds then outstanding or of a request in writing made by holders of not less than 25% in aggregate of the principal amount of the Bonds then outstanding (but no such direction or request shall affect any waiver, authorisation or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to any matter which is the subject of a Basic Terms Modification.

Any such modification, waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Bondholders and, unless the Bond Trustee agrees otherwise, notice thereof shall be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

Notwithstanding that none of the Bond Trustee, the Security Trustee, the Bondholders or the other Secured Creditors has any right of recourse against the Rating Agencies in respect of any confirmation from the Rating Agencies which is relied upon by the Bond Trustee, the Bond Trustee shall be entitled to take into account, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Bonds, any confirmation by any Rating Agency that such exercise will not have an adverse effect on the then ratings of the Bonds. Without prejudice to the foregoing, the Bondholders are deemed to agree for the benefit of the Rating Agencies only that a credit rating is, however, an assessment of credit and does not address other matters that may be of relevance to Bondholders. The Bond Trustee and the Bondholders agree and acknowledge that being entitled to rely on the fact that the Rating Agencies have delivered confirmation that the ratings of their Bonds will not be adversely affected does not impose or extend any actual or contingent liability for the Rating Agencies to the Bond Trustee, the Bondholders or any other person or create any legal relations between the Rating Agencies and the Bond Trustee, the Bondholders or any other person whether by way of contract or otherwise.

### **14.3 *Substitution of the Issuer***

The Bond Trustee may without the consent of the Bondholders at any time agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Condition 14.3) as the

principal debtor under the Bonds and the Bond Trust Deed of any holding company of the Issuer, any Subsidiary of such holding company or any Subsidiary of the Issuer (such substituted company being hereinafter called the **New Company**) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the Bond Trust Deed and these Conditions with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the New Company had been named as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 14.3) and provided further that the Issuer unconditionally and irrevocably guarantees all amounts payable under the Bonds to the satisfaction of the Bond Trustee and such guarantee is secured over all of the assets and undertaking of the Issuer.

The following further conditions shall apply to substitution of the Issuer as set out above:

- (i) the New Company is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Issuer, and undertakes to be bound by provisions corresponding to those set out in the Conditions;
- (ii) the Bond Trustee is satisfied that in accordance with all applicable requirements of law and regulatory directions:
  - (A) the New Company has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Bonds and the other Secured Liabilities; and
  - (B) such approvals and consents are at the time of substitution in full force and effect;
- (iii) the New Company takes all such action as the Bond Trustee may require so that the Charged Property continues to be subject to the Security and the other matters created and effected in respect thereof pursuant to the Finance Documents and otherwise effected or maintained in all respects corresponding to those previously subsisting on the part of the Issuer or the previous substitute under this Condition 14.3 as applicable;
- (iv) the Issuer and the New Company shall comply with such other requirements as the Bond Trustee may direct in the interests of the Bondholders;
- (v) undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of the Conditions; and
- (vi) if two directors of the New Company (or other officers acceptable to the Bond Trustee) shall certify that the New Company is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Bond Trustee may rely upon absolutely), the Bond Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the Issuer or the previous substitute under this Condition 14.3, as applicable.

## **15. BOND TRUSTEE PROTECTIONS**

### **15.1 *Trustee considerations***

The Bond Trust Deed contains provisions for the indemnification of the Bond Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

Subject to the next following paragraph, in connection with the exercise by the Bond Trustee under these Conditions, the Bond Trust Deed or the other Finance Documents of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Bond Trustee shall where it is required to have regard to the interests of the holders of the Bonds, have regard to the general interests of the holders of the Bonds as a class and will not have regard to the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Bond Trustee shall not be entitled to require from the Issuer, nor shall any Bondholders be entitled to claim from the Issuer or the Bond Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Bondholders of any such exercise.

Subject as provided in these Conditions and the Bond Trust Deed, the Bond Trustee will exercise its rights under, or in relation to, the Bond Trust Deed, the Conditions and any Finance Documents in accordance with the directions of the relevant Bondholders, but the Bond Trustee shall not be bound as against the Bondholders to take any such action unless it has (i) (a) been so requested in writing by the holders of at least 25% in nominal amount of the relevant Tranches of Bonds outstanding, or (b) been so directed by an Extraordinary Resolution and (ii) been indemnified and/or secured and/or prefunded to its satisfaction.

#### **15.2 *Reliance on certificates***

The Bond Trustee shall be entitled to rely absolutely on a certificate or report of any director of the Issuer in relation to any matter and to accept without liability any such certificate or report as sufficient evidence of the relevant fact or matter stated in such certificate.

### **16. NOTICES**

For so long as the Bonds are represented by book entry in the records of the NBB System, notices to Bondholders will be valid if delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the NBB System. Any such notice shall be deemed given on the date and at the time it is delivered to the NBB System.

Further, for so long as any Bonds are listed on the Luxembourg Stock Exchange, any notices to Bondholders will be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the Luxembourg Wort) or published on the Luxembourg Stock Exchange official website ([www.bourse.lu](http://www.bourse.lu)).

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Bonds are for the time being listed and, in the case of a convening notice for a meeting of Bondholders, in accordance with Article 570 of the Belgian Company Code. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Bond Trustee may approve.

### **17. INDEMNIFICATION OF THE BOND TRUSTEE**

#### **17.1 *Indemnification of the Bond Trustee***

The Bond Trust Deed contains provisions for indemnification of the Bond Trustee and for its relief from responsibility, including provisions relieving it from taking any action, step or proceeding

including taking proceedings against the Issuer and/or any other person unless indemnified and/or secured and/or prefunded to its satisfaction. The Bond Trustee or any of its affiliates are entitled to enter into business transactions with the Issuer, the other Secured Creditors or any other party to the Finance Documents or any of their respective subsidiaries or associated companies without accounting for any profit resulting therefrom.

## **17.2 Directions, Duties and Liabilities**

The Bond Trustee, in the absence of its own wilful default, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the holders of the Bonds, shall not in any way be responsible for any loss, costs, damages or expenses or other liability, which may result from the exercise or non-exercise of any consent, waiver, power, trust, authority or discretion vested in the Bond Trustee pursuant to the Bond Trust Deed or any ancillary document or any other Finance Document.

## **18. EUROPEAN ECONOMIC AND MONETARY UNION**

### **18.1 Notice of redenomination**

The Issuer may, without the consent of the Bondholders, and on giving at least 30 days' prior notice to the Bondholders, the Bond Trustee and the Principal Paying Agent, designate a date (the **Redenomination Date**), being an Interest Payment Date under the Bonds falling on or after the date on which the UK becomes a Participating Member State.

### **18.2 Redenomination**

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Bonds of each Series denominated in sterling (the **Sterling Bonds**) shall be deemed to be redenominated into euro in the denomination of EUR0.01 with a principal amount for each Bond equal to the principal amount of that Bond in sterling, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty establishing the European Union, as amended (including compliance with rules relating to rounding in accordance with European Community regulations), provided, however, that, if the Issuer determines, with the agreement of the Bond Trustee, that the then current market practice in respect of the redenomination into EUR0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Bondholders, the Luxembourg Stock Exchange and any stock exchange (if any) on which the Bonds are then listed and the Principal Paying Agent of such deemed amendments; and
- (ii) all payments in respect of the Sterling Bonds (other than, unless the Redenomination Date is on or after such date as sterling ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Participating Member State.

### **18.3 Interest**

Following redenomination of the Bonds pursuant to this Condition 18:

- (i) the amount of interest due in respect of the Sterling Bonds will be calculated by reference to the aggregate principal amount of the Sterling Bonds presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest EURO.01; and
- (ii) the amount of interest payable in respect of each Series of Sterling Bonds for any Interest Period shall be calculated by applying the Interest Rate applicable to the Series of Bonds denominated in euro ranking *pari passu* to the relevant Series.

## **19. FURTHER ISSUES AND NEW BONDS**

- 19.1 The Issuer shall be at liberty, from time to time without the consent of the Bondholders or any Secured Creditors, to create and issue further Bonds having terms and conditions the same as the Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or issue price and so that the same shall be consolidated and form a single Series with the outstanding Bonds of such Series.
- 19.2 The Issuer shall be at liberty, from time to time without the consent of the Bondholders or any Secured Creditors, to create and issue new Bonds.

## **20. MISCELLANEOUS**

### **20.1 *Governing Law***

The Bond Trust Deed, the Bonds and the other Finance Documents and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law, save that Conditions 1 (*Form, Denomination and Title*) and 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*) with respect to the rules laid down in the Belgian Company Code shall be governed by and construed in accordance with, Belgian law.

### **20.2 *Jurisdiction***

The Issuer irrevocably agrees, for the benefit of the Bond Trustee and the Bondholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bond Trust Deed and/or the Bonds (including a dispute relating to any non-contractual obligations arising out of or in connection with the Bond Trust Deed and/or the Bonds) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

### **20.3 *Third party rights***

No person shall have any right to enforce any term or condition of the Bonds or the Bond Trust Deed under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## FORMS OF THE BONDS

The Bonds will be issued in dematerialised form (*gedematerialiseerd/dematerialise*) in accordance with Article 468 *et seq.* of the Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) (the **Belgian Company Code**) and cannot be physically delivered. The Bonds will be represented exclusively by book entry in the records of the clearing system operated by the National Bank of Belgium (**NBB**) or any successor thereto (the **Clearing System**). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear Bank NV/SA (**Euroclear**) and Clearstream Banking S.A., Luxembourg (**Clearstream, Luxembourg**). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

## **BOOK-ENTRY CLEARANCE PROCEDURE**

The Bonds issued in dematerialised form will be accepted for clearance through the Clearing System and will accordingly be subject to the Clearing System Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels).

Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds.

Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to be cleared through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg or via an intermediary holding an account with such Clearing System participant.

Transfers of interests in the Bonds will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

The Agent will perform the obligations of domiciliary agent included in the Clearing Services Agreement. The Issuer and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System participants of their obligations under their respective rules and operating procedures.

## PRO FORMA FINAL TERMS

Final Terms dated [●]

### BRUSSELS AIRPORT COMPANY NV/SA

**Issue of [Aggregate nominal amount of Tranche] [Title of Bonds]  
under the EUR 5,000,000,000 Multicurrency programme for the issuance of Bonds  
Guaranteed by DNB  
(the Programme)**

[This document constitutes the Final Terms of the Bonds described herein and must be read in conjunction with the Offering Circular dated 20 April 2017 [as supplemented by the supplement[s] dated [date[s]]] (the **Offering Circular**). Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of the Offering Circular may be obtained from the registered office of the Issuer against proof of Bondholder or prospective Bondholder status.

References herein to numbered Conditions are to the terms and conditions of the Bonds set forth in, and extracted from, the [offering circular dated 24 June 2013 which are incorporated by reference in the Offering Circular] [Offering Circular] and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

In the event of any inconsistency between the Conditions and the Final Terms, these Final Terms prevail.

- |     |     |  |  |
|-----|-----|--|--|
| (1) | (a) | Issuer:  | [●]  |
|     | (b) | Guarantor(s):  | [●]  |
| (2) | (a) | Series Number:   | [●]  |
|     | (b) | Tranche Number:  | [●]  |
|     | (c) | Date on which the Bonds will be consolidated and form a single Series: | The Bonds will be consolidated and form a single Series with [●] on [the Issue Date][Not Applicable]   |
| (3) |     | Specified Currency or Currencies:                                      | [●]  |
| (4) |     | Aggregate nominal amount of Bonds admitted to trading:                 |  |
|     | (a) | Series:  | [●]  |
|     | (b) | Tranche:   | [●]  |
| (5) |     | Issue Price:   | [●] per cent. of the aggregate nominal amount [plus accrued interest from [●]].  |
| (6) | (a) | Specified Denominations:   | [minimum €/£100,000/\$200,000 and integral multiples of [€/£/\$1,000] in excess thereof up to and including [€/£99,000/\$199,000]. (or equivalent in |

- other Currencies]
- (b) Calculation Amount: [●]  
[€100,000/\$200,000/£100,000]
- (7) (a) Issue Date: [●]  
(b) Interest Commencement Date: [Not Applicable/[●]/Issue Date]
- (8) Final Maturity Date: [●]/[Interest Payment Date falling in or nearest to [●]]
- (9) Interest Basis: [[●] per cent. Fixed Rate]  
[[●] +/- [●] per cent. Floating Rate]  
[Indexed Bonds]  
(see paragraph [(13)/(14)/(15)] below)
- (10) Redemption/Payment Basis: [Redemption at par]  
[Indexed Bonds]
- (11) Change of Interest or Redemption/Payment Basis: [Not Applicable/Applicable]
- (12) Date Board approval for issuance of Bonds obtained: [●]

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

- (13) Fixed Rate Bond Provisions: [Applicable/Not Applicable]
- (a) Interest Rate: [●] per cent. per annum payable [annually / semi-annually / quarterly / monthly] in arrear on each Interest Payment Date
- (b) Interest Determination Date: [●]
- (c) Interest Payment Date(s): [●] in each year up to and including the Final Maturity Date [adjusted in accordance with [●]/not adjusted]
- (d) First Interest Payment Date: [●]
- (e) Fixed Coupon Amount[(s)]: [●] per cent. of the Calculation Amount
- (f) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
- (g) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA) or Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

- (h) Gross Redemption Yield: [Not Applicable/[●]]
  - (i) Gross Redemption Yield Formula: [Not Applicable/[●]]
  - (j) Other terms relating to the method of calculating interest for Fixed Rate Bonds [Not Applicable / Give details]
- (14) Floating Rate Bond Provisions: [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [●]
  - (b) First Interest Payment Date: [●]
  - (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Preceding Business Day Convention]
  - (d) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
  - (e) Party responsible for calculating the Rate(s) of Interest, Interest Amount(s) and Redemption Amount (if not the Principal Paying Agent and/or the Agent Bank): [Not Applicable/[●]]
  - (f) Screen Rate Determination: [Applicable/Not Applicable]
    - (i) Reference Rate: [●] month [●]  
[LIBOR/EURIBOR/[specify other]]
    - (ii) Interest Determination Date(s): [●]
    - (iii) Relevant Screen Page: [●]
    - (iv) Relevant Time and time zone: [●]
  - (g) ISDA Determination: [Applicable/Not Applicable]
    - (i) Floating Rate Option: [●]
    - (ii) Designated Maturity: [●]
    - (iii) Specified Duration: [●]
    - (iv) Reset Date: [●]
  - (h) Margin(s): [+/-][●] per cent. per annum

- (i) Minimum Interest Rate: [Not Applicable]/[●] per cent. per annum
- (j) Maximum Interest Rate: [Not Applicable]/[●] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA) or Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]
- (l) Additional Business Centre(s): [●]
- (m) Representative Amount: [●]
- (n) Reference Banks: [●]
- (15) Indexed Bond provisions: [Applicable/Not Applicable]
- (a) Base Index Figure: [●]
- (b) Index or Index Figure applicable to: [[3/8] month lag applies]
- (c) Reference Stock: [[●] per cent. [●] Stock due [●]]
- (d) Interest Rate: [●] per cent.
- (e) Interest Determination Date(s): [●] in each year
- (f) Interest Payment Date(s): [●] in each year [adjusted in accordance with [●] not adjusted]
- (g) First Interest Payment Date: [●]
- (h) Party responsible for calculating the Interest Amount(s) and Redemption Amount (if not the Principal Paying Agent and/or the Agent Bank): [Not Applicable/[●]]
- (i) Day Count Fraction: [Actual/Actual ICMA] [Actual/Actual (ISDA) or Actual/365 or Actual/Actual] [Actual/365 (Fixed) (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]
- (j) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Preceding Business Day Convention]
- (k) Additional Business Centre(s): [●]
- (l) Minimum Interest Rate: [Not Applicable/[●] per cent. per annum]
- (m) Maximum Interest Rate: [Not Applicable/[●] per cent. per annum]

- (n) Minimum Indexation Factor: [Not Applicable/[●]]
- (o) Maximum Indexation Factor: [Not Applicable/[●]]
- (p) Limited Indexation Month(s): [Not Applicable/[●]]

#### PROVISIONS RELATING TO REDEMPTION

- (16) Issuer Call Option: [Applicable in accordance with Condition 6.2 (*Optional redemption*)]/[Not Applicable]
  - (a) Optional Redemption Date(s): Any Interest Payment Date [falling on or after the Call Protection Date<sup>10</sup> and at a premium of [●]].
  - (b) Call Protection Date: [Not Applicable/[●]]<sup>11</sup>
  - (c) Redemption Rate, Redemption Amount(s) and method, if any, of calculation of such amount(s): [●]
  - (d) If redeemable in part:
    - (i) Minimum Redemption Amount: [Not Applicable/[●]]
    - (ii) Maximum Redemption Amount: [Not Applicable/[●]]
    - (iii) Notice period (if other than as set out in the Conditions): [Not Applicable/[●]]
- (17) Final Redemption Amount: [●] per Calculation Amount
- (18) Early Redemption Amount payable on redemption for taxation reasons or on Event of Default: [●] per Calculation Amount
- (19) Modified Redemption Amount [●]
- (20) Alternative Redemption Amount: [Not Applicable/[●]]
- (21) Reference Stock: [●]
- (22) Comparable German Bund Issue: [Not Applicable/[●]]

#### GENERAL PROVISIONS APPLICABLE TO THE BONDS

- (23) Form of Bonds: [Dematerialised Bonds]
- (24) Relevant Financial Centre(s): [Applicable – [●]] [Not Applicable/[●]]

<sup>10</sup> With regard to Floating Rate Bonds only.

<sup>11</sup> With regard to Floating Rate Bonds only.

- (25) Redenomination and Catch-all: [●]
- (26) Calculation Agent: [Not Applicable/[●]]
- (27) Other terms or special conditions: [Not Applicable/[●]]

## **DISTRIBUTION**

- (28) Method of Distribution: [Syndicated/Non-syndicated]
- (29) If syndicated, names of Managers: [Not Applicable/[●]]
- (a) Date of [Subscription] Agreement: [Not Applicable/[●]]
- (b) Stabilising Manager (if any): [Not Applicable/[●]]
- (c) Lead Manager: [●]
- (30) If non-syndicated, name of Dealer: [Not Applicable/[●]]
- (31) Additional selling restrictions: [Not Applicable/[●]]

## **LISTING**

- (32) Listing and admission to trading: [Application [has been] [is expected to be] made by the Issuer (or on its behalf) for the Bonds to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market with effect from [the Issue Date].]
- (Specify any other listing if applicable)
- [Not Applicable]
- (33) Estimate of total expenses related to admission to trading: [●]

## **RATINGS**

- (34) Ratings: [The Bonds to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to the Bonds of this type issued under the Programme generally]:
- [S&P: [●]]
- [Fitch: [●]]
- [Moody's: [●]]

## **HEDGE COUNTERPARTIES**

- (35) Hedge Counterparties: [Not Applicable/[●]]

**[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

- (36) [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business].

**[ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]**

(37) Estimated net proceeds:

(38) Estimated total expenses:

**[INDICATION OF YIELD FOR FIXED RATE BONDS]**

(39) Indication of yield:

**OPERATIONAL INFORMATION**

(40) ISIN Code:

(41) Common Code:

(42) (insert here any other relevant codes such as CINS codes):

(43) Any clearing system(s) other than the Securities Settlement System, Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(44) Delivery: Delivery [against/free of] payment

(45) Names and addresses of initial Domiciliary Agent and Paying Agent(s):

(46) Names and addresses of additional Paying Agent(s) (if other than the Issuer):

(47) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No] [Note that the designation "yes" simply means that the Bonds are to be held in a manner which would allow Eurosystem eligibility and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## DISTRIBUTION

(48) U.S. Selling Restrictions: As set out in the Offering Circular under "*Subscription and Sale*"

## THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

## PURPOSE OF FINAL TERMS

These Final Terms comprise final terms for issue and admission to trading on the Euro MTF Market of Bonds described herein pursuant to the EUR 5,000,000,000 multicurrency programme.

## RESPONSIBILITY

Each of the Issuer and the Guarantor(s) accept responsibility for the information contained in these Final Terms.

Signed on behalf of **the Issuer**:

By:

Duly authorised

Signed on behalf of **DNB**:

By:

Duly authorised

## **USE OF PROCEEDS**

The net proceeds of each Series of Bonds will be applied by the Issuer towards, amongst other things, its general corporate purposes including:

- (a) to refinance indebtedness arising from the Authorised Credit Facilities (including those which may have been entered into with the Dealers) from time to time; and
- (b) towards fees, costs, expenses, stamp, registration and other taxes incurred in connection with the above.

## TAX CONSIDERATIONS

### Taxation in Belgium

The following summary is a general description of certain Belgian tax considerations relating to the Bonds and is included herein solely for information purposes. It does not purport to be a complete analysis of all tax considerations relating thereto. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, or collective investment undertakings.

Prospective purchasers are urged to consult their own tax advisers as to the consequences under the tax laws of their countries of citizenship, residence, ordinary residence or domicile and the tax laws of Belgium of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts thereunder.

This summary is based upon the laws and regulations in Belgium as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date (or even before with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Prospective investors are therefore urged to consult their own professional advisors as to the effects of state, local or foreign laws and regulations, including the tax laws and regulations in Belgium to which they may be subject.

For Belgian income tax purposes and for the purposes of the summary below, interest includes: (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) in case of a sale of the Bonds between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

### *Belgian withholding tax*

The interest component of payments on the Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax, which is, as at the date of this Offering Circular, at a rate of 30% on the gross amount. Tax treaties may provide for lower rates subject to certain conditions and formalities.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of Belgian withholding tax if and as long as, at the moment of payment or attribution of interest, the Bonds are held by certain investors (the **Eligible Investors**, see below) in an exempt securities account (an **X-account**) that has been opened with a financial institution that is a direct or indirect participant (a **Participant**) in the Clearing System. Euroclear and Clearstream, Luxembourg are direct or indirect Participants for this purpose.

Holding the Bonds through the Clearing System enables Eligible Investors to receive gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*), which include, *inter alia*:

- (i) Belgian resident companies referred to in article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*wetboek van inkomstenbelastingen 1992/code des impost sur les revenus 1992*) (the **ITC 1992**);

- (ii) Institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies, other than those referred to in (i) and (iii), without prejudice to the application of article 262, 1° and 5° of the ITC 1992;
- (iii) State-regulated institutions (*institutions parastatales/parastatalen*) for social security or institutions equated therewith, referred to in article 105, 2° of the Royal Decree implementing the ITC 1992 (**RD/ITC 1992**);
- (iv) Non-resident investors whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in article 105, 5° of the RD/ITC 1992;
- (v) Investment funds recognised in the framework of pension savings, referred to in article 115 of the RD/ITC 1992;
- (vi) Investors referred to in article 227, 2° of the ITC 1992 which are subject to non-resident income tax in accordance with article 233 of the ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (vii) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the ITC 1992;
- (viii) investment funds governed by foreign law that are an indivisible estate managed by a management company for the account of the participants (such as *fonds de placement/beleggingsfondsen*) and the units of which are not publicly offered or traded in Belgium; and/or
- (ix) Belgian resident companies not referred to under paragraph (i) above, whose activity exclusively or principally consists of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned under paragraphs (ii) and (iii) above.

Participants in the Clearing System must keep the Bonds which they hold on behalf of non-Eligible Investors in an N-account. In such instance, all payments of interest are subject to withholding tax, set at a rate of 30% as at the date of this Offering Circular. This withholding tax is withheld by the NBB from the interest payment and paid to the Belgian tax authorities.

Transfers of Bonds 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-Eligible 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-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

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

When opening an X-account for the holding of Bonds, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send the completed form to the participant in the Clearing System where the account is kept. This certification need not be periodically renewed (although Eligible Investors must update their certification should their eligible status change). Participants in the Clearing System are, however, required to make declarations to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-account during the preceding calendar year.

These identification requirements do not apply to Bonds held with Euroclear or Clearstream, Luxembourg acting as Participants in the Clearing System, provided that they only hold X-accounts and that they are able to identify the holders for whom they hold Bonds in such accounts.

### ***Belgian income tax and capital gains***

#### *Belgian resident individuals*

Individuals who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax (*personenbelasting/impôt des personnes physiques*) and who hold the Bonds as a private investment, do not have to declare interest in respect of the Bonds in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest.

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

Capital gains realised on the disposal of the Bonds are as a rule tax exempt, unless the capital gains are realised outside the normal management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses realised upon the disposal of the Bonds held as a non-professional investment are in principle not tax deductible.

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

#### *Belgian resident companies*

Interest attributed or paid to companies that are Belgian residents for tax purposes, i.e. that are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), as well as capital gains realised upon the disposal of the Bonds, are taxable at the ordinary corporate income tax rate of in principle 33.99%. Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

#### *Belgian legal entities*

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian legal entities tax (*rechtspersonenbelasting/impôts des personnes morales*) and that do not qualify as Eligible Investors (as defined above), will not be subject to any further taxation on interest in respect of the Bonds over and above the withholding tax of 30%. The withholding tax constitutes the final taxation.

Belgian legal entities which have received interest income on the Bonds without deduction for or on account of Belgian withholding tax are required to declare and pay the 30% withholding tax themselves to the Belgian tax authorities.

Capital gains realised on the disposal of the Bonds are in principle tax exempt (unless the capital gains qualify as interest (as defined above)). Capital losses are in principle not tax deductible.

#### *Organisations for Financing Pensions*

Interest and capital gains derived by organisations for financing pensions within the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

#### *Non-residents*

Bondholders who are non-residents of Belgium for Belgian tax purposes, who are not holding the Bonds through a permanent establishment in Belgium and who are not investing in the Bonds in the course of their Belgian professional activity, will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership, redemption or disposal of the Bonds, provided that they qualify as Eligible Investors and that they hold their Bonds in an X-account.

If the Bonds are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30%, possibly reduced pursuant to a tax treaty, on the gross amount of the interest.

#### ***Belgian tax on stock exchange transactions***

A tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) will be levied on the acquisition and disposal of Bonds on the secondary market if executed in Belgium through a professional intermediary. The tax is due at a rate of 0.09% on each acquisition and disposal separately, with a maximum amount of Euro 1,300 per transaction and per party and collected by the professional intermediary.

Following the law of 25 December 2016, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a **Belgian Investor**). In such a scenario, the tax on the stock exchange transaction is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transaction due has already been paid by the professional intermediary established outside of Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement ("*bordereau*" / "*borderel*"), at the latest on the Business Day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (**Stock Exchange Tax Representative**). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligations relating to the order statement ("*bordereau*" / "*borderel*") in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

No tax on stock exchange transactions will be payable by exempt persons acting for their own account, including all non-residents of Belgium subject to the delivery of an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in article 126/1, 2° of the Code of miscellaneous duties and taxes (*Code des droits et taxes divers/Wetboek diverse rechten en taksen*).

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

### ***The Proposed Financial Transactions Tax***

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. In December 2015, Estonia withdrew from the group of states willing to introduce the FTT.

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

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

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Bonds are advised to seek their own professional advice in relation to the FTT.

### ***Common Reporting Standard***

Following recent international developments, the exchange of information is governed by the Common Reporting Standard (CRS). On 29 October 2014, 51 jurisdictions signed the multilateral competent authority agreement (MCAA), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 ("early adopters").

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments

made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

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

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC2 will at the latest take place as of 30 September 2017, except with regard to Austria. The mandatory automatic exchange of financial information by Austria will at the latest take place as of 30 September 2018.

The Belgian government has implemented said Directive 2014/107/EU, respectively the Common Reporting Standard, per the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

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

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

### ***Foreign Account Tax Compliance Act***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to 1 January 2019 and Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of substitution of the issuer). However, if additional bonds (as described under Condition 19 (*Further Issues and New Bonds*)) that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period,

as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds.

## SUBSCRIPTION AND SALE

### Programme Agreement

Bonds may be issued from time to time by the Issuer to any one or more of the Dealers in each case acting as principal or to subscribers from whom subscriptions have been procured by the Dealers, in each case pursuant to the Programme Agreement. The arrangements under which a particular Series of Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers or subscribers are set out in the Programme Agreement and the Subscription Agreements relating to each Series of Bonds. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Bonds, the price at which such Bonds will be subscribed by the Dealers or subscribers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Bonds.

In the Programme Agreement, the Issuer and each Obligor have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and maintenance of the Programme and the issue of Bonds under the Programme Agreement.

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

In connection with the offering of any Tranche, the Stabilising Managers participating in the offering of the relevant Bonds may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Bonds during and after the offering of such Bonds. Specifically such persons may over-allot or create a short position in the Bonds for their own account by selling more Bonds than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Bonds in the open market. In addition, such persons may stabilise or maintain the price of the Bonds by bidding for or purchasing Bonds in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Bonds are reclaimed if Bonds previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Bonds to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under laws and regulations in the UK, stabilising activities may only be carried on by the Stabilising Manager(s) named in the applicable Final Terms (or persons acting on behalf of any Stabilising Manager(s)) and only for a limited period following the Issue Date of the relevant Bonds.

The Dealers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to the Group and the Group's affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions.

### ***United States of America***

The Bonds and the guarantees thereof have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Bonds are a part, as determined and certified by the relevant Dealer or, in the case of an issue of Bonds on a syndicated basis, the relevant lead manager, of all Bonds of the Tranche of which such Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Regulation S Bonds outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Bonds, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

Until 40 days after the commencement of the offering of any identifiable Tranche of Bonds, an offer or sale of such Bonds within the United States by any dealer (whether or not participating in the offering of such Tranche of Bonds) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or transaction not subject to, the registration requirements of the Securities Act.

### ***Belgium***

The Bonds may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of 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 (the **Belgian Prospectus Law**), save in those circumstances set out in Article 3 §2 of the Belgian Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and this Offering Circular or any other offering material relating to the Bonds has not been and will not be approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit Financiële Diensten en Markten*).

Accordingly, the offering may not be advertised and each of the Dealers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer

or deliver, the Bonds and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

- (a) qualified investors, as defined in Article 10 of the Belgian Prospectus Law;
- (b) investors required to invest a minimum of €100,000 (per investor and per transaction);

and in any other circumstances set out in Article 3 §2 of the Belgian Prospectus Law.

This Offering Circular has been issued only for the personal use of the above investors and exclusively for the purpose of the offering of Bonds. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the settlement system operated by the National Bank of Belgium. Bonds issued under this Offering Circular will also not be offered to, or placed with, “consumers” within the meaning of the Belgian Code of Economic Law.

### ***United Kingdom***

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

- (a) in relation to any Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Bonds would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; 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 any Bonds in, from or otherwise involving the United Kingdom.

### ***Japan***

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell any Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others

for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***European Economic Area***

From 1 January 2018, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prior to 1 January 2018, 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 Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Bonds to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression **an offer of Bonds to the public** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

## ***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, any Guarantor, nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, any Guarantor and the Dealers represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme, the granting of the Security, the Guarantee and the issue of Bonds under the Programme have been duly authorised by resolutions of the Board of Directors of the Issuer passed at a meeting of the Board held on 19 April 2017.

The Issuer and each Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the Guarantee and the issue and performance of the Bonds.

### Listing of Bonds

It is expected that each Series of Bonds which is to be admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange. Application has been made to the Luxembourg Stock Exchange for the Bonds issued under the Programme to be admitted to the Official List and to be admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange in accordance with the rules of such exchange.

However, Bonds may also be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

### Documents Available

For so long as the Programme remains in effect or any Bonds shall be outstanding, copies of the following documents (when published) will be available at the specified office of the Bond Trustee:

- (a) the articles of association of the Issuer and each Guarantor;
- (b) the audited consolidated annual accounts of the Issuer for the years ended 31 December 2014, 31 December 2015 and 31 December 2016;
- (c) the audited non-consolidated annual accounts of DNB for the financial years ended 31 December 2014 and 31 December 2015;
- (d) a copy of this Offering Circular;
- (e) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms to this Offering Circular and any other documents incorporated therein by reference;
- (f) Final Terms relating to Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (in the case of any Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Bondholders); and
- (g) each Finance Document (as the same may be amended, varied, supplemented or novated from time to time).

## **Clearing System**

The Bonds will be cleared through the Clearing System. Under the Programme, Bonds will not be issued for so long as they cannot be cleared through the Clearing System. Bonds shall only be issued in accordance with the rules of the Clearing System.

## **Conditions for determining price**

The price and amount of Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

## **Litigation**

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the date of its incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and each Guarantor.

## **Auditors**

The auditors for the Issuer and each Guarantor are PricewaterhouseCoopers Bedrijfsrevisoren, chartered accountants, whose offices are at Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium.

The auditors have audited, *inter alia*, (i) annual consolidated accounts of the Issuer for the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016, and (ii) annual non-consolidated accounts of DNB for the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016.

## **Financial Information**

There has been no significant change in the financial or trading position of the Issuer or the Guarantor since 31 December 2015 and no material adverse change in the prospects of the Issuer or any Guarantor since 31 December 2015. Copies of the latest audited consolidated accounts of the Issuer and the audited non-consolidated accounts of DNB may be obtained, and copies of the STID (including the Guarantee), the Agency Agreement and the Bond Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Bonds is outstanding. Neither the Issuer nor any Guarantor publishes interim accounts.

## **Material Contracts**

There are no material contracts entered into other than in the ordinary course of the Issuer's or any Guarantor's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or any Guarantor's ability to meet its obligations to Bondholders in respect of the Bonds being issued.

## **Third Party Information**

Where information in this Offering Circular has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

**Issue Price**

The Issue Price and the amount of the relevant Bonds will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to assets underlying issues of Bonds constituting derivative securities.

**APPENDIX 1**

**2017 STID PROPOSAL**

**BRUSSELS AIRPORT COMPANY SA/NV**

**Diamant Building  
Auguste Reyerslaan 80  
1030 Brussels**

To: Citibank Europe PLC, UK Branch  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB

as **Security Trustee**

cc: Each Secured Creditor Representative listed in Appendix 1

7 April 2017

Dear Sirs,

**Brussels Airport Company SA/NV (the Borrower) – STID Proposal**

**1. BACKGROUND**

1.1 We refer to:

- (a) the master definitions agreement dated 26 June 2013 between, among others, the **Borrower** and the Security Trustee (the **MDA**);
- (b) the common terms agreement dated 26 June 2013 between, among others, the Borrower and the Security Trustee (the **CTA**);
- (c) the security trust and intercreditor deed dated 26 June 2013 between, among others, the Borrower and the Security Trustee (the **STID**); and
- (d) the conditions precedent agreement dated 26 June 2013 between, among others, the Borrower and the Security Trustee (the **CP Agreement**).

1.2 Terms defined in the MDA have the same meanings in this letter, unless defined herein or the context otherwise requires.

1.3 We are writing to you in our capacity as Borrower (in accordance with Clause 13.1 (*Instigation of a STID Proposal*) of the STID) to request the consent of the Security Trustee to the following matters.

## 2. PROPOSED CONSENT

### 2.1 Permitted Development Consent

- (a) The Borrower wishes to enhance its ability to develop real estate owned by it to facilitate the development of airport facilities at Brussels Airport. The Borrower wishes to be capable of entering into property development arrangements itself, with Joint Ventures or through third parties to develop real estate in which it has an interest. Such activities would be value-accretive for the Borrower.
- (b) The CTA currently permits the development of Existing Development Plots under the Existing Development Programme. However, the ability to develop real estate at the airport is limited by:
  - (i) the Permitted Investment Restriction, which limits the amount of Investment which may be made in respect of the Existing Development Plots; and
  - (ii) the limitations of the definitions of Permitted Business and Permitted Transaction, which both limit the ability to develop real estate to the Existing Development Programme.
- (c) In addition, pursuant to Clause 7.6 (*Release of Security for Permitted Disposals*) of the STID, the Security Trustee is authorised by each Secured Creditor, upon receipt of a request from the Obligors' Agent, to execute on behalf of itself and each Secured Creditor all releases of any Security (including any Mortgages) in relation to any Permitted Disposal by such Obligor provided that two directors of such Obligor certify in writing to the Security Trustee that the relevant conditions (if any) to such Permitted Disposal have been met.
- (d) Permitted Disposals are similarly limited to transactions related to Existing Development Plots under the Existing Development Programme. Further, such disposals do not capture the granting of a right in rem (such as a right to build or a long lease, where residual property rights remain with the Borrower) in favour of a third party to develop real estate so the Borrower is left in a position where any grant of a right in rem over its real estate in favour of, for example, a Permitted Joint Venture will effectively require Secured Creditor approval in each instance. Furthermore, any such third party or Joint Venture would be unable to mortgage its right in rem and the buildings owned and/or developed by it on the lands in favour of third party financiers. This presents practical difficulties for the Borrower in seeking to develop the real estate comprising the Mortgaged Property.
- (e) The Borrower therefore wishes to:
  - (i) allow the development of real estate in which it has an interest for the operation and development of the airport facilities at Brussels Airport;
  - (ii) allow any third party or Joint Venture holders of rights in rem in real estate in which the Borrower has an interest to mortgage such right in rem and any developments made by it on the lands in favour of third party financiers for the duration of the right in rem;
  - (iii) increase the level of the Permitted Investment Restriction from EUR150,000,000 (Indexed) in any five year period to EUR300,000,000

in any five year period and apply this to real estate referred to in (a) above and not simply the Existing Development Programme; and

- (iv) streamline the process for any releases of security necessary to implement the above.
- (f) To streamline the process for the release of security necessary to implement the above, the Borrower proposes introducing a conditional release process (the **Conditional Release Process**) under which the Security Trustee shall consent in advance, on behalf of the Secured Creditors, to the release of Mortgaged Property which is required to be disposed of, developed or leased as part of a Permitted Disposal.
- (g) As part of the Conditional Release Process, the Security Trustee will authorise, pursuant to a conditional permitted release letter, the release (which will be notarised) of any Mortgaged Property the subject of any Permitted Disposal where the Belgian notary has received a certificate from the Borrower (i) containing a detailed identification of the Mortgaged Property to be released and (ii) certifying that the proposed disposal and release of the identified Charged Property which is the subject of the Mortgage or the Mortgage Mandate constitutes a “Permitted Disposal”. The Conditional Release Process will at all times be subject to the service of a revocation letter by the Security Trustee following the occurrence of an Event of Default which is continuing, following which the Conditional Release Process will no longer apply.
- (h) In order to give effect to the proposals set out in this paragraph 2.1, the Borrower hereby proposes that the Finance Documents shall be amended as follows:
  - (i) The STID shall be amended as follows:
    - (A) Clause 7.6 (Release of Security for Permitted Disposals) of the STID shall be deleted and replaced by the following:
      - (a) The Security Trustee is authorised by each Secured Creditor and every other party to this Deed, upon receipt of a request in writing from the Obligors' Agent and at the cost of the relevant Obligor, to execute on behalf of itself, each Secured Creditor and every other relevant party and without the need for any further referral or authority from any person (i) in respect of any Charged Property which is the subject of the Mortgage or the Mortgage Mandate, a Conditional Permitted Release Letter provided that the Security Trustee shall have received a copy of the Borrower Confirmation Letter, which letter shall be conclusive and binding evidence of the content thereof and (ii) all releases of any Security over any other Charged Property in relation to any Permitted Disposal provided that two directors of such Obligor certify in writing to the Security Trustee that the relevant conditions (if any) to such Permitted Disposal have been met, which certificate shall be conclusive and binding evidence thereof.
      - (b) Subject to paragraph (c) below, on or about the Conditional Permitted Release Date, the Security Trustee shall following timely receipt of a request in writing of the Obligors' Agent issue a signed Conditional Permitted Release Letter (in the

form set out in Schedule 7 (Conditional Permitted Release Letter)) to the Notary authorising, subject to the receipt by the Notary of a duly certified Borrower Confirmation Letter (in the form set out in Schedule 8 (Borrower Confirmation Letter)) from the Borrower (i) identifying the Charged Property which is the subject of the Mortgage or the Mortgaged Mandate that is the subject of a Permitted Disposal and (ii) confirming that the proposed disposal constitutes a Permitted Disposal, the release of any Security in relation to the Permitted Disposal identified in such Borrower Confirmation Letter on and from the Permitted Disposal Release Date. Where any third party, or party to a Permitted Joint Venture, in favour of which a right in rem will be granted over Mortgaged Property the subject of a Permitted Disposal requests a duly executed release in respect of such Security, the Security Trustee shall effect the release of such Mortgaged Property the subject of the Permitted Disposal in accordance with, and subject to, paragraph (a) above.

- (B) paragraph (b) above shall cease to take effect or apply on and from the earlier of (i) the occurrence of an Event of Default that is continuing and (ii) the delivery of a Revocation Letter to the Notary. Following the occurrence of an Event of Default that is continuing, the Security Trustee may (but is not obliged), and shall if it receives a Qualifying Secured Creditor Instruction to do so, deliver a Revocation Letter to the Notary. Appendix 4 hereof shall be inserted as a new Schedule 7 (Form of Conditional Permitted Release Letter) of the STID.
- (C) Appendix 5 hereof shall be inserted as a new Schedule 8 (Form of Borrower Confirmation Letter) of the STID.
- (D) Appendix 6 hereof shall be inserted as a new Schedule 9 (Form of Revocation Letter) of the STID.
- (ii) The following shall be inserted as a new paragraph 13 after paragraph 12 ("Know your customer" checks) of Part 1 (Information Covenants) of Schedule 2 (Covenants) to the CTA:

#### **Borrower Confirmation Letter**

The Borrower shall supply to the Security Trustee a copy of any Borrower Confirmation Letter at the same time as such letter is sent by the Borrower to the Notary in accordance with clause 7.6 (*Release of Security for Permitted Disposals*) of the STID.

None of the Obligors or the Obligor's Agent may issue a Borrower Confirmation Letter upon or following the occurrence of an Event of Default that it is continuing.

- (iii) In Part 1 (Definitions) of Schedule 1 (Common Definitions) to the Master Definitions Agreement:

- (A) the following new definitions shall be inserted in alphabetical order as follows:

**Borrower Confirmation Letter** means a letter signed by two directors of the Borrower in substantially in the form set out in Schedule 8 (Form of Borrower Confirmation Letter) to the STID.

**Conditional Permitted Release Date** means the date on which the Security Trustee delivers a signed Conditional Permitted Release Letter to the Notary.

**Conditional Permitted Release Letter** means a letter from the Security Trustee to the Notary substantially in the form set out in Schedule 7 (Form of Conditional Permitted Release Letter) to the STID.

**Notary** means a notary in Belgium designated by the Borrower.

**Permitted Disposal Release Date** means the date falling five (5) Business Days from the date of service of a duly certified Borrower Confirmation Letter on the Belgian Notary.

**Permitted Development** means the development by a third party to which a right in rem is granted (whether through a Joint Venture or otherwise) of real estate in which the Borrower has an interest (such real estate being a **Permitted Development Plot**);

**Revocation Letter** means a letter from the Security Trustee to the Notary substantially in the form set out in Schedule 9 (Form of Revocation Letter) to the STID;

- (B) the definition of “Permitted Business” shall be replaced with the following words:

**Permitted Business** means the business to be carried out by the Group to:

- (a) operate Brussels Airport in accordance with the terms of the Licence, and to perform ancillary roles relating to such operations;
- (b) develop the Existing Development Plots pursuant to the Existing Development Programme;
- (c) engage in Permitted Developments; and
- (d) other ancillary businesses,

provided that the activities set out in paragraph (a) shall constitute the principal business carried on by the Group.

- (C) the definition of “Permitted Transaction” shall be replaced with the following words:

**Permitted Transaction** means:

- (a) any Disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security Interest or Quasi-Security given, or other transaction arising, under the Finance Documents;
  - (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group; or
  - (c) any transaction to develop the Existing Development Plots pursuant to the Existing Development Programme; or
  - (d) any transaction (including a Disposal, save for any proposed sale) relating to a Permitted Development; or
  - (e) any equity for Investor Funding Loan swap instrument or analogous transaction relating to the share capital of the Borrower or any other Obligor in relation to a transaction with the Borrower; or
  - (f) any other transaction approved or consented to by the Security Trustee in accordance with the STID.
- (D) the definition of “Permitted Investment Restriction” shall be replaced with the following words:

**Permitted Investment Restriction** means the restriction that the amount of any investment, loan, guarantee, security, payment of consideration or support of any nature (including the maintenance of the solvency of or a provision of working capital) (the **Investment**) made to or for the benefit of any Joint Venture and/or development of, or property development related activities with respect to, Existing Development Plots and Permitted Developments shall be, for any rolling five year period, less than the aggregate of (excluding land values of any Existing Development Plots or land constituting a Permitted Development contributed as part of an Investment):

- (a) €300,000,000 (Indexed); and
- (b) the aggregate amount of Available Cashflow in accordance with the Finance Documents:
  - (i) for Restricted Payments;
  - (ii) for Permitted Payments; or
  - (iii) from the proceeds of Investor Funding Loans,

in each case, not otherwise applied and not otherwise used with respect to any Equity Cure Right.

- (i) The proposed amendments will offer the Borrower greater commercial capacity and achieve both practical and economic benefits for the Group. The Secured Creditors continue to be protected by the limitations imposed by the Permitted Investment Restriction. Furthermore, any granting of an interest, including a right in rem, will remain subject to the approval of the Belgian Mobility and Transport Federal Public Services.
- (j) The additional revenue achievable from such permitted developments will be payable into the Operating Account and will make a positive contribution to Consolidated EBITDA, with all such additional revenues continuing to be pledged in favour of the Secured Creditors pursuant to Clause 3.1 of the Receivables Pledge. The Borrower therefore considers that the additional flexibility will be value accretive and offer greater scope to enhance the Group's financial performance.
- (k) The Borrower therefore requests that the Secured Creditors approve the amendments to the Common Documents described in paragraph (h) above (the **Permitted Development Consent**).

## 2.2 Right to Sale Consent

- (a) Pursuant to a STID Proposal dated 16 March 2016, agreed and approved by the Security Trustee on 28 April 2016 (the **March 2016 STID Proposal**), an Extraordinary STID Resolution was passed (and the consent of the Security Trustee obtained) approving the granting to Regie der Gebouwen (**RdG**), the authority which manages the buildings and real estate of the Belgian State, a right in rem to build (**Right to Build**) on certain land (with cadastral references – Steenokkerzeel, 1<sup>st</sup> Division, Section C, nr. 51E, and shown in red on the plan annexed to this STID Proposal in Appendix 2) (the **Land**) which is the subject of the Mortgage and the Mortgage Mandate entered into by the Borrower and Distributienet-Beheer Brussels Airport NV (together, the **Mortgagors**) with the Security Trustee on 1 July 2013 in order to build housing units for refugees (the **RdG Project**).
- (b) Subsequently, following the approval of the March 2016 STID Proposal, the Right to Build was not granted as the RdG made a request to buy the entire plot of 28.871,84m<sup>2</sup> containing the Land together with the plot on which the actual building "127bis" is located (the **Entire Plot**, as shown on the plan annexed to this STID Proposal in Appendix 3).
- (c) It is now proposed that the Entire Plot will be sold to RdG to allow it to further control the development of the RdG Project (the **Proposed Sale**). It should be noted that the approval of the Proposed Sale to RdG has to be viewed in light of the overall good relationship of the Borrower with the governmental authorities, which is essential for the management of the airport.
- (d) The Entire Plot is located between two other plots currently managed by RdG and has an area of 28,871.84m<sup>2</sup>, compared to the overall area of approximately 10,000,000m<sup>2</sup> owned by the Group. In connection with the Proposed Sale, RdG has agreed to:
  - (i) pay to the Borrower a total of EUR 2,021,028.80 for the purchase of the Entire Plot, which will be paid into the Operating Account thereby making a positive contribution to Consolidated EBITDA; and
  - (ii) grant the Borrower a right of repurchase in respect of the Entire Plot where it ceases to be used as a refugee shelter.

- (e) Before considering the Proposed Sale, it should be noted that Paragraph 14.1 of Part 3 of Schedule 2 to the CTA provides “no Obligor shall...enter into a single transaction or a series of transactions...to sell, lease, transfer or otherwise dispose of any asset unless it constitutes a Permitted Disposal or a Permitted Transaction.”
- (f) Subject to Clause 3.2 below, the Borrower now requests that:
  - (i) the Secured Creditors approve the Proposal Sale to RdG of the Entire Plot; and
  - (ii) the interest in the Entire Plot be excluded from the Security granted under the Mortgage and the Mortgage Mandate and released in accordance with Clause 7.3 (*Release of Security*) of the STID.

(together, the **Right to Sale Consent**)

- (g) The Borrower further undertakes that where the Entire Plot is repurchased in accordance with paragraph (d)(ii) above, it will amend the terms of the Mortgage and the Mortgage Mandate to procure that full ownership of the Entire Plot, and all rights and interests relating thereto, will become subject to the Security granted pursuant to the Mortgage and the Mortgage Mandate, provided that the Borrower has not executed a new agreement with respect to the Entire Plot (or any part thereof), within 3 months from the early termination of the Right to Build, pursuant to which the Borrower receives revenues pledged in favour of the Secured Creditors pursuant to Clause 3.1 of the Receivables Pledge. In this regard, the Borrower hereby proposes that the Finance Documents shall be amended as follows:
  - (i) The following shall be inserted as a new paragraph 34 after paragraph 33 (Debt Service Reserve Account) of Part 3 (Other Covenants) of Schedule 2 (Covenants) to the CTA:

**RDG Project Plot**

On the occurrence of the RDG Project Plot Termination, the Borrower shall promptly notify the Security Trustee thereof and amend the terms of the Mortgage and the Mortgage Mandate to procure that full ownership of the RDG Project Plot, and all rights and interests relating thereto, will become subject to the Security granted pursuant to the Mortgage and the Mortgage Mandate.

- (ii) The STID shall be amended as follows:
  - (A) The following shall be inserted as a new Clause 7.10 (RDG Project Plot Termination) of the STID after Clause 7.9 (Registration Fee Account) of the STID:

**7.10 RDG Project Plot Termination**

Upon the occurrence of an RDG Project Termination Event, the right *in rem* granted by the Borrower to the RDG over the RDG Project Plot shall terminate on the Business Day immediately following the ending of the RDG Project Plot Termination Period where no RDG Project Plot Termination Cure is agreed within the RDG Project Plot Termination Period (the **RDG Project Plot Termination**).

The Security Trustee is authorised by each Secured Creditor and every other party to this Deed, upon receipt of a request in writing from the Borrower following the occurrence of the RDG Project Plot Termination and at the cost of the Borrower, to execute such deeds, documents and/or notices as may be required to be executed and which are provided to the Security Trustee in order to amend the terms of the Mortgage and the Mortgage Mandate to procure that full ownership of the RDG Project Plot, and all rights and interests relating thereto, will become subject to the Security granted pursuant to the Mortgage and the Mortgage Mandate.

- (B) Appendix 3 hereof shall be inserted as a new Schedule 10 (RDG Project Plot) of the STID.
- (iii) In Part 1 (Definitions) of Schedule 1 (Common Definitions) to the Master Definitions Agreement, the following new definitions shall be inserted in alphabetical order as follows:

**RDG Project Plot** means the lands described in the plan annexed to the STID at Schedule 10;

**RDG Project Plot Termination** shall have the meaning given to it in clause 7.10 (RDG Project Plot Termination) of the STID;

**RDG Project Plot Termination Cure** means the execution by the Borrower, within the RDG Project Plot Termination Period, of a new agreement with respect to the RDG Project Plot (or any part thereof), causing the RDG Project Termination Event to cease to continue and pursuant to which the Borrower receives revenues pledged in favour of the Secured Creditors pursuant to Clause 3.1 of the Receivables Pledge;

**RDG Project Termination Event** means the ceasing of the use of the RDG Project Plot as a refugee shelter by the RdG;

**RDG Project Plot Termination Period** means the period commencing on the date of the RDG Project Termination Event and ending on the date three (3) calendar months therefrom;

## 2.3 Additional Covenant Consent

- (a) In order to diversify the Borrower's funding base, the Borrower may wish in the future to give representations and covenants to multilateral lenders, which representations and/or covenants are required for policy reasons by those funders. As matters stand, under the CTA, the Borrower may not give such additional representations and/or covenants. The Borrower therefore proposes to amend the CTA in the following manner so that it can give such additional representations and/or covenants where customarily required by such multilateral lenders:
  - (i) The following shall be inserted as a new paragraph between Clause 4.1(d)(i) and Clause 4.1(d)(ii) of the CTA and the existing Clause 4.1(d)(ii) shall be renumbered as Clause 4.1(d)(iii):

- “(ii) any representation given to a multilateral lender in any Authorised Credit Facility which is customarily required by such multilateral lender in agreements for financings of entities such as the Borrower; or”.
- (ii) Clause 5.3 of the CTA shall be deleted and replaced by the following:
- “5.3 Subclause 5.2 shall not apply to:
- (a) any additional covenants given to the Institutional Private Placement Debt Providers in any Institutional Private Placement Debt Document with respect to US law and/or tax law issues which are customarily included in agreements in connection with the issue of Institutional Private Placement Debt; and
- (b) any additional covenants given to a multilateral lender in any Authorised Credit Facility which are customarily required by such multilateral lender in agreements for financings of entities such as the Borrower.”
- (iii) Clause 6.1(a)(ii) of the CTA shall be amended by the deletion of the words “Clause 5.2” where they appear on the last line of that clause and their replacement with “Clauses 5.2 and 5.3”.

(together the **Additional Covenant Consent**, which, together with the Permitted Development Consent and the Right to Sale Consent, shall be referred to as the **Proposed Consents**).

### 3. STID PROPOSAL

- 3.1 The CTA and MDA are Common Documents, and accordingly, the Borrower requests the Security Trustee (acting in accordance with the relevant resolutions of the Secured Creditors) to concur in making the Proposed Consents.
- 3.2 In accordance with Clause 7.3 (*Release of Security*) of the STID, the Security Trustee will only release the benefit of any encumbrance, right, obligation or other security held by it as Security for all or any of the Secured Liabilities upon the passing of an Extraordinary STID Resolution in accordance with Clause 16 (*Extraordinary Voting Matters*) of the STID. In accordance with clause 16.1 (*Scope of Extraordinary Voting Matters*) of the STID, the Security Trustee may only agree to concur with the Obligors in making any modification to, giving any consent under or granting any waiver in respect of any Common Documents which constitute an Extraordinary Voting Matter unless and until an Extraordinary STID Resolution has been passed.
- 3.3 We hereby certify that the Proposed Consents:
- (a) are not in respect of Discretion Matters;
  - (b) are not Ordinary Voting Matters;
  - (c) are Extraordinary Voting Matters; and
  - (d) do not give rise to Entrenched Rights.

- 3.4 In accordance with paragraph (a) of Clause 13.3 (*Copies to Secured Creditor Representatives*) of the STID, concurrently with the delivery of this STID Proposal to the Security Trustee we are delivering a copy of this STID Proposal to the Secured Creditor Representative of each Secured Creditor.
- 3.5 Subject to the provisions of Clause 13.6 (*Commencement of Decision Period*) of the STID, the approval of the Security Trustee is sought upon the expiry of the Decision Period on 15 May 2017, being the date falling 28 Business Days after the date of delivery of this STID Proposal.
- 3.6 In accordance with Clause 13.7 (*STID Voting Request*) of the STID, the Security Trustee shall, following receipt of a STID Proposal, promptly but no later than five Business Days thereafter send a STID Voting Request in respect of such STID Proposal to each Secured Creditor (through its Secured Creditor Representative). The STID Voting Request shall:
- (a) request the following from each Qualifying Secured Creditor (delivered by its Secured Creditor Representative(s) on behalf of such Qualifying Secured Creditor) in respect of the STID Proposal:
    - (i) a vote on that STID Proposal from such Qualifying Secured Creditor (through its Secured Creditor Representative(s)) no later than the Business Day immediately preceding the last day of the Decision Period for or against the implementation of that STID Proposal; and
    - (ii) a certificate from such Qualifying Secured Creditor (through its Secured Creditor Representative(s)) that it is entitled under the terms of the STID to vote on that STID Proposal and stating, whether or not it votes, the Outstanding Principal Amount of its Qualifying Secured Debt in accordance with Clause 11.2 (*Notification of Outstanding Principal Amount of Qualifying Secured Debt*) of the STID (expressed in the Base Currency);
  - (b) notify each recipient of the STID Voting Request that the determination of the Borrower set out in paragraph 3.3 above shall be binding on them unless the Security Trustee is instructed by Qualifying Secured Creditors (acting through their Secured Creditor Representatives) representing at least 10% of the Qualifying Secured Debt to deliver a Determination Dissenting Notice or by a Secured Creditor (acting through its Secured Creditor Representative(s)) to deliver an Entrenched Dissenting Notice within five Business Days of receipt of any STID Proposal from the Security Trustee in accordance with Clause 13.4(b) of the STID.

#### **4. IMPLEMENTATION OF THE EXTRAORDINARY STID RESOLUTIONS**

- 4.1 In accordance with Clause 14.6 (*Implementation of STID Proposal in respect of an Extraordinary Voting Matter*) of the STID, following the expiry of the Decision Period or (if earlier) following the date on which the Security Trustee has received votes sufficient to pass any of the Extraordinary STID Resolutions in respect of the Proposed Consent set out in this letter pursuant to Clause 16 (*Extraordinary Voting Matters*) of the STID, the Security Trustee shall:
- (a) notify the Borrower of the result of the voting of the relevant Secured Creditors in relation to those Extraordinary STID Resolutions; and

(b) at the cost of the Obligors, (and is authorised by the Secured Creditors to) execute and deliver any deeds, documents or notices as may be required to be executed and/or delivered and which are provided to the Security Trustee in order to give effect to the Proposed Consents to which the approved Extraordinary STID Resolutions relate.

4.2 In accordance with Clause 14.8 (*Binding Force and Authority to sign*) of the STID, any modification agreed, waiver granted or consent given by the Security Trustee in accordance with the paragraph 4.1 above shall be binding on all Obligors and all Secured Creditors and each of the Obligors and the Secured Creditors shall be bound to give effect to it.

## 5. CONSENT

Upon confirmation by the Security Trustee of its approval to effect the Proposed Consents set out in this STID Proposal, the Borrower shall, pursuant to Clause 14.3 (*Notification to Secured Creditors*) of the STID, notify each Secured Creditor (through the relevant Secured Creditor Representative) and the Rating Agencies.

## 6. MISCELLANEOUS

6.1 Any queries relating to the Proposed Consents set out in this STID Proposal should be emailed to Dennis Lagast (at [dennis.lagast@brusselsairport.be](mailto:dennis.lagast@brusselsairport.be)), Marleen Vandendriessche (at [marleen.vandendriessche@brusselsairport.be](mailto:marleen.vandendriessche@brusselsairport.be)) and Emmanuel Roels (at [emmanuel.roels@brusselsairport.be](mailto:emmanuel.roels@brusselsairport.be)) respectively.

6.2 Save as expressly set out in this letter:

(a) the Common Documents shall remain in full force and effect; and

(b) nothing in this letter shall constitute or be construed as a waiver or compromise of any other term or condition of the Common Documents or any of the Security Trustee's rights in relation to them, which for the avoidance of doubt shall continue to apply in full force and effect.

6.3 This letter may be executed in any number of counterparts and all those counterparts taken together shall be deemed to constitute one and the same letter. Delivery of a counterpart of this letter by e-mail attachment or telecopy shall be an effective mode of delivery.

6.4 This letter and any non-contractual obligations arising out of or in relation to this letter are governed by English law.

Please sign and return to us a counterpart of this letter in order to indicate your agreement to its terms.

Yours faithfully

.....  
Director for and on behalf of  
**Brussels Airport Company SA/NV**  
as Borrower

.....  
Director for and on behalf of  
**Brussels Airport Company SA/NV**  
as Borrower

We acknowledge and agree to the terms of the STID Proposal relating to the Proposed Consent.

.....

for and on behalf of

**Citibank Europe PLC, UK Branch**

as Security Trustee

dated:

## APPENDIX 1

### SECURED CREDITOR REPRESENTATIVES

Citicorp Trustee Company Limited (as **Bond Trustee** in respect of itself and the holders of the Bonds)

Citibank Europe PLC, UK Branch (as **Security Trustee** in respect of itself)

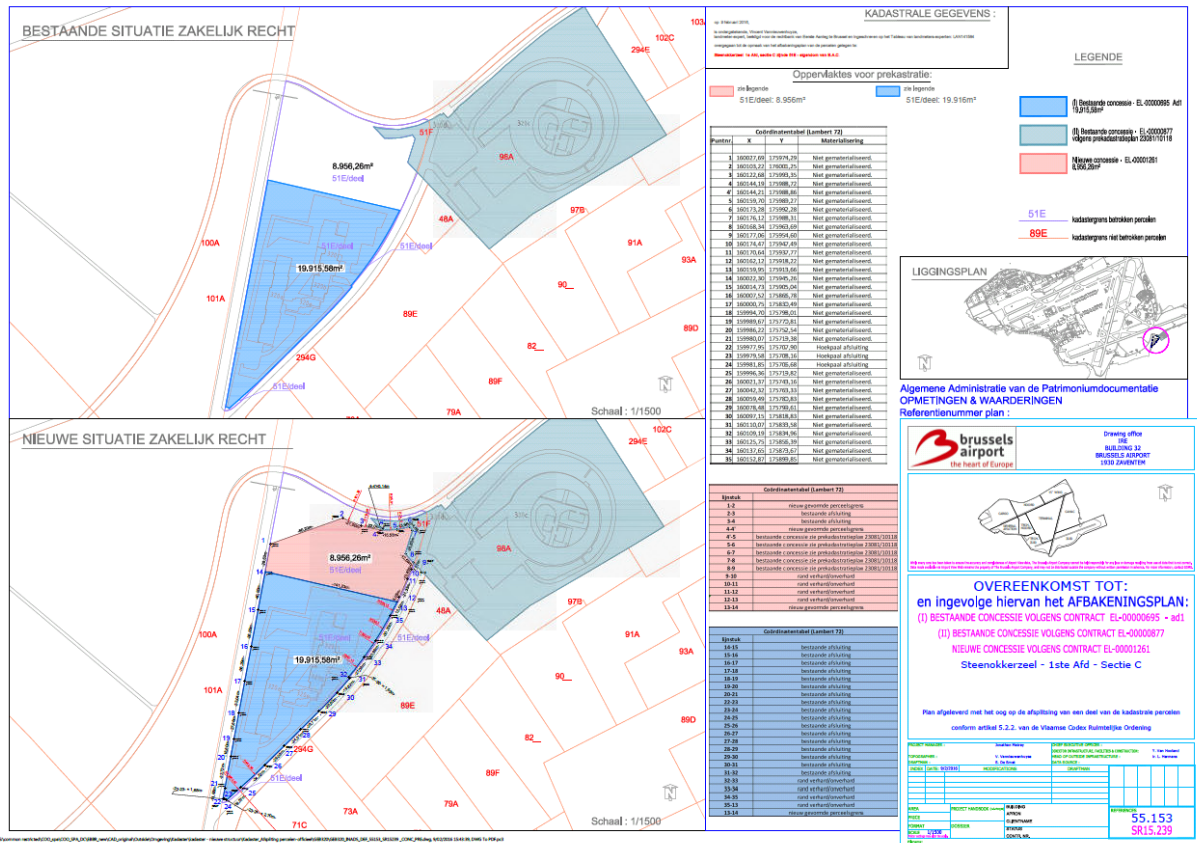
The Royal Bank of Scotland plc (as **Facility Agent** in respect of the Lenders under the Bank Facilities)

Société Générale, SMBC Nikko Capital Markets Limited, Skandinaviska Enskilda Banken, Abbey National Treasury Services plc, The Royal Bank of Scotland plc, Royal Bank of Canada, Natixis, Lloyds Bank plc, ING Belgium SA/NV, Crédit Agricole Corporate Services Investment Bank, Mitsubishi UFJ Securities International plc, BNP Paribas Fortis SA/NV and Belfius Bank NV/SA, AG Insurance SA/ NV (each as a **Hedge Counterparty**)

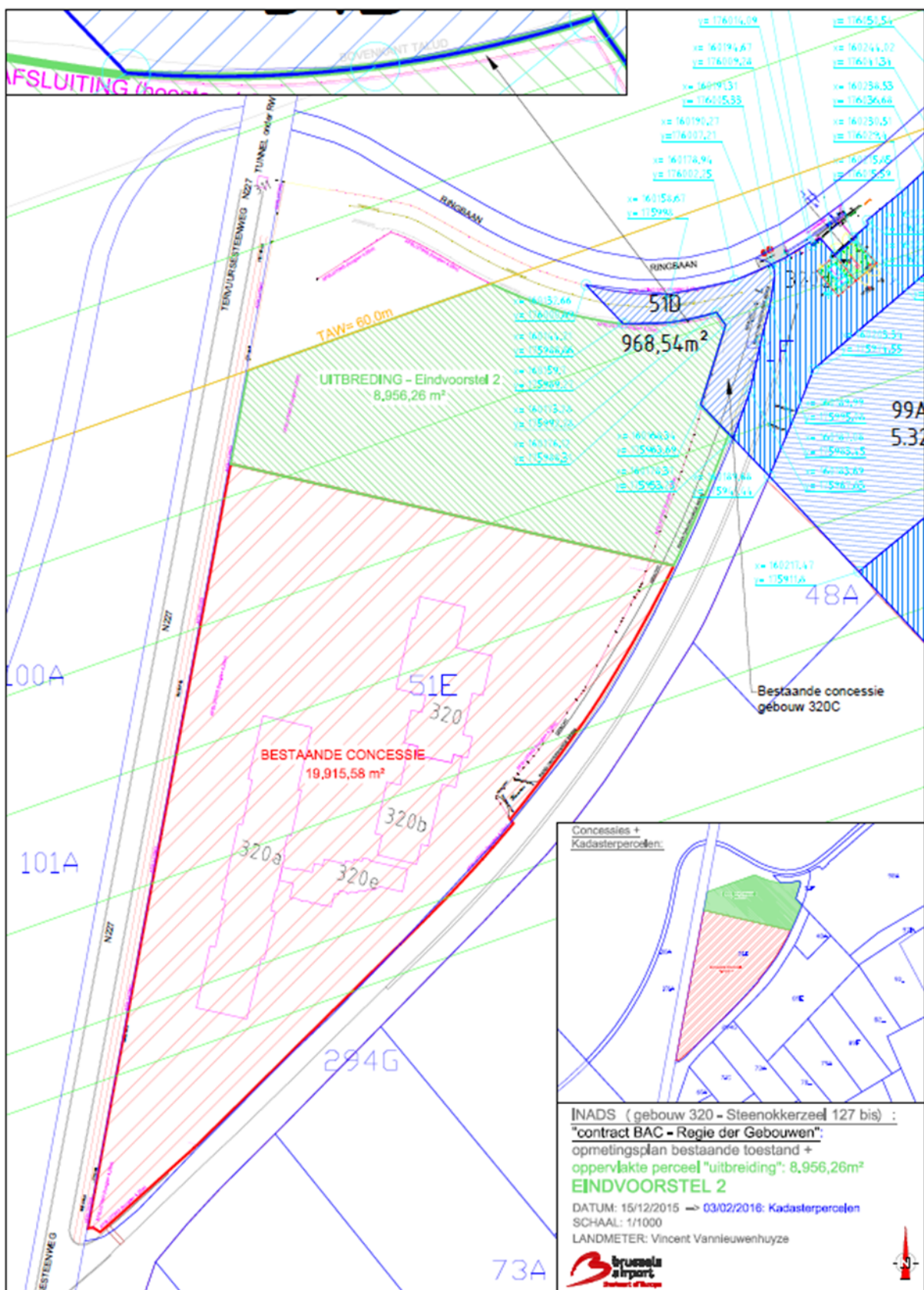
Citibank, N.A., London Branch (as **Secured Creditor Representative** authorised to act for Metropolitan Life Insurance Company and The Northwestern Mutual Life Insurance Company as Additional Secured Creditors)

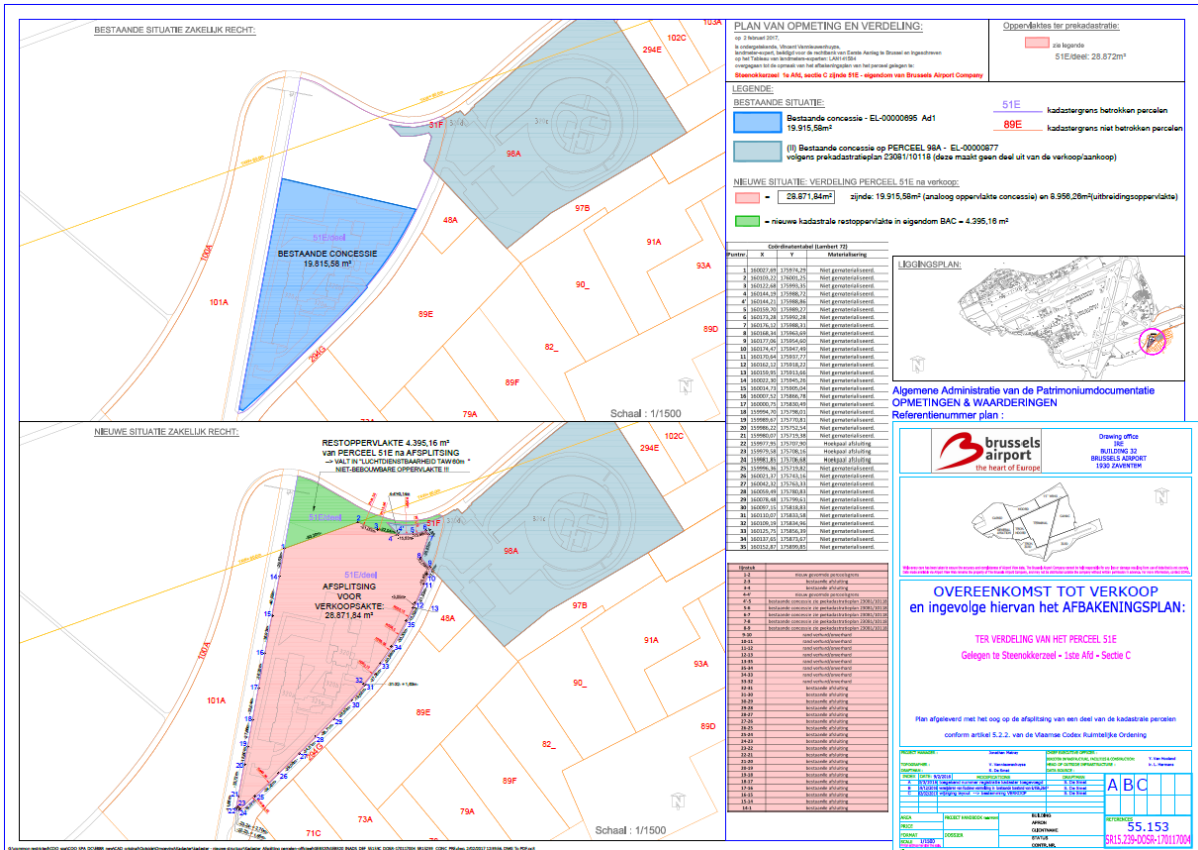
# APPENDIX 2

## THE LAND



APPENDIX 3  
THE ENTIRE PLOT





## APPENDIX 4

### FORM OF CONDITIONAL PERMITTED RELEASE LETTER

Notary Tim Carnewal  
Berquin Notarissen  
Avenue Lloyd George, 11  
1000 Brussels  
Belgium

Dear Notary,

**Subject: Release of mortgage (in full or in part)**

We, the undersigned, **CITIBANK EUROPE PLC, UK Branch**, with registered office at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, acting in our capacity as security trustee (the **Security Trustee**), refer to the mortgage (the **Mortgage**) granted to us and the mortgage mandate (the **Mortgage Mandate**) granted to Citicorp Trustee Company Limited to our benefit on 1 July 2013, by Brussels Airport Company NV/SA and Distributienet-Beheer Brussels Airport NV/SA over the properties described therein (the **Properties**). A copy of the Mortgage and the Mortgage Mandate is attached as Annex 1 hereto.

By this letter (the **Conditional Permitted Release Letter**), we confirm our consent to release the Properties, in full or partially, from the Mortgage in accordance with article 92 paragraph 2 of the Mortgage Law of 16 December 1851 (*Hypotheekwet*) and from the Mortgage Mandate, subject only to the following conditions being satisfied:

- (i) you have received a certificate from Brussels Airport Company SA/NV, in the form set out in Annex 2 hereto<sup>12</sup>, that meets the following requirements:
  - (A) the certificate is signed by two directors of Brussels Airport Company SA/NV; and
  - (B) the certificate contains:
    - (x) an identification of the relevant Property/(ies) that need(s) to be released (hereafter referred to as the **Identified Property/(ies)**); and
    - (y) a statement that the Identified Property/(ies) constitutes a “Permitted Disposal”,

such certificate being referred to as the **Certificate**; and

---

<sup>12</sup> Appendix 5 of this STID Proposal (Schedule 8 (Form of Borrower Confirmation Letter) of the STID) shall be inserted as Annex 2 of this Form of Condition Permitted Release Letter.

- (ii) you have not received a signed revocation letter from us in the form set out in Annex 3 hereto (the **Revocation Letter**)<sup>13</sup>, prior or on the date of receipt of a relevant certificate referred to under (i) above.

Upon receipt of a completed and signed Certificate and provided that the condition referred to under (ii) above is satisfied, you are authorised to proceed with the partial deregistration of the Mortgage and the Mortgage Mandate on the Identified Property/(ies) with the relevant mortgage office. We expressly confirm that you are not required to verify (i) the correctness of the identification of the Identified Property in the Certificate, nor (ii) the veracity of the statement made in the Certificate referred to under (i)(B)(y) above with us and that you will not be liable for any act of release that is made in accordance with this Conditional Permitted Release Letter.

All registration or other duties, notarial fees, costs and expenses in relation with the above are due by the security provider under the security listed above and may exclusively be claimed from it.

Yours faithfully,

**CITIBANK EUROPE PLC, UK BRANCH**  
**as Security Trustee**

---

Name:  
Title:

*ANNEX 1*  
*[MORTGAGE AND MORTGAGE MANDATE]*

*ANNEX 2*  
*[FORM OF BORROWER CONFIRMATION LETTER]*

*ANNEX 3*  
*[FORM OF REVOCATION LETTER]*

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<sup>13</sup> Appendix 6 of this STID Proposal (Schedule 9 (Form of Revocation Letter) of the STID) shall be inserted as Annex 3 of this Form of Condition Permitted Release Letter.

**APPENDIX 5**

**FORM OF BORROWER CONFIRMATION LETTER**

*[ON LETTERHEAD OF BRUSSELS AIRPORT COMPANY NV/SA]*

Notary Tim Carnewal  
Berquin Notarissen  
Avenue Lloyd George, 11  
1000 Brussels  
Belgium

cc: Citibank Europe PLC, UK Branch  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB

Dear Notary,

Subject: Release of mortgage (in full or in part)

We refer to the Conditional Permitted Release Letter issued by the Security Trustee to you on [●] in connection with the Mortgage and the Mortgage Mandate.

Capitalised terms used in this letter have the meaning set out in the Conditional Permitted Release Letter.

This is a Certificate.

(a) The Identified Property is:

- of the following type: [*to be specified whether land/constructions or both*];

- located at: [*address to be completed*]; and

- registered with the land registry under: [*division, section and number of the relevant parcel to be completed*].

(b) We hereby confirm that the Identified Property constitutes a “Permitted Disposal”.

We kindly request you to proceed with the release of the Identified Property in accordance with the instructions given by the Security Trustee in the Conditional Permitted Release Letter.

Yours sincerely,

**On behalf of Brussels Airport Company NV/SA**

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Name:

Title: Director

Date:

---

Name:

Title: Director

Date:

**APPENDIX 6**

**FORM OF REVOCATION LETTER**

*[ON LETTERHEAD OF THE SECURITY TRUSTEE]*

Notary Tim Carnewal  
Berquin Notarissen  
Avenue Lloyd George, 11  
1000 Brussels  
Belgium

*[date to be completed]*

*[to be sent by registered mail]*

Dear Notary,

**Subject: Revocation of conditional release**

We refer to the Conditional Permitted Release Letter issued by us to you on [●] in connection with the mortgage and the mortgage mandate granted by Brussels Airport NV/SA and by Distributienet-Beheer Brussels Airport NV/SA.

Capitalised terms used in this letter have the meaning set out in the Conditional Permitted Release Letter.

By this letter, we hereby revoke our authorisation to release the Properties from the Mortgage and the Mortgage Mandate in accordance with the release procedure set out in the Conditional Permitted Release Letter. This revocation applies to any release requested by a Certificate that you receive on or after the date of this letter.

This is a Revocation Letter.

Yours faithfully,

**CITIBANK EUROPE PLC, UK BRANCH**  
**as Security Trustee**

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Name:

Title:

## GLOSSARY

Principal terms used in this Offering Circular are defined as follows:

**2009 RAP** has the meaning given to it on page 53 of this Offering Circular.

**2016 Insurance Proceeds** has the meaning given to it on page 3 of this Offering Circular.

**2017 STID Proposal** means a STID Proposal, dated 7 April 2017, which has been provided by the Borrower to the Security Trustee and the Secured Creditor Representatives and is attached as Appendix 1 to this Offering Circular.

**Acceptable Bank** means:

(a) a bank or financial institution which has a rating for its long term unsecured and non credit enhanced debt obligations of BBB or higher by S&P or Fitch or Baa2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency;

(b) a Lender/an Initial ACF Lender (provided that it is a Lender); or

any other bank or financial institution approved by the Security Trustee.

**Acceptable Liquidity Bank** means:

(a) a bank or financial institution which has a rating for its long term unsecured and non credit enhanced debt obligations that is sufficient to maintain the rating of the Bonds in accordance with Rating Agency requirements from time to time;

(b) a Lender/an Initial ACF Lender (provided that it is a Lender); or

(c) any other bank or financial institution approved by the Security Trustee.

**Account** means any bank account of any Obligor.

**Account Bank** means the account bank to be agreed between the Borrower and the Facility Agent.

**Accountholder** has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

**Accounting Principles** means generally accepted accounting principles in Belgium as at the Initial Issue Date.

**Accreting Swaps** means the cross-currency swaps, interest rate swaps and inflation rate swaps entered into by the Borrower with respect to which the notional principal amount increases with time.

**Accrual Period** has the meaning given to it in Condition 5.2 (*Day Count Fraction*).

**ACI Europe** has the meaning given to it on page 51 of this Offering Circular.

**Additional Business Centre** has the meaning given to it in the applicable Final Terms.

**Additional Equity** means:

(a) any amount subscribed in cash for shares in the Borrower or, provided that the cash consideration in respect of such shares is in turn paid to the Borrower, any Holding Company

of the Borrower or any other form of capital contribution in cash to the Borrower (which is not Financial Indebtedness and provided that repayment (if any) of such amounts are subject to the terms of the STID as a Subordinated Liability); or

- (b) the incurrence of Subordinated Liabilities by the Borrower that are owed to an Excluded Group Entity that is a party to the STID in the capacity of a Subordinated Creditor,

which in each case is in addition to such amounts subscribed, committed or incurred on or before 24 June 2013 and the terms of which shall be subject to the terms of the STID as a Subordinated Liability.

**Aerodrome Certificate** has the meaning given to the term on page 70 of this Offering Circular.

**Aeronautical ROCE** has the meaning given to the term on page 39 of this Offering Circular.

**Affected Secured Creditor** means each Secured Creditor who is affected by an Entrenched Right under any Finance Document that is the subject of a waiver, modification or consent pursuant to the STID.

**Agency Agreement** has the meaning given to it on page 8 of this Offering Circular.

**Agent** means each of the Facility Agent, Principal Paying Agent, the Domiciliary Agent, the Agent Bank or any other agent appointed by the Borrower pursuant to the Agency Agreement and **Agents** means all of them.

**Agent Bank** means Citibank Europe plc (or any successor thereto) in its capacity as agent bank under the Agency Agreement in respect of the Bonds.

**Agreed Mortgage Exclusions** means the land parcels and real estate properties set out in the Agreed Mortgage Exclusions Tables.

**Agreed Mortgage Exclusions Tables** means the tables entitled "Mortgage 2013 – buildings out of scope mortgage 2013" and "Mortgage 2013 – parcels out of scope mortgage 2013", as updated from time to time by the Borrower with the agreement of the Security Trustee to the extent that any land parcel or real estate properties which were not Agreed Mortgage Exclusions are to become Agreed Mortgage Exclusions as a result of such update.

**Alternative Clearing System** has the meaning given to that term in Clause 3.1 (*Dematerialised Bonds*) of the Bond Trust Deed.

**Alternative Redemption Amount** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**AMS** has the meaning given to it on page 21 of this Offering Circular.

**Ancillary Facility** means any ancillary facility made available by an Ancillary Lender in accordance with Clause 6 (*Ancillary Facilities*) of the Initial Authorised Credit Facilities Agreement.

**Ancillary Lender** means each Lender (or affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 6 (*Ancillary Facilities*) of the Initial Authorised Credit Facilities Agreement.

**ATMs** has the meaning given to it on page 3 of this Offering Circular.

**Annual Financial Statements** means the financial statements delivered pursuant to paragraph 1(a) of part 1 (Information Covenants) of schedule 2 (Covenants) of the Common Terms Agreement.

**Arrangers** means the Initial ACF Lead Arrangers and the Initial ACF Mandated Lead Arrangers.

**Attorneys** means the irrevocable appointment by each Obligor, by way of security, of the Security Trustee and every delegate of the Security Trustee as its attorney for the following purposes in its name, on its behalf and as its act and deed at any time following the delivery of an Enforcement Notice (other than in respect of the purpose described below in paragraph (e) below, which applies at any time):

- (a) to exercise the rights, powers and discretions of each Obligor, in respect of the relevant Finance Documents and each contract, agreement, deed and document, present and future, to which each Obligor is or may become a party;
- (b) to demand, sue for and receive all monies due or payable under or in respect of the relevant Finance Documents and each contract, agreement, deed and document, present and future, to which each Obligor is or may become a party;
- (c) to do every act or thing which the Attorney may deem to be necessary, proper and expedient for fully and effectually vesting, transferring or assigning the Charged Property or any part thereof and/or the estate, right, title, benefit and/or interest therein or thereto of each Obligor in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as each Obligor could have done;
- (d) upon payment of such monies or any part thereof to give good receipt and discharge for the same and to execute such receipts, releases, discharges, surrenders, instruments and deeds as may be requisite or advisable; and
- (e) to execute, deliver and perfect all documents and do all things that the Attorney may consider to be necessary for (i) carrying out any obligations imposed on each Obligor under the Security Documents or (ii) exercising any of the rights conferred on the Attorney by the Security Documents or by law including, after any part of the Charged Property has become enforceable, the exercise of any right of a legal or beneficial owner of the Charged Property.

**Authorisations** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration, including, without limitation, the Licence.

**Authorised Credit Facility** or **ACF** means any facility, agreement or finance lease entered into by the Borrower for Senior Debt as permitted by the terms of the Common Terms Agreement, the providers of which are parties to or have acceded to the STID and the Common Terms Agreement, and includes the Bank Facilities, any Bonds issued pursuant to the Programme, any Institutional Private Placement Debt and any Hedging Agreement, but excluding any Liquidity Facility or Debt Service Letter of Credit and (a) any fee letter or commitment letter entered into in connection with the foregoing facilities or agreements or the transactions contemplated in the foregoing facilities and (b) any other document (not being a Common Document) that has been entered into in connection with the foregoing facilities or agreements or the transactions contemplated thereby that has been designated as a document that should be deemed to be an Authorised Credit Facility for the purposes of this definition by the parties thereto (including at least one Obligor).

**Authorised Credit Provider** means a lender or other provider of credit or financial accommodation under any Authorised Credit Facility, including, in relation to the Programme, the Bondholders and the Bond Trustee.

**Available Cashflow** means, in respect of any Calculation Period, Consolidated EBITDA for that Calculation Period after:

**adding:**

- (a) any decrease in the amount of Working Capital;
- (b) any amount received in cash by way of dividends from the Borrower's non-consolidated Subsidiaries or Joint Ventures;
- (c) any other non-cash debits and other non-cash charges which are not Current Assets or Current Liabilities taken into account in establishing Consolidated EBITDA;
- (d) any amounts received by any member of the Group in respect of interest income or cash balances;
- (e) any amount received in cash in respect of rebates on credits in respect of taxes in respect of any member of the Group;
- (f) all fees and costs paid in connection with the restructuring of the Group and the entry into of the Finance Documents or in connection with any Permitted Financial Indebtedness raised by any member of the Group, which would be taken into account when calculating Consolidated EBITDA; and
- (g) any one-off non-recurring items which would be taken into account when calculating Consolidated EBITDA,

**and deducting:**

- (i) any increase in the amount of Working Capital;
- (ii) any amount paid or due and payable in cash in respect of taxes in respect of any member of the Group;
- (iii) 30% of Capital Expenditure made by any member of the Group;
- (iv) any other non-cash credits which are not Current Assets or Current Liabilities taken into account in establishing Consolidated EBITDA; and
- (v) any dividends paid in cash during that Calculation Period to minority members of the Group,

and so that no amount shall be included more than once. In the event that amounts have been included in previous Calculation Periods they will not be counted again in a subsequent Calculation Period as a result of timing differences between when an amount becomes due and when it is ultimately paid.

**Available Enforcement Proceeds** means on any date, all monies received or recovered by (or on behalf of) the Security Trustee in respect of the Security and under any Guarantee not including (a) amounts standing to the credit of the Defeasance Account, (b) Hedge Replacement Premium (if any), (c) the amount (if any) of any cash benefit in respect of a Tax Credit that has been received by the Borrower in respect of a Hedging Agreement that the Borrower is required to pay to a Hedge Counterparty under the relevant Hedging Agreement), which shall be paid to the relevant Hedge Counterparty in accordance with the relevant Hedging Agreements.

**Availability Period** means:

- (a) in relation to Facility B, the period from and including the day which is three Business Days before the Initial Issue Date until the date which is one month prior to the Facility B Final Maturity Date; and
- (b) in relation to Facility C, the period from and including the day which is three Business Days before the Initial Issue Date until the date which is one month prior to the Facility C Final Maturity Date.

**BAC** has the meaning given to it on page i of this Offering Circular.

**BAISA** has the meaning given to it on page 60 of this Offering Circular.

**BAISARL** has the meaning given to it on page 60 of this Offering Circular.

**Bank Facilities** means each of Facility A, Facility B and Facility C and **Bank Facility** shall mean each of them.

**Base Currency** means euros.

**Base Index Figure** has the meaning given to it in Condition 7.1 (*Definitions*).

**Basel III** has the meaning given to it on page 34 of this Offering Circular.

**Basic Terms Modification** has the meaning given thereto in Condition 14.1 (*Meetings of Bondholders*).

**Belgian Company Code** has the meaning given to it on page i of this Offering Circular.

**Belgian Investor** has the meaning given to it on page 153 of this Offering Circular.

**Bond Basis** has the meaning given to it in the applicable Final Terms.

**Bond Trust Deed** means the bond trust deed to be entered into between the Borrower and the Bond Trustee in respect of the Bonds as supplemented by a supplemental bond trust deed dated on or about the date of this Offering Circular.

**Bond Trustee** has the meaning given to it on page 7 of this Offering Circular and Bond Trustee includes any successors in title.

**Bondholders** means the several persons who are for the time being holders of the outstanding Bonds, being for so long as the Bonds are held by or on behalf of the NBB System, each person (each an **Accountholder**) who is for the time being shown in the records of a participant or sub-participant in the NBB System as the holder of a particular principal amount of the Bonds (in which regard any certificates or other documents issued by the NBB System or a participant or sub-participant therein as to the principal amount of such Bonds standing to the account of any Accountholder (together with any notification from the NBB System or the operator thereof as to the identity of a relevant participant with whom the Accountholder holds its Bonds) shall be conclusive and binding for all purposes) and such Accountholder shall be treated by the Issuer, the Bond Trustee, the Security Trustee, the Domiciliary Agent and the Paying Agents and the Calculation Agent as the holder of that principal amount for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll or, meetings of the Bondholders and of any voting rights in respect thereof), provided that with respect to the payment of principal or interest on the Bonds, such payment will be made to participants in the NBB System and with respect to the delivery of any notice to be given to or by a Holder in respect of the Bonds pursuant to the Conditions, such

notice must be given in accordance with the standard procedures of the NBB System and, in the case of notice by a Holder, may only be given by a participant in the NBB System (whether acting on its own behalf or on behalf of other subscribers holding through such participant) in respect of the relevant Bonds held by or through it, and the expressions **Holder** and **holder of Bonds** and **Bondholders** and related expressions shall be construed accordingly.

**Bonds** means the Initial Bonds and any additional bonds issued under the Programme.

**Bonds Maturity Date** means, in relation to any Bond, the final date on which that Bond is expressed to be redeemable.

**Borrower** means Brussels Airport Company NV/SA.

**Borrower Accounts** means the Operating Accounts together with any other account of the Borrower that may be opened from time to time pursuant to and/or in accordance with any Finance Document and includes any sub-account or sub-accounts relating to that account and any replacement account from time to time (each a **Borrower Account**).

**Borrowings** means, at any time, any indebtedness for or in respect of Financial Indebtedness other than paragraph (g) and (to the extent the counter-indemnity to be provided by the relevant Obligor to the relevant bank would not be granted with respect to any Financial Indebtedness) paragraph (h) of the definition of Financial Indebtedness.

**Broken Amount** has the meaning given to it in the applicable Final Terms.

**Brussels Airport** has the meaning given to it on page 3 of this Offering Circular.

**Brussels Business Day** has the meaning given to it in Condition 5.3(e) (*Notification of Interest Rate and Interest Amounts*).

**Brussels Noise Regulations** means the Brussels Regional Decree of 27 May 1999 including any amendment, modification or replacement thereto, concerning noise generated by aircraft, or any other measure, decision, rule, decree or condition concerning noise generated by aircraft implementing the Brussels Regional Statute of 17 July 1997 concerning the abatement of noise in an urban environment.

**Bund Rate** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Business Day** has the meaning given to it in Condition 5.3(a) (*Interest Payment Dates*).

**Business Day Convention** has the meaning given to that term in Condition 5.3(a) (*Interest Payment Dates*).

**Business Pledge Agreement** means the business pledge agreement dated on or about the Initial Issue Date between the Borrower and the other Obligors (as pledgors) and Citibank Europe plc (as pledgee), concerning the pledge of its Businesses (as defined therein) by each of the pledgors to the pledgee.

**Business Pledge Mandate** means the business pledge mandate dated on or about the Initial Issue Date between the Borrower and the other Obligors concerning the appointment of the Attorneys (as defined therein) to be its agent with the power to grant on its behalf further business pledges as security for its Secured Liabilities.

**CAD** means Canadian Dollars.

**CAGR** has the meaning given to it on page 48 of this Offering Circular.

**Calculation Agency Agreement** in relation to any Series of Bonds, means an agreement between the Issuer, the Bond Trustee and the Calculation Agent in or substantially in the form of schedule 1 (Form of Calculation Agency Agreement) to the Agency Agreement.

**Calculation Agent** means, in relation to any Series of Bonds, the person appointed as calculation agent in relation to the Bonds by the Borrower pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the Bonds.

**Calculation Amount** has the meaning given to it in the applicable Final Terms.

**Calculation Date** means 30 June and 31 December in each year, with the first such date being 30 June 2013, provided that, with respect to such first date, any calculation will be made on a pro-forma basis, taking into account the total amount of new Financial Indebtedness to be incurred on the Initial Issue Date (for the following 12 months) and the then outstanding Financial Indebtedness (for the period prior to 30 June 2013).

**Calculation Period** means each period of 12 months ending on 30 June and 31 December of each year, including the first and second Calculation Dates, with respect to which the applicable periods will commence on 1 July 2012 and 1 January 2013 respectively and take into account the total amount of any outstanding Financial Indebtedness on the Initial Issue Date and any Financial Indebtedness incurred during such periods.

**Call Protection Date** has the meaning given to it in the applicable Final Terms.

**Capital Expenditure** or **Capex** means any expenditure or obligation which, in accordance with the Accounting Principles, is treated as capital expenditure in respect of expenditure or capital items for BAC (but excluding acquisitions of companies, businesses or undertakings, or investments in Joint Ventures) including the capital element of any expenditure or obligation incurred in connection with a Finance Lease.

**Cash** means, at any time, cash denominated in sterling, dollars or euro in hand or at bank and (in the latter case) credited to an account in the name of the Borrower or another Obligor with an Acceptable Bank and to which the Borrower or other Obligor is alone beneficially entitled and for so long as:

- (a) that cash is repayable on demand or within five Business Days after demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of the Borrower or other Obligor or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security Interest over that cash except under the Security Documents or any Permitted Security constituted by a netting or set-off arrangement entered into by the Borrower or other Obligor in the ordinary course of their banking arrangements; and
- (d) the cash is freely and (except as referred to in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Bank Facilities or in respect of Interest Service Obligations.

excluding, in any event, any cash standing to the credit of the Registration Fee Account.

**Cash Equivalent Investments** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of:
  - (i) the United States of America;
  - (ii) the United Kingdom;
  - (iii) Belgium; or
  - (iv) provided that it has a credit rating of not less than A-1 by S&P, F-1 by Fitch or P-1 by Moody's, any member state of the European Economic Area or any Participating Member State,  
  
or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in:
    - (A) the United States of America;
    - (B) the United Kingdom; or
    - (C) provided that it has a credit rating of not less than A-1 by S&P, F-1 by Fitch or P-1 by Moody's, any member state of the European Economic Area or any Participating Member State;
  - (iii) which matures within six months after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by S&P or F-1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating; or
- (d) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all of their assets in securities of the types described in paragraphs (b) and (c) above and (iii) can be turned into cash on not more than 30 days' notice,

in each case, denominated in euros and to which any Obligor is alone (or together with other Obligors beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Security Documents).

**CDG** has the meaning given to it on page 21 of this Offering Circular.

**CGN** has the meaning given to it on page 21 of this Offering Circular.

**Challenge Period** means the period starting on, but not including, the date of receipt by the Security Trustee or any other Secured Creditor Representative of a Compliance Certificate and ending on, and including, the date falling 20 days from such date and during which time the Security Trustee will have the right, on the written instructions of Qualifying Secured Creditors holding at least 25% of Qualifying Secured Debt, in accordance with the STID, to challenge such Compliance Certificate (a **Challenge**) if there is reason to believe that any statements made in the Compliance Certificate (including in respect of the Lock-Up Tests (or any confirmation of compliance with the Lock-Up Tests)) are incorrect or misleading in any material respect.

**Change of Control** means any one or more of the Initial Investors, taken together, ceasing directly or indirectly to:

- (a) own more than 50% of the economic rights of the Borrower;
- (b) have the right to cast more than 50% of the votes capable of being cast in general meetings of the Borrower; or
- (c) have the ability to determine the composition of the majority of the board of directors or equivalent body of the Borrower.

**control** means:

- (a) the direct or indirect holding of more than 50% of the economic rights of the controlled entity;
- (b) the right to directly or indirectly cast more than 50% of the votes capable of being cast in general meetings of the controlled entity; or
- (c) the ability to determine the composition of the majority of the board of directors or equivalent body of the controlled entity.

**Charged Property** means the property, assets, rights and undertaking of each Obligor that are expressed to be the subject of the security interests created in or pursuant to the Security Documents and includes, for the avoidance of doubt, each Obligor's rights to or interests in any chose in action and each Obligor's rights under the Finance Documents.

**Clearing Services Agreement** means the clearing services agreement to be entered into between the Issuer, the Domiciliary Agent and the NBB.

**Clearing System** has the meaning given to it on page 33 of this Offering Circular.

**Clearing System Regulations** means the rules, regulations and procedures for the Clearing System.

**Clearstream, Luxembourg** has the meaning given to it on page 33 of this Offering Circular.

**Code** means the Internal Revenue Code of 1986 of the United States of America, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

**Commission's Proposal** has the meaning given to it on page 29 of this Offering Circular.

**Commitment** means, in relation to a Lender at any time and save as otherwise provided in the Initial Authorised Credit Facilities Agreement, the amount specified opposite its name in Part 1 (The Initial ACF Lenders) of schedule 1 (The Original Parties) to the Initial Authorised Credit Facilities Agreement, or in the Transfer Certificate (as defined in the Initial Authorised Credit Facilities

Agreement), pursuant to which such Lender became a party to the Initial Authorised Credit Facilities Agreement, to the extent not cancelled, reduced or transferred by it under the Initial Authorised Credit Facilities Agreement.

**Common Documents** means the Security Documents, the Common Terms Agreement, the Master Definitions Agreement and the STID.

**Common Terms Agreement** or **CTA** means the common terms agreement entered into on or about 26 June 2013 by, among others, the Obligors and the Secured Creditors.

**Comparable German Bund Issue** has the meaning given to it in Condition 6.2(a)(iv) (*Optional redemption*).

**Comparable German Bund Price** has the meaning given to it in Condition 6.2(a)(iv) (*Optional redemption*).

**Competent Authority** has the meaning given to it on page i of this Offering Circular.

**Compliance Certificate** means a certificate in which the Obligors periodically provide certain financial information and statements to the Security Trustee as required by the Common Terms Agreement.

**Conditions** means the terms and conditions of the Bonds set out in the Bond Trust Deed, as may from time to time be amended, modified, varied or supplemented in the manner permitted under the Bond Trust Deed.

**Conditions Precedent** means the various conditions precedent, as detailed in the CP Agreement, which must be satisfied on or before the Initial Issue Date.

**Connector** means the building at Brussels Airport, officially opened on 24 March 2015, which links the passenger terminal to Pier A above-ground (permitting passengers to walk straight from the check-in desk to their gate).

**Consolidated EBIT** means the consolidated profits of the Borrower from ordinary activities before interest and taxation:

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Calculation Period;
- (b) before taking into account any accrued interest owing to any member of the Group;
- (c) before taking into account any items treated as exceptional or extraordinary items;
- (d) before taking into account any fair value unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (e) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (f) after adding back, to the extent not already included, any business interruption loss incurred which is covered by insurance;

- (g) after excluding, to the extent that they are included, any gains or losses on the disposals or revaluation of assets (other than in the ordinary course of trading); and
- (h) before deducting fees, costs and expenses associated with any equity offering or raising of any financial indebtedness,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining profits of the Group from ordinary activities before taxation but ignoring any effect of Debt Purchase Transactions.

**Consolidated EBITDA** means Consolidated EBIT before deducting any amount attributable to the amortisation or impairment of intangible assets or the depreciation or impairment of tangible assets for the Borrower and its consolidated Subsidiaries but ignoring any effect of Debt Purchase Transactions.

**Consolidated Net Finance Charges** means, for any Calculation Period, the aggregate amount of the accrued interest, commission, recurring fees, discounts, prepayment penalties or premiums and other finance payments in respect of Borrowings of any member of the Group whether paid, payable or capitalised by any member of the Group in respect of that Calculation Period:

- (a) including any accrued commission, fees, discounts and other finance payments payable by any member of the Group under any Hedging Agreement;
- (b) deducting any accrued commission, fees, discounts and other finance payments owing to any member of the Group under any Hedging Agreement;
- (c) deducting any accrued commission, fees, discounts and other finance payments payable by the Borrower under any subordinated debt provided to the Borrower by any of its affiliates (excluding any member of the Group);
- (d) deducting any accrued commission, fees, discounts and other finance payments payable by the Borrower under any debt provided to an Obligor by another Obligor (whether upstream or downstream).

**CP Agreement** means the conditions precedent agreement entered into between, among others, the Facility Agent, the Bond Trustee, the Security Trustee and the Obligors on the Initial Issue Date.

**CRA Regulation** has the meaning given to it on page 32 of this Offering Circular.

**CRS** has the meaning given to it on page 154 of this Offering Circular.

**CSSF** has the meaning given to it on page i of this Offering Circular.

**Currency** has the meaning given to it on page 10 of this Offering Circular.

**Current Assets** means (on a consolidated basis) the aggregate of inventory, work in progress, trade and other receivables of any member of the Group including prepayments in relation to operating items and sundry debtors (but excluding Cash and Cash Equivalent Investments) maturing within twelve months from the date of computation and excluding:

- (a) receivables in relation to Tax;
- (b) extraordinary items, exceptional items and other non-operating items;

- (c) insurance claims; and
- (d) any accrued interest owing to any member of the Group.

**Current Liabilities** means (on a consolidated basis) the aggregate of all liabilities (including trade creditors, accruals, provisions and prepayments of any member of the Group) falling due within twelve months from the date of computation but excluding:

- (a) liabilities for Borrowings and Consolidated Net Finance Charges;
- (b) liabilities for Tax;
- (c) extraordinary items, exceptional items and other non-operating items;
- (d) insurance claims; and
- (e) liabilities in relation to dividends declared but not paid by any member of the Group.

**DAC2** has the meaning given to it on page 155 of this Offering Circular.

**Day Count Fraction** has the meaning given to it in Condition 5.2 (*Day Count Fraction*).

**Dealers** has the meaning given to it on page 106 of this Offering Circular.

**Debt Purchase Transaction** means, in relation to a person, a transaction where that person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any commitment or amount outstanding under an Authorised Credit Facility, or in the case of the Bonds, any such Bonds, or in the case of the Institutional Private Placement Debt, any such Institutional Private Placement Debt, or any equivalent transaction having a similar economic effect.

**Debt Service Letter of Credit** means a letter of credit provided in accordance with the Debt Service Letter of Credit Requirements.

**Debt Service Letter of Credit Provider** means any bank or financial institution that issues a Debt Service Letter of Credit, or any bank or financial institution that issues any replacement or substitute debt service letter of credit.

**Debt Service Letter of Credit Requirements** means the requirements set out in schedule 10 (Debt Service Letter of Credit Requirements) to the Common Terms Agreement.

**Debt Service Requirement** means the provision of any of the following:

- (a) a Fully Funded Debt Service Reserve Account;
- (b) a Liquidity Facility; or
- (c) a Debt Service Letter of Credit.

**Debt Service Reserve Account** or **DSRA** means the debt service reserve account of the Borrower.

**Decision Commencement Date** has the meaning given to it on page 87 of this Offering Circular.

**Decision Period** has the meaning given to it on page 87 of this Offering Circular.

**Default** means:

- (a) an Event of Default; or
- (b) a Potential Event of Default.

**Defeasance Account** means each defeasance account opened by the Borrower in respect of Defeasible Senior Debt, over which Defeasance Security is granted.

**Defeasance Amount** means amounts standing to the credit of the Defeasance Account or any amount representing proceeds of withdrawal from the Defeasance Account (other than amounts permitted to be withdrawn from the Defeasance Account in accordance with the terms of the Common Terms Agreement);

**Defeasance Liabilities** means all Liabilities of the Obligors in respect of Defeasible Senior Debt.

**Defeasance Security** means the Security created pursuant to the Security Documents over each Defeasance Account in favour of the relevant Secured Creditor as security for the Defeasance Liabilities.

**Defeasible Senior Debt** means the Bonds and any other Senior Debt which the relevant Secured Creditor Representative has designated as Defeasible Senior Debt.

**Designated Maturity** has the meaning given to it in the applicable Final Terms.

**Designated Website** means the electronic website designated by the Obligor through which it may deliver to a Secured Creditor (including the Bondholders) any information required to be delivered under the Common Terms Agreement.

**Determination Date** has the meaning given to it in Condition 5.3 (*Interest on Floating Rate Bonds and Indexed Bonds*).

**Determination Period** has the meaning given to it in Condition 5.3 (*Interest on Floating Rate Bonds and Indexed Bonds*).

**Direction Notice** has the meaning given to it on page 91 of this Offering Circular.

**Discretion Matter** means a matter in which the Security Trustee may exercise its discretion to approve any request made in a STID Proposal without any requirement to seek the approval of any Secured Creditor or any of their representatives, subject to the provisions of the STID.

**Disposal** means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

**Distressed Disposal** means a disposal of an asset of a member of the Group which is:

- (a) being effected pursuant to instruction in accordance with the STID in circumstances where the Security has become enforceable;

- (b) being effected by enforcement of the Security; or
- (c) being effected, after the occurrence of an Enforcement Action, by an Obligor to a person or persons outside of the Group.

**DNB** has the meaning given to it on page i of this Offering Circular.

**Domiciliary Agent** has the meaning given to it on page 8 of this Offering Circular.

**Drawdown Date** means the date of the first Utilisation under any Bank Facility.

**Dual Till** means the system for setting aeronautical charges, whereby aeronautical charges are set such that an airport operator achieves a fair return on its aeronautical assets when considering aeronautical activities only.

**DUS** has the meaning given to it on page 21 of this Offering Circular.

**Early Termination Date** has the meaning given to it in the relevant Hedging Agreement.

**EBITDA** means earnings before interest, taxes, depreciation and amortisation.

**EBITDA (pre-specifics)** means EBITDA excluding one-off, exceptional, items that did not arise as a result of an action of management.

**Eligible Investors** means those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax which include, *inter alia*:

- (a) Belgian resident companies referred to in article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*wetboek van inkomstenbelastingen 1992/code des impost sur les revenues 1992*) (the **ITC 1992**);
- (b) Institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies, other than those referred to in (i) and (iii), without prejudice to the application of article 262, 1° and 5° of the ITC 1992;
- (c) State-regulated institutions (institutions parastatales/parastatalen) for social security or institutions equated therewith, referred to in article 105, 2° of the Royal Decree implementing the ITC 1992 (RD/ITC 1992);
- (d) Non-resident investors whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in article 105, 5° of the RD/ITC 1992;
- (e) Investment funds recognised in the framework of pension savings, referred to in article 115 of the RD/ITC 1992;
- (f) Investors referred to in article 227, 2° of the ITC 1992 which are subject to non-resident income tax in accordance with article 233 of the ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (g) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the ITC 1992; and
- (h) investment funds governed by foreign law that are an indivisible estate managed by a management company for the account of the participants (such as *fonds de*

*placement/beleggingsfondsen*) and the units of which are not publicly offered in Belgium or traded in Belgium.

EIN has the meaning given to it on page 21 of this Offering Circular.

**Enforcement Action** means, subject to the STID, any step that the Security Trustee (on behalf of a Secured Creditor) is instructed or required to take acting in accordance with the STID or a Secured Creditor would otherwise be entitled to take to enforce or exercise its rights against or in relation to an Obligor under a Finance Document, including:

- (a) the delivery of an Enforcement Notice;
- (b) the institution of proceedings against an Obligor;
- (c) the making of a demand for payment under a guarantee or any Finance Document;
- (d) the making of a demand for cash collateral under a guarantee;
- (e) the acceleration of Secured Liabilities or declaring any Secured Liabilities due and payable;
- (f) the cancellation of any commitments (howsoever defined);
- (g) the closing out or termination of any Hedging Agreement;
- (h) the exercise or enforcement of any Security;
- (i) the appointment of (or refraining from doing so), or requirement to appoint, or the removal of, a receiver, administrator or equivalent administrative appointee;
- (j) the crystallisation of, or the requirement to crystallise, any floating charge under (and pursuant to the terms of) any Security Document;
- (k) taking such action as it may think fit to enforce all or any part of the Security (at the times, in the manner and on the terms it thinks fit) and taking possession of and holding or disposing of all or any part of the Charged Property;
- (l) instituting such proceedings against an Obligor and taking such action as it may think fit to enforce all or any part of the Security; and
- (m) whether or not it has appointed a receiver, exercising all or any of the powers, authorities and discretions conferred by statute, equity or law (as varied or extended by the Finance Documents).

**Enforcement Notice** means a notice delivered by the Security Trustee if an Event of Default has occurred and is continuing, the Security Trustee is instructed to do so by the Participating Qualifying Secured Creditors and the Security Trustee is indemnified and/or secured and/or pre-funded by which the Security Trustee declares that the Security has become enforceable.

**Entrenched Rights** means any modification to, consent or waiver under or in respect of, any term of any Common Document which:

- (a) would delay the date fixed for payment of principal, interest, Make-Whole Amount or any other amount in respect of the relevant Secured Creditor's debt or would reduce the amount of principal, the rate of interest, Make-Whole Amount or any other amount payable in respect of such debt;

- (b) would bring forward the date fixed for payment of principal or interest in respect of a Secured Creditor's debt or would increase the amount of principal, the rate of interest payable, Make-Whole Amount or any other amount on any date in respect of the Secured Creditor's debt;
- (c) would have the effect of adversely changing any of the Post-Enforcement Priority of Payments, the Pre-Enforcement Priority of Payments or their application in respect of a Secured Creditor;
- (d) would have the effect of adversely changing the application of any proceeds of enforcement of the Security Documents;
- (e) would result in the exchange of the relevant Secured Creditor's debt for, or the conversion of such debt into, shares, notes or other obligations of any other person;
- (f) would change or would relate to the currency of payment due under the relevant Secured Creditors debt;
- (g) would have the effect of changing or would relate to the rights of the relevant Secured Creditor to receive any sums owing to it for its own account in respect of fees, costs, charges, liabilities, taxes, damages, proceedings, claims and demands in relation to any Finance Document to which it is a party;
- (h) would change or would relate to any existing obligation of a Obligor to gross up any payment in respect of the relevant Secured Creditor's debt in the event of the imposition of withholding taxes;
- (i) would change or would have the effect of changing (i) any of the following definitions: Qualifying Secured Creditors, Qualifying Secured Debt, STID Proposal, Discretion Matter, Ordinary Voting Matters, Extraordinary Voting Matter, Voted Qualifying Debt, Reserved Matters, Entrenched Right, Secured Liabilities, Secured Creditor; (ii) the Decision Period, Quorum Requirement or voting majority required in respect of any Ordinary Voting Matter, Extraordinary Voting Matter, Qualifying Secured Creditor Instruction Notice, Enforcement Notice, Initial Enforcement Instruction Notice or Further Enforcement Instruction Notice; (iii) any of the matters that give rise to Entrenched Rights under the STID or (iv) Clause 17 (*Entrenched Rights*) of the STID;
- (j) would change or have the effect of changing Clause 11.3 (*Participating Qualifying Secured Creditors*) of the STID;
- (k) would change or have the effect of changing Clause 12 (*Tranching of Qualifying Secured Debt and Determination of Voting Qualifying Debt*) of the STID;
- (l) would change or have the effect of changing Schedule 3 (*Reserved Matters*) of the STID;
- (m) would result in an increase in or would adversely modify a Secured Creditor's obligations or liabilities under or in connection with the STID and/or any other Finance Document; or
- (n) in respect of each Hedge Counterparty:
  - (i) would change or would have the effect of changing any of the following definitions: Hedge Replacement Premium or Hedging Agreements;

- (ii) would change or would have the effect of changing the limits specified in paragraph 12 (*Interest Rate Risk Principles*) of Schedule 4 (*Hedging Policy*) of the Common Terms Agreement;
- (iii) would change or have the effect of changing the definition of Permitted Hedge Termination or any of the Hedge Counterparties' rights to terminate the Hedging Agreements as set out in the Hedging Policy;
- (iv) would change or have the effect of changing Schedule 3 (*Events of Default*) of the Common Terms Agreement; and
- (v) would change or have the effect of changing the definitions of Enforcement Notice or would change or have the effect of changing Clause 20 (*Enforcement Notice*) of the STID or Clause 21 (*Post-Enforcement Priority of Payments*) of, or Schedule 2 (*Post-Enforcement Priority of Payments*) to, the STID.

**Environment** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

**Environmental Law** means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

**Environmental Permits** or **Environmental Approvals** means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

**Equity Cure Amount** has the meaning given to it on page 81 of this Offering Circular.

**Equity Cure Right** means the right of equity cure set out in paragraph 2 (Equity Cure) of Part 2 (Financial Covenant) of Schedule 2 to the CTA.

**Equivalent Amount** means the amount in question expressed in the terms of the Base Currency, calculated on the basis of the Exchange Rate.

**ERISA** has the meaning given to it on page 76 of this Offering Circular.

**ESMA** has the meaning given to it on page 32 of this Offering Circular.

**EU** has the meaning given to it on page 35 of this Offering Circular.

**EURIBOR** means:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the currency or Interest Period of that loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time (as defined in the Initial Authorised Credit Facilities Agreement) on the Quotation Day for the offering of deposits in the currency of that loan and for a period comparable to the Interest Period for that loan.

**Euro MTF Market** has the meaning given to it on page 13 of this Offering Circular.

**Eurobond Basis** has the meaning given to it in the applicable Final Terms.

**Euroclear** has the meaning given to it on page 33 of this Offering Circular.

**Event of Default** means an event specified as such in schedule 3 (Events of Default) to the Common Terms Agreement.

**Excess Cashflow** means, for any period for which it is being calculated, Available Cashflow for that period plus 30% of Capital Expenditure made by any member of the Group less, without double counting:

- (a) Capital Expenditure made by any member of the Group not funded by Senior Debt;
- (b) Consolidated Net Finance Charges;
- (c) mandatory payments due under the Initial Authorised Credit Facilities Agreement (other than of Excess Cashflow), scheduled repayments and voluntary prepayments of Facility A Tranche 1, Facility A Tranche 2, Facility B or Facility C during such period;
- (d) projected amounts to fund the working capital requirements of the Obligors for the following Calculation Period;
- (e) any one-off non-recurring items;
- (f) Permitted Payments;
- (g) fees, costs and expenses associated with any equity offering or raising of any financial indebtedness (including any applicable arrangement fees paid or payable);
- (h) amounts received or paid following the adjustment of gains or losses realised on any derivative instrument; and
- (i) consideration and/or costs payable in respect of any Permitted Acquisitions or any Permitted Joint Ventures in each case not funded by Senior Debt.

**Exchange Rate** means the strike rate specified in any related Hedging Agreement or in any other swap arrangement in respect of any Relevant Securities, failing that, the spot rate for the conversion of the Non-Base Currency into the Base Currency as quoted by the Agent Bank as at 11:00:

- (a) for the purposes of Clauses 13.7 (*STID Voting Request*), 19.3 (*Quorum and voting requirements in respect of an Initial Enforcement Instruction Notice and a Further Enforcement Instruction Notice*), 19.6 (*Enforcement Action*), or 23.1 (*Direction Notice*) of the STID, on the date that the STID Voting Request, Initial Enforcement Instruction Notice, Further Enforcement Instruction Notice, a Qualifying Secured Creditor Instruction Notice, or a Direction Notice (as the case may be) is dated; and
- (b) in any other case, on the date as of which calculation of the Equivalent Amount of the Outstanding Principal Amount is required,

and, in each case, as notified by the Agent Bank to the Bond Trustee and the Security Trustee.

**Excluded Group Entity** means, each shareholder of the Borrower, Holding Company of the Borrower and all shareholders of each such Holding Company.

**Excluded Tax** means, in relation to any person, any:

- (a) Tax imposed on or calculated by reference to the net income, profits or gains of that person, in each case excluding any deemed income, profits or gains of that person other than to the extent such deemed income, profits or gains are matched by any actual income, profits or gains of an affiliate of that person; or
- (b) Tax that arises from the fraud, gross negligence or wilful default of the relevant person,

in each case including any related costs, fines, penalties or interest (if any).

**Existing Development Plots** means the plots identified as development plots in the document entitled "Map Mortgage 2013" (available on the website referred to in the definition of Existing Development Programme below), which are to be developed pursuant to the Existing Development Programme, but subject to the Permitted Investment Restriction.

**Existing Development Plots Company** means any company the principal material asset(s) of which is comprised of Existing Development Plots.

**Existing Development Programme** means the plans to develop the Existing Development Plots which are in existence as at the Initial Issue Date, the full details of which have been provided pursuant to Clause 23(b) of Part 1 (*Conditions Precedent Documents and Evidence*) of Schedule 1 (*Conditions Precedent to Initial Issuance and Utilisation*) to the CP Agreement.

**Existing Facilities Agreement** means the €1,636,000,000 senior facilities agreement dated 20 June 2007 entered into by, among others, Brussels Airport Holding NV/SA and Société Générale as agent.

**Existing Guarantees** means:

- (a) a bank guarantee dated 8 March 2013 granted by ING for and on behalf of Brussels Airport Holding NV/SA in favour of Openbare Afvalstoffenmaatschappij voor het Vlaams Gewest (OVAM) for an amount of €644,523.16;
- (b) a cash guarantee of €118,789 paid on 14 January 2013 by DNB BA on the account BE24 0013 6647 1938 and BIC GEBABEBB of Elia;
- (c) a cash deposit amounting to €100,000, paid by BAC on the account 001-0650670-70 of the notary BV BVBA Deputy & Raes conform to the specifications of the sale of receivable agreement for the INAD building; and

- (d) a cash deposit of €7,339.14 paid by BATC to Belgocontrol at the separation of Regie der Luchtweegen as a caution of some provided equipment.

**Existing Indebtedness** means Financial Indebtedness incurred under the Existing Facilities Agreement.

**Existing Security Interests** means any Security Interests entered into in connection with the Existing Facilities Agreement.

**Expert** has the meaning given to it in Condition 7.5 (*Cessation of or Fundamental Changes to the Index*).

**Extraordinary Resolution** has the meaning given to it in Condition 14.1 (*Meetings of Bondholders*).

**Extraordinary Voting Matters** means any of the following matters for decision by the Secured Creditors pursuant to the STID:

- (a) would have the effect of changing (i) the voting mechanics, majorities, quora and decision periods relating to Extraordinary Voting Matters, or (ii) any of the matters constituting Extraordinary Voting Matters;
- (b) would change any Event of Default or any Lock-Up (or any related definition) each in relation to non-payment, the making of Restricted Payments, Permitted Payments or any Restricted Payment Condition or financial ratios;
- (c) would relate to the waiver of any Event of Default or any Lock-Up each in relation to non payment, financial ratios or the making of Restricted Payments or Permitted Payments or any Restricted Payment Condition;
- (d) would change or have the effect of changing any restriction on any disposal or withdrawal by any Obligor of any Charged Property, including the definition of Permitted Disposal or relate to a consent in respect of any such disposal;
- (e) would materially change or have the effect of materially changing the definition of Permitted Business;
- (f) would change or have the effect of changing the definition of Permitted Financial Indebtedness or Senior Permitted Financial Indebtedness;
- (g) would change or have the effect of changing any provision set out in any Common Document relating to the requirements as to the Debt Service Requirement; and
- (h) would release any of the Security (unless equivalent replacement security is taken at the same time) unless such release is permitted in accordance with the terms of the Common Documents.

**Facility A** means each of the Facility A Tranche 1 and Facility A Tranche 2 term loan facilities made available under the Initial Authorised Credit Facilities Agreement as defined on page 99 of this Offering Circular.

**Facility A Final Maturity Date** means:

- (a) in relation to Facility A Tranche 1 the date falling three years after the initial Utilisation of the Initial Authorised Credit Facilities Agreement.

- (b) in relation to Facility A Tranche 2 the date falling five years after the initial Utilisation of the Initial Authorised Credit Facilities Agreement.

**Facility A Tranche 1** means the tranche in an aggregate amount equal to EUR 550,000,000 of the euro term loan facility.

**Facility A Tranche 2** means the tranche in an aggregate amount equal to EUR 800,000,000 of the euro term loan facility.

**Facility Agent** means The Royal Bank of Scotland plc or any successor thereto appointed under the Initial Authorised Credit Facilities Agreement.

**Facility B** has the meaning given to it on page 99 of this Offering Circular.

**Facility B Final Maturity Date** means the date falling five years after the initial Utilisation of the Initial Authorised Credit Facilities Agreement.

**Facility C** has the meaning given to it on page 100 of this Offering Circular.

**Facility C Final Maturity Date** means the date falling five years after the initial Utilisation of the Initial Authorised Credit Facilities Agreement.

**FATCA** means Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

**FIEA** has the meaning given to it on page 163 of this Offering Circular.

**Final Maturity Date** means each of the dates specified as Facility A Final Maturity Date, Facility B Final Maturity Date, Facility C Final Maturity Date or a Bonds Maturity Date.

**Final Terms** has the meaning given to it on page 8 of this Offering Circular.

**Finance Document** means:

- (a) any Initial ACF Finance Document;
- (b) the Hedging Agreements;
- (c) the Bond Trust Deed;
- (d) the Bonds;
- (e) the Agency Agreement;
- (f) the Security Documents;
- (g) the Common Terms Agreement;
- (h) the STID;
- (i) the Master Definitions Agreement;
- (j) any Institutional Private Placement Debt Documents;

- (k) the Final Terms;
- (l) the Clearing Services Agreement;
- (m) the Calculation Agency Agreement;
- (n) (i) any fee letter, commitment letter or request entered into in connection with (i) the facilities referred to in paragraphs (a) and (j) above or the transactions contemplated in such facilities and (ii) any other document that has been entered into in connection with such facilities or the transactions contemplated thereby that has been designated as a Finance Document by the parties thereto (including at least one Obligor);
- (o) any other agreement evidencing Senior Permitted Financial Indebtedness;
- (p) each agreement or other instrument between the Borrower and any additional Secured Creditor designated as a Finance Document by the Borrower, the Security Trustee and such additional Secured Creditor in the accession memorandum for such additional Secured Creditor; and
- (q) any amendment and/or restatement agreement relating to any of the above documents.

**Finance Lease** means any finance or capital lease (as determined by the Accounting Principles as at the Initial Issue Date) entered into by the Borrower in respect of which the Borrower is the lessee.

**Finance Party** means any person providing credit (including hedging or any other Financial Indebtedness howsoever described) pursuant to an Authorised Credit Facility and all arrangers, agents, representatives and trustees appointed in connection with any such Authorised Credit Facilities, including, in relation to the Programme, the Bondholders and the Bond Trustee.

**Financial Adviser** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Financial Indebtedness** means any indebtedness for or in respect of:

- (a) monies borrowed and debit balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit or bill discounting facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked-to-market value or the amount of any accretion payment due, or if the actual

amount is due as a result of the termination or close out of that derivative transaction, that amount shall be taken into account);

- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) any amount raised by the issue of redeemable shares;
- (j) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into the agreement is to raise finance; and
- (k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

**Financial Statements** means the Annual Financial Statements or the Semi-Annual Financial Statements as applicable.

**Financial Year** means the annual accounting period of the Group ending on or about 31 December in each year.

**First Interest Payment Date** has the meaning given to it in the applicable Final Terms.

**Fitch** has the meaning given to it on page ii of this Offering Circular.

**Fixed Amount** has the meaning given to it in the applicable Final Terms.

**Fixed Interest Period** has the meaning given to it in Condition 5.1 (*Interest on Fixed Rate Bonds*).

**Fixed Rate Bond** has the meaning given to it in the Terms and Conditions.

**Floating Rate** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**Floating Rate Bond** has the meaning given to it in the Terms and Conditions.

**Floating Rate Convention** has the meaning given to it in Condition 5.3(a) (*Interest Payment Dates*).

**Floating Rate Option** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**Flotation** means:

- (a) a successful application being made for the admission of any part of the share capital of any member of the Group, or any Holding Company of it, to the First Market (Premier Marché) of Euronext Brussels or any other equivalent list, and the admission of any part of the share capital of any member of the Group, or any Holding Company of it, to trading on Euronext Brussels or any other equivalent stock exchange; or
- (b) the grant of permission to deal in any part of the issued share capital of any member of the Group, or any Holding Company of it, on the Alternative Investment Market or the European Association of Securities Dealers Automated Quotation System or on any recognised investment exchange (as that term is used in the Financial Services and Markets Act 2000) or in or on any exchange or market replacing the same or any other exchange or market in any country.

**Following Business Day Convention** has the meaning given to it in Condition 5.3(a) (*Interest Payment Dates*).

**Fully Funded** means at any time:

- (a) in respect of the Debt Service Reserve Account, an amount equal to the Interest Service Obligations for the following Calculation Period; and
- (b) in respect of the Registration Fee Account, an amount equal to the Registration Required Amount at any time, provided that upon withdrawal of part or all of the Registration Required Amount from such Registration Fee Account to register additional mortgages and/or business pledges for the relevant amounts, the Registration Required Amount shall be adjusted accordingly to reflect the anticipated reduction in the secured amount (if any) remaining to be registered.

**Further Enforcement Instruction Notice** has the meaning given to it on page 91 of this Offering Circular.

**GAAP** means generally accepted accounting principles in Belgium and, for the avoidance of doubt, including IFRS from the date it is adopted by the Group.

**Gross Real Redemption Yield** has the meaning given to it in Condition 6.2(a)(iii) (*Optional redemption*).

**Gross Redemption Yield** has the meaning given to it in Condition 6.2(a)(i) (*Optional redemption*).

**Ground Handling Decree** has the meaning given to it on page 70 of this Offering Circular.

**Ground Handling Fee** has the meaning given to it on page 70 of this Offering Circular.

**Ground Noise Regulations** means any measure, decision, rule, condition or order concerning generation and abatement of noise by aircraft on the ground at Brussels Airport, including but not limited to operating conditions in the Runway Permit, and any noise insulation or abatement measures, conditions or programs that apply in zones, areas, neighbourhoods, municipalities, cities, corridors or regions around Brussels Airport.

**Group** has the meaning given to it on page ii of this Offering Circular.

**Guarantee** means, in relation to each Guarantor, the guarantee of such Guarantor given by it pursuant to Clause 9 (*Guarantee*) of the STID.

**Guarantor** means each of the Initial Obligors (other than the Borrower), and each other Obligor which accedes to the STID and the Common Terms Agreement as an additional Obligor.

**Guarantors Asset Value** means the aggregate of the value of the assets owned by the Borrower and the Guarantors (in each case calculated on an unconsolidated basis by reference to the book value of such assets but excluding the Existing Development Plots).

**Guarantors EBITDA** means the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of the Borrower and the Guarantors (in each case calculated on an unconsolidated basis), subject as provided in the IACFA, excluding the portion of such earnings attributable to any Existing Development Plots Company.

**Hedge Counterparties** has the meaning given to it on page 8 of this Offering Circular.

**Hedge Replacement Premium** means a premium or upfront payment received by the Borrower from a replacement hedge counterparty under a replacement hedge agreement entered into with the

Borrower to the extent of any termination payment due to a Hedge Counterparty under a Hedging Agreement.

**Hedges** has the meaning given to it on page 8 of this Offering Circular.

**Hedging** has the meaning given to it on page 8 of this Offering Circular.

**Hedging Agreements** has the meaning given to it on page 8 of this Offering Circular.

**Hedging Policy** means the initial hedging policy applicable to the Obligors and the Borrower set out in schedule 4 (Hedging Policy) to the Common Terms Agreement as such hedging policy may be amended from time to time by agreement between the Security Trustee, the Borrower and the Hedge Counterparties in accordance with the STID.

**Hedging Transaction** means a transaction documented under a Hedging Agreement.

**Holding Company** means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

**HSRS** has the meaning given to it on page 59 of this Offering Circular.

**ICAO** has the meaning given to it on page 73 of this Offering Circular.

**IFA** has the meaning given to it in Condition 7.1 (*Definitions*).

**IFRS** means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (**IASB**) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time).

**IGA** has the meaning given to it on page 159 of this Offering Circular.

**Incremental Debt** means at any time any Financial Indebtedness under an Authorised Credit Facility which is in excess of the principal amount of Senior Secured Debt from time to time (ignoring any inflation linked accretions in respect of any such debt) provided it meets the conditions in paragraph (h) of the definition of Permitted Financial Indebtedness and it is designated as Incremental Debt by the Borrower and the Security Trustee on or prior to its incurrence.

**Index** or **Index Figure** has the meaning given to it in Condition 7.1 (*Definitions*).

**Index<sub>m-2</sub>** has the meaning given to it in Condition 7.1 (*Definitions*).

**Index<sub>m-3</sub>** has the meaning given to it in Condition 7.1 (*Definitions*).

**Index<sub>m-7</sub>** has the meaning given to it in Condition 7.1 (*Definitions*).

**Index<sub>m-8</sub>** has the meaning given to it in Condition 7.1 (*Definitions*).

**Index Event** has the meaning given to it in Condition 6.3 (*Redemption for Index Event*).

**Index Ratio** has the meaning given to it in Condition 7.1 (*Definitions*).

**Indexation Adviser** has the meaning given to it in Condition 7.1 (*Definitions*).

**Indexed** means, in respect of any reference to that amount, an amount to that amount (as previously indexed) as such amount may be adjusted up or down at the beginning of each calendar year by a percentage equal to the amount of percentage increase or, as the case may be, decrease in the Belgian consumer price index (*consumptieprijnsindex*) as published by the Federal Public Service Economy (*Federale Overheidsdienst Economie*) for such year or as is otherwise specified in the relevant Finance Document.

**Indexed Bond** has the meaning given to it in the Terms and Conditions.

**Information Memorandum** means the information memorandum dated March 2013 prepared in connection with the repayment of the Existing Facilities Agreement and the granting of the Authorised Credit Facilities.

**Initial ACF Arrangers** means the Initial ACF Mandated Lead Arrangers and the Initial ACF Lead Arrangers.

**Initial ACF Finance Document** means the Initial Authorised Credit Facilities Agreement, the Master Definitions Agreement, the Common Terms Agreement, the STID, any Security Document, the CP Agreement, the Commitment Letter, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Selection Notice, any Utilisation Request and any other document designated as an Initial ACF Finance Document by the Facility Agent and the Borrower.

**Initial ACF Finance Parties** means the Facility Agent, the Initial ACF Mandated Lead Arrangers, the Initial ACF Lead Arrangers, any Ancillary Lender, the Security Trustee or a Lender.

**Initial ACF Lead Arrangers** means Natixis SA / AG Insurance SA and Skandinaviska Enskilda Banken AB.

**Initial ACF Lenders** means each of the lenders listed in schedule 8 (*Initial ACF Lenders*) to the Common Terms Agreement.

**Initial ACF Mandated Lead Arrangers** means Belfius Bank NV/SA, BNP Paribas Fortis SA/NV, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Crédit Agricole Corporate & Investment Bank, Export Development Canada, ING Belgium SA/NV / ING Bank N.V., London Branch, Lloyds TSB Bank plc, Natixis SA / AG Insurance SA, Royal Bank of Canada, The Royal Bank of Scotland plc, Belgium Branch, Abbey National Treasury Services plc (trading as Santander Global Banking & Markets), Sumitomo Mitsui Banking Corporation and Société Générale, London Branch.

**Initial Authorised Credit Facilities** means the Bank Facilities and the Bonds issued on the Initial Issue Date.

**Initial Authorised Credit Facilities Agreement** and **IACFA** means the facilities agreement entered into among, *inter alia*, the Borrower, the Facility Agent and the Lenders, as amended from time to time.

**Initial Bonds** means the Bonds issued under the Programme on the Initial Issue Date.

**Initial Date Representation** means:

- (a) in respect of the entering into of a new Authorised Credit Facility (other than a US Private Placement) after the Initial Issue Date, each of the representations set out in paragraphs 1 to 43 (inclusive) in schedule 1 (*General Representations*) to the Common Terms Agreement (other than the representation set out in paragraph 34 (*Ownership*) thereof); or

- (b) in respect of the entering into of a US Private Placement after the Initial Issue Date, each of the representations set out in schedule 1 (*General Representations*) to the Common Terms Agreement.

**Initial Enforcement Instruction Notice** means the request by notice from the Security Trustee following the Security Trustee having actual notice of the occurrence of an Event of Default for an instruction from the Qualifying Secured Creditors (through their Secured Creditor Representatives) as to whether the Security Trustee should deliver an Enforcement Notice to exercise or enforce all or any part of the Security or take any other Enforcement Action.

**Initial Investor** means each of the following:

- (a) OTPP, including:
- (i) OTPP and/or any Subsidiary thereof and/or any other entity which is under the control of OTPP or any of its Subsidiaries and its subsequent successor in title to all or substantially all of its assets; and/or
  - (ii) PBA SPV and/or any Subsidiary thereof and its subsequent successor in title to all or substantially all of its assets.
- (b) Macquarie, including:
- (i) Macquarie European Infrastructure Fund and its subsequent successor in title to all or substantially all of its assets; and/or
  - (ii) Macquarie European Infrastructure Fund 3 and its subsequent successor in title to all or substantially all of its assets; and/or
  - (iii) any other member of the Macquarie Group.
- (c) The Belgian State, including:
- (i) SFPI/FPIM; and/or
  - (ii) any other entity of the Belgian State.

**Initial Issue Date** means 26 June 2013 being the earlier of: (i) the date upon which the first Series of Bonds is issued by the Borrower and (ii) the first drawdown is made under the Initial Authorised Credit Facilities.

**Initial Obligor** means the Borrower and DNB.

**Initial Security Documents** means, together:

- (a) the Mortgage;
- (b) the Mortgage Mandate;
- (c) the Business Pledge Agreement;
- (d) the Business Pledge Mandate;
- (e) the Receivables Pledge;

- (f) the IP Pledge Agreement; and
- (g) the Share Pledge.

**Insolvency Event** means, any of the following events in respect of a company:

- (a) it is unable to pay its debts as they fall due;
- (b) it suspends making payments on any of its debts;
- (c) with respect to any company which is not incorporated in Belgium, an encumbrancer taking possession of the whole or any part of the undertaking or assets of such company;
- (d) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of such company and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;
- (e) the making of an arrangement, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally;
- (f) the passing by such company of an effective resolution or the making of an order by a court of competent jurisdiction for the winding-up, liquidation or dissolution of such company;
- (g) subject to the other paragraphs of this definition, the appointment of an Insolvency Official in relation to such company or in relation to the whole or any substantial part of the undertaking or assets of such company; or
- (h) save as permitted in the STID, the cessation or suspension of payment of its debts generally or a public announcement by such company of an intention to do so.

**Insolvency Official** means, in connection with any Insolvency Proceedings in relation to a company, a liquidator, provisional liquidator, administrator or equivalent administrative appointee, receiver, manager, nominee, supervisor, trustee, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors.

**Insolvency Proceedings** means any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;
- (b) a composition, compromise, assignment or arrangement with creditors generally of any member of the Group;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of any member of the Group which is not an Obligor), receiver, administrator or equivalent administrative appointee, compulsory or interim manager or other Insolvency Official or similar officer in respect of any member of the Group or any of its assets; or

(d) enforcement of any Security over any assets of any member of the Group or the holder of any statutory lien, for an amount in excess of EUR 2,000,000 (or its equivalent in any other currency),

or any analogous procedure or step is taken in any jurisdiction.

**Institutional Accredited Investor** means an institutional investor that qualifies as an "accredited investor" (as defined in Rule 501(a)(1), (2), (3), (7) or (8) under the Securities Act).

**Institutional Private Placement Debt** means any Senior Secured Debt designated as Institutional Private Placement Debt by the Borrower and the Security Trustee.

**Institutional Private Placement Debt Documents** means any documents evidencing Institutional Private Placement Debt.

**Institutional Private Placement Debt Providers** means any institutions which provide the Institutional Private Placement Debt to the Borrower.

**Institutional Private Placement Issuer** means Brussels Airport Company NV/SA, a company incorporated in Belgium with limited liability.

**Intercreditor Arrangements** has the meaning given to it on page 84 of this Offering Circular.

**Interest Amount** has the meaning given to it in Condition 5.3(d) (*Determination of Interest Rate and calculation of Interest Amounts*).

**Interest Basis** has the meaning given to it in the applicable Final Terms.

**Interest Commencement Date** means, in the case of interest-bearing Bonds, the date specified in the applicable Final Terms from (and including) which such Bonds bear interest, which may or may not be the Issue Date.

**Interest Cover Ratio** means the ratio of Available Cashflow to Interest Service Obligations in respect of any Calculation Period.

**Interest Determination Date** means, with respect to an Interest Rate and an Interest Period, the date specified as such in the relevant Final Terms or, if none is so specified, the day falling two Business Days in Brussels prior to the first day of such Interest Period (or if the specified currency is sterling, the first day of such Interest Period) (as adjusted in accordance with any Business Day Convention (as defined above) specified in the relevant Final Terms).

**Interest Payment Date** in respect of any Bonds, has the meaning given thereto in Condition 5.3(a) (*Interest Payment Dates*) or otherwise pursuant to the applicable Final Terms and, in respect of any Bank Facilities, the date on which a payment of interest is scheduled to be made under the relevant Authorised Credit Facility.

**Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

**Interest Rate**, in respect of any Series of Bonds, has the meaning given to that term in the applicable Final Terms.

**Interest Service Obligations** means, for any Calculation Period, the Consolidated Net Finance Charges in respect of Senior Debt in respect of that Calculation Period less any amount paid in respect of swap breakage costs and one-off refinancing costs.

**Internal Revenue Code** means the United States Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder from time to time.

**Investor Creditor** means any entity listed in Schedule 6 (Investor Creditors) to the STID or any other Excluded Group Entity which provides, from time to time, Investor Funding Loans to the Borrower and which entity accedes to the STID as a Subordinated Creditor.

**Investor Funding Loan** means:

- (a) as at the Initial Issue Date, the shareholder loan agreement entered into by the Borrower, Brussels Airport Investments s.à.r.l. and Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij NV/SA in connection with, *inter alia*, the refinancing of the Existing Indebtedness; and
- (b) any loan made or deemed to be made by any Excluded Group Entity to the Borrower, provided that the Excluded Group Entity has acceded to the STID as a Subordinated Creditor prior to the making of the loan.

**Investor's Currency** has the meaning given to it on page 33 of this Offering Circular.

**IP Pledge Agreement** means the intellectual property rights pledge agreement dated on or about the Initial Issue Date between the Borrower and the other Obligors (as pledgors) and Citibank Europe plc (as pledgee), concerning the pledge of Intellectual Property Rights and Future IP Rights (each as defined therein) by the pledgors to the pledgee.

**ISDA Definitions** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**ISDA Determination** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**ISDA Master Agreement** means either:

- (a) the Master Agreement (Multicurrency-Cross Border) as published by the International Swaps and Derivatives Association, Inc.; or
- (b) the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

**ISDA Rate** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**Issue Date** means: (a) in respect of any Bond, the date of issue and purchase of such Bond pursuant to and in accordance with the Programme Agreement or any other agreement between the Borrower and the relevant Dealer(s); or (b) in respect of any Relevant Security, the date of issue and purchase of such Relevant Security pursuant to the note purchase agreement in respect of such Relevant Security.

**Issue Price** means the price as stated in the relevant Final Terms, generally expressed as a percentage of the nominal amount of the Bonds, at which the Bonds will be issued.

**Issuer** has the meaning given to it on page i of this Offering Circular.

**ITC 1992** has the meaning given to it on page 155 of this Offering Circular.

**Joint Venture** means any joint venture entity, partnership or similar person, the ownership of or other interest in which does not require any Obligor to consolidate the results of that person with its own as a Subsidiary.

**Lender** means a lender under any Bank Facility and any of its successor, assignee or transferee.

**Liabilities** means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceedings or other liability whatsoever (including in respect of taxes, duties, levies, imposts and other charges including, in each case, any related costs, fines, penalties or interest (if any) but excluding any Excluded Tax) and legal fees.

**LIBOR** has the meaning ascribed to it in the Conditions.

**Licence** has the meaning given to it on page 64 of this Offering Circular.

**Licence Decree** has the meaning given to it on page 64 of this Offering Circular.

**Limitation Acts** means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

**Limited Index Ratio** has the meaning given to it in Condition 7.1 (*Definitions*).

**Limited Indexation Factor** has the meaning given to it in Condition 7.1 (*Definitions*).

**Limited Indexation Month** has the meaning given to it in Condition 7.1 (*Definitions*).

**Liquidity Coverage Ratio** has the meaning given to it on page 34 of this Offering Circular.

**Liquidity Facility** means a facility provided in accordance with the Liquidity Facility Requirements.

**Liquidity Facility Agent** means the liquidity facility agent or any successor agent appointed pursuant to the Liquidity Facility Agreement.

**Liquidity Facility Agreement** means the liquidity facility agreement which satisfies the requirements set out in schedule 9 (Liquidity Facility Requirements) to the Common Terms Agreement.

**Liquidity Facility Finance Document** means any agreement entered into pursuant to the Liquidity Facility Agreement.

**Liquidity Facility Provider** has the meaning given to it in the Terms and Conditions.

**Liquidity Facility Requirements** means the requirements set out in schedule 9 (Liquidity Facility Requirements) to the Common Terms Agreement.

**Liquidity Insolvency Event** means any event similar to the events listed in paragraphs (c), (d) and (e) of the definition of "Insolvency Event".

**Liquidity Shortfall** means (after taking into account funds available for drawing from the Borrower Accounts) with respect to any Interest Payment Date (as determined by the Borrower on the Business Day immediately preceding the Interest Determination Date) there will be insufficient funds in the relevant Borrower Accounts to pay on such Interest Payment Date any of the amounts scheduled to be paid in respect of items (a) to (e) (inclusive) of paragraph 8 of schedule 6 (*Cash Management*) to the Common Terms Agreement (excluding sub-paragraph (e)(iv) and, for the avoidance of doubt, any payments on final maturity and all other unscheduled amounts payable).

**Liquidity Standby Account** means the liquidity standby account of the Borrower.

**Liquidity Subordinated Amounts** has the meaning given to it in the Liquidity Facility Agreement.

**Lock-Up** means:

- (a) that the ratios when most recently calculated for the purpose of the Compliance Certificate show either:
  - (i) Net Debt: Consolidated EBITDA exceeding 7.75x; or
  - (ii) the Interest Cover Ratio being less than 1.35x,in each case, being tested semi-annually, on both a 12-month forward-looking basis and a 12-month backward-looking basis;
- (b) none of the Debt Service Requirements has been met;
- (c) the Registration Fee Account is not Fully Funded; or
- (d) the Total Accretion Amount exceeds 15% of Senior Debt on the relevant Calculation Date.

**Lock-Up Tests** means the financial ratios in paragraph (a) of the definition of Lock-Up.

**Luxembourg Stock Exchange** means Société de la Bourse de Luxembourg Société Anonyme or any other body to which its functions have been transferred.

**Macquarie Group** means:

- (a) Macquarie Group Limited (MGL);
- (b) any Holding Company of MGL;
- (c) any Subsidiary of MGL or any Subsidiary of any Holding Company of MGL;
- (d) any fund, partnership, trust or other corporate entity managed and/or advised by any entity in (a) to (c) provided, however, that the term "advised" means being in receipt of and implementing advice in relation to the management of investments of that legal entity which is substantially the same as the services which would be provided by a fund manager of the relevant legal entity; and
- (e) any Subsidiary of any such fund, partnership, trust or corporate entity.

**Majority Creditors** has the meaning given to it on page 85 of this Offering Circular.

**Majority Lenders** means a Lender or Lenders whose Commitments aggregate 66 2/3% or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 66 2/3% or more of the Total Commitments immediately prior to that reduction).

**Make-Whole Amount** means any premium payable on redemption of any Senior Debt in excess of:

- (a) the outstanding principal amount of such debt; plus
- (b) accrued interest on such debt; plus
- (c) any final payment in respect of accretions for inflation on any such debt that is index-linked.

**Mandate Exercise Event** means an instruction to the Security Trustee (or any of its attorneys) to create and register additional mortgages given by:

- (a) the Majority Lenders, in accordance with the Initial Authorised Credit Facilities Agreement; or
- (b) the Qualifying Secured Creditors, in accordance with the STID.

**March 2016 STID Proposal** has the meaning given to it in the 2017 STID Proposal, attached as Appendix 1 to this Offering Circular.

**March 2016 Terrorist Attack** has the meaning given to it on page 3 of this Offering Circular.

**MAp** has the meaning given to it on page 60 of this Offering Circular.

**Markets in Financial Instruments Directive** has the meaning given to it on page i of this Offering Circular.

**MAS Law** has the meaning given to it on page 24 of this Offering Circular.

**Master Definitions Agreement** or **MDA** has the meaning given to it in the Terms and Conditions.

**Material Adverse Effect** means an effect which is materially adverse to:

- (a) the business, assets or financial condition of the Group, in each case, taken as a whole; or
- (b) (taking into account the resources available to an Obligor from other Obligors and any guarantees given by other Obligors) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or
- (c) subject to the Reservations, the validity, legality or enforceability of any Finance Document or the validity, legality, enforceability, priority, or ranking of any Security Interest granted or purporting to be granted pursuant to any of the Security Documents.

**Maturity Date** means the date specified in the relevant Final Terms as the final date on which the principal amount of the relevant Bond is due and payable.

**Maximum Indexation Factor** has the meaning given to it in the applicable Final Terms.

**MCAA** has the meaning given to it on page 154 of this Offering Circular.

**MEIF I** has the meaning given to it on page 35 of this Offering Circular.

**MEIF III** has the meaning given to it on page 35 of this Offering Circular.

**Member State** means a member state of the European Union.

**MiFID II** has the meaning given to it on page i of this Offering Circular.

**Minimum Indexation Factor** has the meaning given to it in the applicable Final Terms.

**Minimum Long Term Rating** means the then current rating of the Bonds from time to time.

**MIRA** has the meaning given to it on page 4 of this Offering Circular.

**mppa** has the meaning given to it on page 54 of this Offering Circular.

**Modified Redemption Amount** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Moody's** has the meaning given to it on page ii of this Offering Circular.

**Mortgage** means the Belgian law mortgage granted on or about the Initial Issue Date by the Borrower and the other Obligors (together as pledgors) for the benefit of Citibank Europe plc (as pledgee) concerning the Charged Property (as defined therein) by each of such pledgors to the pledgee.

**Mortgage Mandate** means the mortgage mandate granted on or about the Initial Issue Date by the Borrower and the other Obligors (as principals) concerning the appointment of the Attorneys listed therein as its agent with the power to grant further mortgages as security for its Secured Liabilities.

**Mortgagors** has the meaning given to it in the 2017 STID Proposal, attached as Appendix 1 to this Offering Circular.

**N-account** has the meaning given to it on page 28 of this Offering Circular.

**NBB** has the meaning given to it on page i of this Offering Circular.

**NBB System** has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

**NBB System Regulations** has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

**Net Debt** means, without double counting, at any time, Senior Debt less both: (a) the aggregate amount of Cash of the Group; and (b) any amounts standing to the credit of the Defeasance Account.

**Net Stable Funding Ratio** has the meaning given to it on page 34 of this Offering Circular.

**New Company** has the meaning given to it in Condition 14.3 (*Substitution of the Issuer*).

**Noise Litigation** means any claim, procedure, litigation or request filed by any interested party private, corporate or not for profit (including but not limited to, any government, regulatory or administrative authority, agency or body), before or at any civil, commercial or criminal court, or before an administrative court (including, but not limited to, the State Council (*Raad van State/Conseil d'Etat*)) or before a government or an administrative or regulatory authority, agency or body:

- (a) to challenge, annul, suspend, modify, repeal or adopt the Preferential Runway System or to obstruct, challenge, disable, repeal, hinder or make more burdensome or onerous the use of any runway, flight route, flight path or flight corridor allowed under the Preferential Runway System;
- (b) to challenge, annul, suspend, modify, repeal, adopt, obstruct, disable or hinder Ground Noise Regulations, the Runway Permit, the Environmental Permits or Environmental Approvals and/or the Noise Nuisance MD; and
- (c) involving the Brussels Noise Regulations.

**Noise Nuisance MD** has the meaning given to it on page 71 of this Offering Circular.

**Non-Base Currency** means a currency other than euros.

**Notice** means, in respect of a notice to be given to Bondholders, a notice validly given pursuant to Condition 16 (*Notices*).

**O&D** has the meaning given to it on page 18 of this Offering Circular.

**Obligor** means any of BAC and any other person who accedes to, *inter alia*, the Common Terms Agreement and the STID as an Obligor in accordance with the terms of the Finance Documents and **Obligors** means all of them.

**Obligors' Agent** means Brussels Airport Company NV/SA.

**Offering Circular** means any offering circular (including any preliminary offering circular in relation thereto) relating to the Bonds prepared in connection with the Programme together with, in relation to each Series or Tranche of Bonds, the applicable Final Terms.

**Official List** has the meaning given to it on page i of this Offering Circular.

**Operating Account** means the operating accounts of the Borrower into which all revenues are deposited.

**Opex** has the meaning given to it on page 50 of this Offering Circular.

**Optional Redemption Date** has the meaning given to it in the applicable Final Terms.

**Ordinary Voting Matters** are matters which are not Discretion Matters or Extraordinary Voting Matters.

**other Finance Document** means each Finance Document which is not a Common Document.

**outstanding** means, in relation to the Bonds, all of the Bonds issued other than:

- (a) those Bonds which have been redeemed in full or purchased, and cancelled, in accordance with Condition 6 (*Redemption, Purchase and Cancellation*) or otherwise under the Bond Trust Deed;
- (b) those Bonds in respect of which the date for redemption in full in accordance with the Conditions has occurred and the redemption monies for which (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Principal Paying Agent or the Domiciliary Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been provided or published in accordance with Condition 16 (*Notices*)) and remain available for payment against presentation of the relevant Bonds; and
- (c) those Bonds which have become void or, in respect of which claims have become prescribed in each case, under Condition 12 (*Prescription*),

**provided that** for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Bondholders or the right to vote through or by any other means (such as any written resolution) or otherwise to vote in accordance with the STID and/or the Bond Trust Deed;
- (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of Clause 20 (*Waiver, Authorisation and Determination*) of the Bond Trust Deed and Schedule 2 (*Provisions for Meetings of Bondholders*) to the Bond Trust Deed, any clause

of the STID and Conditions 10 (*Events of Default*), 11 (*Enforcement Against Issuer*), 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 15 (*Bond Trustee Protections*);

- (iii) any discretion, power or authority contained in the Bond Trust Deed which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Bondholders; and
- (iv) the determination by the Bond Trustee whether any of the events specified in Condition 10 (*Events of Default*) is materially prejudicial to the interests of the holders of the Bonds then outstanding,

those Bonds which, for the time being, are held by the Borrower, any member of the Group, or any of their respective holding companies (or any affiliate of any such person) or by any person for the benefit of the Borrower, any member of the Group, or any of their respective holding companies (or any affiliate of any such person) shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

**OTPP** has the meaning given to it on page 4 of this Offering Circular.

**Outstanding Principal Amount** means:

- (a) in respect of any Authorised Credit Facilities:
  - (i) that are loans, the principal amount (or the Equivalent Amount) of any drawn amounts that are outstanding or committed under such Authorised Credit Facility;
  - (ii) that are Bonds, the original principal amount or, if different, the amount in issue (including any inflation-linked accretions to such amount), less any repayment of principal made to holders of such Bonds;
- (b) in respect of each Hedging Agreement, the Equivalent Amount (representing the mark-to-market value of any transaction or transactions arising under such Hedging Agreement) of the amount (if any) that would be payable to the relevant Hedge Counterparty if an early termination date was designated on the date referred to below in respect of the transaction or transactions arising under the relevant Hedging Agreement pursuant to the ISDA Master Agreement governing such transaction or transactions and subject to Schedule 4 (Hedging Policy) to the Common Terms Agreement and which are closed out at such time; and
- (c) in respect of any other Secured Liabilities, the Equivalent Amount of the outstanding principal amount of such debt on such date in accordance with the relevant Finance Document,

on the date on which the Qualifying Secured Creditors have been notified of a STID Voting Request, the Qualifying Secured Creditors receive an Initial Enforcement Instruction Notice, a Further Enforcement Instruction Notice, an Enforcement Notice or a Direction Notice or a Qualifying Secured Creditor delivers a Qualifying Secured Creditor Instruction Notice or on such other date that the same falls to be determined, as the case may be, all as most recently certified or notified to the Security Trustee, where applicable, pursuant to Clause 11.2 (*Notification of Outstanding Principal Amount of Qualifying Secured Debt*) of the STID.

**Overhedged Position** has the meaning given to it on page 95 of this Offering Circular.

**Participating Member State** means a member state of the European Union that adopts or has adopted the euro as its lawful currency under the legislation of the European Community for European Monetary Union.

**Participating Qualifying Secured Creditors** means the Qualifying Secured Creditors which participate in a vote on any STID Proposal or other matter pursuant to the STID.

**Party** means, in relation to a Finance Document, a party to such Finance Document.

**Paying Agents** has the meaning given to it on page 8 of this Offering Circular.

**Payment Date** means each date on which a payment is made or is scheduled to be made by an Obligor in respect of any obligations or liability under any Authorised Credit Facility.

**Payment Day** has the meaning given to it in Condition 8.3 (*Payment Day*).

**Payment Priorities** means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments as applicable.

**PBA SPV** means Tenmoront Corp. (Ontario Corporation No. 002260906), a corporation under the laws of the Province of Ontario with address at 40 King Street West, Suite 3100, Toronto ON M5H3Y2, Canada.

**Permitted Acquisition** means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by a member of the Group in circumstances constituting a Permitted Disposal;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue or in respect of a Permitted Joint Venture;
- (c) an acquisition of securities which are Cash Equivalent Investments so long as those Cash Equivalent Investments become subject to the Security Documents as soon as is reasonably practicable thereafter;
- (d) an acquisition or incorporation by a member of the Group of a company in order to own a business, undertaking or assets and/or to employ employees, but only if:
  - (i) such acquisition or incorporation is financed with cashflow available:
    - (A) for Restricted Payments;
    - (B) for Permitted Payments;
    - (C) from the proceeds of Investor Funding Loans; and/or
    - (D) from Permitted Financial Indebtedness,in each case, not otherwise applied;
  - (ii) the shares in any such company (where applicable) are owned by an Obligor and a Security Interest over the shares and assets of that company is created in favour of the Security Trustee within 30 days of the date of its acquisition or incorporation;

- (iii) such business, undertaking or assets and/or the employment of such employees is or are to be used in connection with the Permitted Business; and
  - (iv) such acquired or incorporated company shall accede to the Common Terms Agreement and the STID as an Obligor;
- (e) the incorporation of a company or the acquisition of a newly incorporated shelf company by a member of the Group which on incorporation becomes a member of the Group, but only if:
- (i) that company is incorporated in Belgium;
  - (ii) that company shall accede to the Common Terms Agreement and to the STID as an Obligor;
  - (iii) the shares in the company are owned by an Obligor, and, subject to the Reservations, a Security Interest over the shares and assets of that company, in form and substance satisfactory to the Security Trustee (acting reasonably), is created in favour of the Secured Creditors within 30 days of the date of its incorporation;
  - (iv) in the case of an acquisition of a newly incorporated shelf company, the shares in that shelf company are fully paid and the consideration for the acquisition is less than €1,000; and
  - (v) such acquisition or incorporation is in connection with the Permitted Business; and
- (f) the acquisition of any Senior Debt pursuant to any Debt Purchase Transaction subject to the terms of the Common Terms Agreement and the STID.

**Permitted Business** means the business to be carried out by the Group to:

- (a) operate Brussels Airport in accordance with the terms of the Licence, and to perform ancillary roles relating to such operations;
- (b) develop the Existing Development Plots pursuant to the Existing Development Programme;  
or
- (c) other ancillary businesses,

provided that the activities set out in paragraph (a) above shall constitute the principal business carried on by the Group.

**Permitted Disposal** means any sale, lease, licence, transfer or other disposal which is:

- (a) made in the ordinary course of trading of the disposing entity;
- (b) of assets (other than shares, real estate or material Intellectual Property) for market value on arms' length commercial terms and which are required to be made in order to comply with the Borrower's statutory and regulatory obligations;
- (c) of obsolete or surplus assets (other than shares, real estate or material Intellectual Property) no longer required for the purposes of the business of the disposing entity;
- (d) of assets by an Obligor to another Obligor or one member of the Group which is not an Obligor to another member of the Group on normal commercial terms;

- (e) a Permitted Transaction;
- (f) a Restricted Payment;
- (g) a Permitted Payment; or
- (h) the disposal of one share in DNB provided that (i) the transfer occurs with preservation of the pledge over the shares in DNB and (ii) the purchaser of such share accedes to the share pledge agreement relating to the shares in DNB.

**Permitted Financial Indebtedness** means Financial Indebtedness, incurred by the Obligors or any other member of the Group:

- (a) arising under the Finance Documents as at the Initial Issue Date;
- (b) arising:
  - (i) under any Investor Funding Loan; or
  - (ii) under subordinated loans, provided that the providers of such indebtedness become Subordinated Creditors,

in each case with a maturity which is longer than all of the Senior Secured Debt, subject to the terms of the Common Terms Agreement and the STID;
- (c) arising under any Liquidity Facility or Debt Service Letter of Credit;
- (d) arising under a Permitted Loan or under or in respect of a Permitted Guarantee or as permitted by paragraph 29 (Treasury Transactions) of part 3 (Other Covenants) of schedule 2 (Covenants) of the Common Terms Agreement;
- (e) of any Obligor owed in relation to any Permitted Joint Venture where the outstanding principal amount of all Financial Indebtedness arising under this paragraph (e) does in aggregate not exceed EUR 10,000,000 (Indexed) at any time;
- (f) provided that no part of the relevant Capital Expenditure has been or will be financed or refinanced by drawing on Facility B, of up to 70% of the aggregate Capital Expenditure of the Group required in the Financial Year in which such Permitted Financial Indebtedness is incurred, provided that:
  - (i) there is no Default and none will result from the additional Financial Indebtedness being incurred;
  - (ii) the additional Financial Indebtedness incurred in reliance on this paragraph (f) is spent on Capex set out in the relevant budget for that Financial Year;
  - (iii) to the extent that any such indebtedness is to be secured, the lenders of such Financial Indebtedness being incurred:
    - (A) accede to the Common Terms Agreement as a Finance Party and the STID as a Secured Creditor; and
    - (B) do not, and may not at any time, benefit from any Security Interests, guarantees or other credit support, or recourse to, any member of the Group

other than pursuant to the Security Documents and the Common Terms Agreement; and

- (iv) the Borrower is not in Lock-Up and the Lock-Up Tests as at each Calculation Date falling in the following 12 months are projected to be met on a pro-forma basis assuming that the full amount of such new Financial Indebtedness is fully utilised as at each such Calculation Date;
- (g) raised after the Initial Issue Date to refinance any existing Senior Secured Debt, and which is not Financial Indebtedness raised under paragraphs (a) to (f) and (h) to (m) hereof, and any fees incurred thereon, provided that:
  - (i) there is no Default and none will result from the additional Financial Indebtedness being incurred;
  - (ii) such additional Financial Indebtedness does not increase the Outstanding Principal Amount that is Senior Secured Debt;
  - (iii) the details of any such financing have been disclosed to the Secured Creditors; and
  - (iv) to the extent that any such indebtedness is to be secured, the lenders of such Financial Indebtedness being incurred:
    - (A) accede to the Common Terms Agreement as a Finance Party and the STID as a Secured Creditor; and
    - (B) do not, and may not at any time, benefit from any Security Interests, guarantees or other credit support, or recourse to, any other Obligor other than pursuant to the Common Documents;
- (h) any Incremental Debt, which is not Financial Indebtedness raised under paragraphs (a) to (g) and (i) to (m) hereof, provided that:
  - (i) there is no Default and none will result from the Incremental Debt being incurred;
  - (ii) the lenders of the Incremental Debt being incurred accede to the Common Terms Agreement as a Finance Party and the STID as a Secured Creditor, and do not, and may not at any time, benefit from any Security Interests, guarantees or other credit support, or recourse to, any other Obligor, other than pursuant to the Common Documents;
  - (iii) the Borrower is not in Lock-Up and the Lock-Up Tests as at each Calculation Date falling in the following 12 months are projected to be met on a pro-forma basis taking into account the amount of such Incremental Debt;
  - (iv) the terms of such Financial Indebtedness shall not provide that the final maturity date for such indebtedness shall fall on or before the Final Maturity Date of Facility A Tranche 2;
  - (v) the Borrower has provided details of such Financial Indebtedness to the Rating Agencies mandated by the Borrower from time to time to provide public long-term credit ratings; and

- (vi) the Borrower confirms that one or more of the Rating Agencies currently provides a rating for the Bonds or, if there are no Bonds, the Senior Secured Debt, and either:
  - (A) provides each Secured Creditor Representative a copy of a written confirmation from the Rating Agencies that then rate the Bonds (or if there are no Bonds, the Senior Secured Debt) that the then current long-term credit rating on the Bonds (or if there are no Bonds, the then current long-term credit rating on the Senior Secured Debt) would not, as a consequence of the incurrence of such Financial Indebtedness, be reduced below the lower of: (xx) BBB by Fitch, BBB by S&P and Baa2 by Moody's (that is, by the Rating Agency that then rates the Bonds or Senior Secured Debt, and, if more than one, only taking into account the higher or highest of the ratings); and (yy) the then current long-term credit rating of the Bonds (or if there are no Bonds, the then current long-term credit rating on the Senior Secured Debt) (before the incurrence of such Financial Indebtedness); or
  - (B) the Borrower certifies to each Finance Party that the Rating Agencies that then rate the Bonds (or if there are no Bonds, the Senior Secured Debt) have not indicated that the then current long-term credit rating on the Bonds (or if there are no Bonds, the then current long-term credit rating on the Senior Secured Debt) would be reduced below the lower of: (xx) BBB by Fitch, BBB by S&P and Baa2 by Moody's (that is, by the Rating Agency that then rates the Bonds or Senior Secured Debt, and, if more than one, only taking into account the higher or highest of the ratings); and (yy) the then current long-term credit rating of the Bonds (or if there are no Bonds, the then current long-term credit rating on the Senior Secured Debt) (before the incurrence of such Financial Indebtedness);
- (i) until and including the Initial Issue Date, the Existing Indebtedness;
- (j) to fund the acquisition or creation of Existing Development Plots that is without recourse to an Obligor and its assets (other than the Existing Development Plots);
- (k) which is trade credit arising in the ordinary course of trading;
- (l) any other financial indebtedness approved or consented to by the Security Trustee in accordance with the STID; and
- (m) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed €35,000,000 (Indexed) (or its equivalent) in aggregate for the Group at any time.

**Permitted Guarantee** means:

- (a) the endorsement of negotiable instruments in the ordinary course of trade;
- (b) any performance or similar bond, guarantee or indemnity or undertaking guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of its trading-related activities;
- (c) any guarantee of a Permitted Joint Venture;
- (d) any guarantee permitted as Permitted Financial Indebtedness;

- (e) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of Permitted Security;
- (f) the Existing Guarantees;
- (g) the Guarantee;
- (h) any indemnity given in the ordinary course of an acquisition or disposal which is a Permitted Acquisition or a Permitted Disposal which indemnity is in customary form and subject to customary limitations;
- (i) any other guarantee approved or consented to by the Security Trustee in accordance with the STID; and
- (j) any guarantee not otherwise permitted under the preceding paragraphs provided that the aggregate maximum potential liability of members of the Group thereunder (when aggregated with the amount of loans outstanding under paragraph (h) of the definition of Permitted Loan) does not exceed (without double counting) €5,000,000 (Indexed) (or its equivalent) at any time.

**Permitted Hedge Termination** means the termination of a Hedging Agreement in accordance with the provisions of schedule 4 (Hedging Policy) to the Common Terms Agreement.

**Permitted Investment Restriction** means the restriction that the amount of any investment, loan, guarantee, security, payment of consideration or support of any nature (including the maintenance of the solvency of or a provision of working capital) (the **Investment**) made to or for the benefit of any Joint Venture and/or development of, or property development-related activities with respect to, Existing Development Plots shall be, for any rolling five-year period, less than the aggregate of (excluding land values of any Existing Development Plots contributed as part of an Investment):

- (a) €150,000,000 (Indexed); and
- (b) the aggregate amount of Available Cashflow in accordance with the Finance Documents:
  - (i) for Restricted Payments;
  - (ii) for Permitted Payments; or
  - (iii) from the proceeds of Investor Funding Loans,

in each case, not otherwise applied and not otherwise used with respect to any Equity Cure Right.

**Permitted Joint Venture** means:

- (a) the entry into, investment in or acquisition (or agreement to acquire) of any shares, stocks, securities or other interest in, any Joint Venture by any member of the Group;
- (b) the transferring of any assets (or agreement to transfer assets) to a Joint Venture by any member of the Group;
- (c) any loan made to or guarantee, indemnity or Security Interest given in respect of the obligations of a Joint Venture by any member of the Group;

- (d) any joint venture pursuant to the joint venture agreement entered into by the Borrower with nv Investimmo and nv Wilma Project Development on 24 January 2003 in relation to the development of a 60,000 m<sup>2</sup> office building complex in the immediate surroundings of Brussels Airport (in the form of that agreement as it exists at the date of the Master Definitions Agreement or any subsequent joint venture agreements in relation to that development provided that they do not have the effect of increasing the Borrower's financial obligations in respect of that development);
- (e) any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture created for the purpose of property development-related activities in the surroundings of Brussels Airport;
- (f) any joint venture in relation to ground handling operations with respect to Brussels Airport; and
- (g) the maintenance of the solvency of or provision of working capital to any Joint Venture by any member of the Group;

(or any agreement to do any of the above), subject to the Permitted Investment Restriction.

**Permitted Loan** means:

- (a) any trade credit extended by any member of the Group to its customers, tenants or licensees, on normal commercial terms and in the ordinary course of its trading activities;
- (b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness under paragraph (d) thereof;
- (c) a loan made to a Permitted Joint Venture;
- (d) a loan made by an Obligor to another Obligor or made by a member of the Group which is not an Obligor to another member of the Group;
- (e) any loan made by an Obligor to a Subsidiary of the Borrower which is not an Obligor so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed €10,000,000 (Indexed) (or its equivalent) at any time;
- (f) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan (when aggregated with the amount of all loans to employees and directors by members of the Group) does not exceed €5,000,000 (Indexed) (or its equivalent) at any time;
- (g) any loan (other than a loan made by a member of the Group to another member of the Group) made by BAC to an Excluded Group Entity in accordance with the Restricted Payment Condition;
- (h) any loan so long as the aggregate amount of the Financial Indebtedness under any such loans (when aggregated with the amount of guarantees outstanding under paragraph (j) of the definition of Permitted Guarantee) does not exceed €25,000,000 (Indexed) (or its equivalent) at any time but excluding any such loans which are financed with Available Cashflow available in accordance with the Finance Documents (in each case, not otherwise applied and not otherwise used with respect to any Equity Cure Right):
  - (i) for Restricted Payments;

- (ii) for Permitted Payments; and/or
- (iii) from Investor Funding Loans made after the Initial Issue Date,

in each case, to the extent not otherwise applied:

- (A) subject to the terms of STID, any loan made for the purposes of enabling (indirectly or directly) an Obligor to meet its payment obligations under the Finance Documents; and
- (B) any other loans or grant of credit approved or consented to by the Security Trustee in accordance with the STID,

so long as in the case of paragraphs (b), (d), (e) and (h) above to the extent required by the STID, the creditor becomes party to the STID as a Subordinated Creditor and (if the debtor is a member of the Group) the debtor of such Financial Indebtedness is or becomes party to the STID as an Obligor.

**Permitted Merger** means the merger of The Brussels Airport Company NV/SA (**TBAC**) into Brussels Airport Holding NV/SA (**BAH**), under which BAH (i) automatically acquired all assets, liabilities, rights and obligations of TBAC and (ii) was renamed Brussels Airport Company NV/SA.

**Permitted Payment** means:

- (a) a payment or payments of management fees, auditors fees and holding company expenses of up to €1,000,000 (Indexed) in aggregate per Financial Year by the Group to any Excluded Group Entity provided that payment of such management fees shall not be permitted if an Event of Default is outstanding;
- (b) a payment by the Borrower of interest and/or principal under the Investor Funding Loan or by way of dividend up to a maximum aggregate amount of CAD 200,000 (or its equivalent in other currencies) (Indexed) in any Financial Year; or
- (c) any other payment consented to or approved by the Security Trustee in accordance with the STID.

**Permitted Security** means:

- (a) any Security Interest or Quasi-Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by any member of the Group with an Acceptable Bank in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Group which are not Obligors and (ii) such arrangement does not give rise to other Security Interests over the assets of Obligors in support of liabilities of members of the Group which are not Obligors (except in the case of (i) and (ii), to the extent such netting, set off or Security Interest relates to or is granted in support of, a loan permitted pursuant to paragraph (e) of the definition of Permitted Loan);
- (c) any Security Interest or Quasi-Security over or affecting any asset acquired by a member of the Group after the Initial Issue Date if:

- (i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;
  - (ii) the principal amount secured by the Security Document has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and
  - (iii) the Security Interest or Quasi-Security is removed or discharged within 60 days of the date of acquisition of such asset;
- (d) any Security Interest or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the Initial Issue Date, where the Security Interest or Quasi-Security is created prior to the date on which that company becomes a member of the Group if:
- (i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that company;
  - (ii) the principal amount secured by the Security Document has not increased in contemplation of or since the acquisition of that company; and
  - (iii) the Security Interest or Quasi-Security is removed or discharged within 60 days of that company becoming a member of the Group;
- (e) any Security Interest or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (f) the Security Interests created pursuant to the Security Documents;
- (g) any netting or set-off arrangement under an ISDA Master Agreement or schedule thereto entered into by any member of the Group pursuant to paragraph 29 (Treasury Transactions) of part 3 (Other Covenants) of Schedule 2 (Covenants) of the Common Terms Agreement for the purposes of determining its obligations by reference to its net exposure under that agreement (and for the avoidance of doubt, not as a credit support provider under any such agreement);
- (h) any Security Interest or Quasi-Security provided by a member of the Group to a stock, trade or derivative exchange for the purpose of entering into a Hedging Agreement;
- (i) any Security Interest or Quasi-Security provided over any Existing Development Plots as a consequence of any transaction permitted pursuant to paragraph (c) of the definition of Permitted Transaction in respect of such Existing Development Plots;
- (j) any netting or set-off arrangement or Quasi-Security constituting a Permitted Transaction;
- (k) any Security Interest or Quasi-Security arising in the ordinary course of trade over documents of title or goods as part of a letter of credit transaction or in respect of other Permitted Financial Indebtedness;
- (l) any Security Interest or Quasi-Security over bank accounts (other than a mandatory prepayment account or a holding account) of a member of the Group in favour of the account

holding bank with whom that member of the Group maintains a banking relationship in the ordinary course of trade and granted as part of that bank's standard terms and conditions;

- (m) any Security Interest or Quasi-Security approved or consented to by the Security Trustee in accordance with the STID;
- (n) any Security Interest or Quasi-Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security Interest given by any member of the Group other than any permitted under paragraphs (a) to (n) above) does not exceed €15,000,000 (Indexed) (or its equivalent in other currencies) at any time;
- (o) any security interest arising under statute or by operation of law in favour of any government, state or local authority in respect of taxes, assessments or government charges which are being contested by the relevant member of the Group in good faith and with a reasonable prospect of success and, in respect of which, the relevant member of the Group has adequate reserves in cash;
- (p) any security interest created over cash in respect of any pre-judgment legal process or any judgment or judicial award relating to security for costs, where the relevant proceedings are being contested in good faith by the relevant member of the Group by appropriate procedures and with a reasonable prospect of success; and/or
- (q) until the Initial Issue Date, the Existing Security Interests,

but, in each case (save for paragraphs (g) and (q) above), excluding any such Security Interest or Quasi-Security over any Real Property, shares, securities or material Intellectual Property.

**Permitted Share Issue** means:

- (a) an issue of ordinary shares by the Borrower to its immediate Holding Company paid for in full in cash upon issue and which by their terms are not redeemable, provided that such issue does not lead to a Change of Control, and if the existing shares of the Borrower are subject to a Security Interest, the newly issued shares also become subject to a Security Interest on substantially the same terms;
- (b) any issue of shares by an Obligor (other than the Borrower) to its immediate Holding Company, and if all of the existing shares of such Obligor are or are required to be subject to a Security Interest, the newly issued shares also become subject to a Security Interest on the same terms; and
- (c) any other issue of shares approved or consented to by the Security Trustee.

**Permitted Transaction** means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security Interest or Quasi-Security given, or other transaction arising, under the Finance Documents;
- (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group; or
- (c) any transaction to develop the Existing Development Plots pursuant to the Existing Development Programme;

- (d) any equity for an Investor Funding Loan swap instrument or analogous transaction relating to the share capital of the Borrower or any other Obligor in relation to a transaction with the Borrower; or
- (e) any other transaction approved or consented to by the Security Trustee in accordance with the STID.

**Pier A** has the meaning given to it on page 54 of this Offering Circular.

**Pier B** has the meaning given to it on page 54 of this Offering Circular.

**Post-Enforcement Priority of Payments** means the provisions relating to the order of priority of payments following the occurrence of certain events as set out in schedule 2 (Post-Enforcement Priority of Payments) to the STID.

**Potential Event of Default** means any event which, with the lapse of time and/or the giving of any notice and/or the making of any determination (in each case where the lapse of time and/or giving of notice and/or determination is provided for in the terms of such Event of Default, and assuming no intervening remedy), will become an Event of Default.

**Pre-Enforcement Priority of Payments** means the provisions relating to the order of priority of payments prior to delivery of an Enforcement Notice as set out in Paragraph 8 of Schedule 6 (*Cash Management*) to the Common Terms Agreement.

**Pre-Hedge Excess** has the meaning given to it on page 93 of this Offering Circular.

**Pre-Hedges** has the meaning given to it on page 96 of this Offering Circular.

**Preceding Business Day Convention** has the meaning given to it in Condition 5.3(a) (*Interest Payment Dates*).

**Preferential Runway System** means the preferential runway system at Brussels Airport regulated by the Federal Minister for Transport and sets out the 'direction' in which aircraft take off and land, the timing, destination and weight of each aircraft, and which runway should be used for landing/take-off.

**Principal Paying Agent** has the meaning given to it on page 8.

**Programme** has the meaning given to it on page i of this Offering Circular.

**Programme Agreement** means the agreement dated on or about the Initial Issue Date between the Issuer, the other Obligors and the dealers named therein (or deemed named therein) concerning the purchase of Bonds to be sold pursuant to the Programme, together with any agreement for the time being in force amending, replacing, novating or modifying such agreement and any accession letters and/or agreements supplemental thereto.

**Programme Law** has the meaning given to it on page 64 of this Offering Circular.

**Proposed Consents** has the meaning given to it in the 2017 STID Proposal, attached as Appendix 1 to this Offering Circular.

**Proposed Sale** has the meaning given to it in the 2017 STID Proposal, attached as Appendix 1 to this Offering Circular.

**Prospectus Directive** has the meaning given to it on page v of this Offering Circular.

**Qualifying Secured Creditor Instruction Notice** means the notice which may be given by any Qualifying Secured Creditor which by itself or together with any other Qualifying Secured Creditor(s) is or are owed Qualifying Secured Debt having an aggregate Outstanding Principal Amount of at least 20% (or such other percentage as may be required pursuant to the Common Terms Agreement) of the aggregate Outstanding Principal Amount of all Qualifying Secured Debt then outstanding which instructs the Security Trustee to exercise any of the rights granted to the Security Trustee under the Common Documents (save in respect of the taking of Enforcement Action or the delivery of an Enforcement Notice, or approving an Ordinary Voting Matter, Extraordinary Voting Matter or Entrenched Right).

**Qualifying Secured Creditors** means those Secured Creditors entitled to vote in relation to any STID Proposal, being the Lenders, the Hedge Counterparties, the Bondholders (the Bondholders' voting entitlement being exercised by the Bond Trustee) and the Institutional Private Placement Debt Providers and excluding any member of the Group and any Related Party.

**Qualifying Secured Debt** means:

- (a) the amounts of principal due or overdue in respect of the Bank Facilities;
- (b) the amounts of principal due or overdue in respect of the Bonds;
- (c) the amounts of principal due or overdue in respect of the Institutional Private Placement Debt;
- (d) subject to the Entrenched Rights (i) in relation to any vote by the Qualifying Secured Creditors on whether to take Enforcement Action and (ii) following the taking of Enforcement Action, (A) in relation to any Hedging Transaction arising under Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant Hedging Agreement) has been designated, the amount (if any) outstanding to the relevant Hedge Counterparty following such termination (as calculated in accordance with the terms of the Hedging Agreement) or, if the relevant Hedging Agreement has not been terminated (B) otherwise, the mark-to-market value of any transaction or transactions arising under any Hedging Agreement to the extent that such value represents an amount which would be payable to the relevant Hedge Counterparty if an Early Termination Date (as defined in the relevant Hedging Agreement) was designated at such time in respect of such transaction or transactions; and
- (e) the principal amounts outstanding under any other secured term loan facilities which are Authorised Credit Facilities at such time ranking *pari passu* with the above,

in each case, owed by an Obligor to the Qualifying Secured Creditors in their capacity as such.

**Quasi-Security** means in relation to an Obligor or any other member of the Group any of the following arrangements or transactions:

- (a) a sale, transfer or disposal of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
- (b) a sale, transfer or disposal of any of its receivables on recourse terms;
- (c) a purchase or acquisition of any asset by it which exceeds €1,000,000 (Indexed) in value where payment of the price is deferred and is secured by a lien over that asset (*privilège du vendeur impayé/ voorrecht van de onbetaalde verkoper*);

- (d) entry into any arrangement by it under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (e) entry into any other preferential arrangement by it having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

**quinquennium** has the meaning given to it on page 38 of this Offering Circular.

**Quorum Requirement** means:

- (a) in relation to an Ordinary Voting Matter, the percentage set forth in Clause 15.2 (*Quorum Requirement for an Ordinary Voting Matter*) of the STID;
- (b) in relation to an Extraordinary Voting Matter, the percentages set forth in Clause 16.2 (*Quorum Requirement for an Extraordinary Voting Matter*) of the STID; and
- (c) in relation to an Initial Enforcement Instruction Notice, a Further Enforcement Instruction Notice and a Direction Notice, the percentage set forth in Clause 19.3 (*Quorum and voting requirements in respect of an Initial Enforcement Instruction Notice and a Further Enforcement Instruction Notice*) of the STID.

**Quotation Day** means, in relation to any period for which an interest rate is to be determined, two Business Days prior to the start of that period unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Facility Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

**QQ2** has the meaning given to it on page 21 of this Offering Circular.

**QQ3** has the meaning given to it on page 21 of this Offering Circular.

**RAB** has the meaning given to it on page 68 of this Offering Circular.

**Rating Agencies** has the meaning given to it on page ii of this Offering Circular.

**Ratings Confirmation** means, in respect of a proposed action, a confirmation by the relevant Rating Agencies mandated by the Borrower from time to time (who give such Ratings Confirmations as a part of their mandate), in respect of each tranche of the relevant Bonds or (to the extent that such Relevant Securities are publicly rated) the Relevant Securities, to the effect that the then ratings on such tranche of Bonds or (to the extent that such Relevant Securities are publicly rated) the Relevant Securities would not be reduced below the lower of (a) the credit ratings of such Bonds as at their Issue Date or (b) the then current credit ratings (before the proposed action).

**RCE** has the meaning given to it on page 68 of this Offering Circular.

**RdG Project** has the meaning given to it in the 2017 STID Proposal, attached as Appendix 1 to this Offering Circular.

**RD/ITC 1992** has the meaning given to it on page 155 of this Offering Circular.

**RE Royal Decrees** means each of the Royal Decree 2001, the Royal Decree 2005, the Royal Decree August 2009 and the Royal Decree November 2009

**Real Property** means:

- (a) any freehold, leasehold or immovable property; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property.

**Receivables Pledge** means the Belgian law receivables pledge agreement dated on or about the Initial Issue Date between the Borrower, the other Obligors (together, the **Pledgors**) and Citibank Europe plc (as **Pledgee**), concerning the pledge of Receivables (as defined therein) by each of the Pledgors to the Pledgee.

**Redemption Amount** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Redemption Date** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Redemption Rate** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Redenomination Date** has the meaning given to it in Condition 18.1 (*Notice of redenomination*).

**Reference Banks** means the principal London offices of BNP Paribas Fortis SA/NV, Crédit Agricole Corporate and Investment Bank, Banco Santander, S.A. and Société Générale, London Branch and any other bank or financial institution appointed as such by the Facility Agent.

**Reference Date** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Reference German Bund Dealer** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Reference German Bund Dealer Quotation** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Reference Rate** has the meaning given to it in the applicable Final Terms.

**Registration Fee Account** means the registration fee account opened and maintained in the name of the Borrower with the Account Bank.

**Registration Fee Excess** means, at any time, any amount standing to the credit of the Registration Fee Account in excess of the Registration Required Amount.

**Registration Required Amount** means (a) until such time as the Facility Agent is satisfied that all outstanding under the Initial Authorised Credit Facilities Agreement have been fully and irrevocably paid or discharged and all commitments under the Initial Authorised Credit Facilities Agreement cancelled, the amount of Taxes, fees and costs necessary to register a mortgage and business pledge (on a non-cumulative basis) in accordance with the Mortgage Mandate and the Business Pledge Mandate for a secured amount equivalent to the lower of (i) the outstanding aggregate amount of Senior Permitted Financial Indebtedness and (ii) EUR 1,600,000,000, in each case less (without double counting) (A) the secured amount of the Mortgage and Business Pledge Agreement and (B) the secured amount under any mortgage or business pledge resulting from a conversion (partial or not) of the Mortgage Mandate and/or Business Pledge Mandate and (b) at any time after the Facility Agent is satisfied that all outstanding under the Initial Authorised Credit Facilities Agreement have been

fully and irrevocably paid or discharged and all commitments under Initial Authorised Credit Facilities Agreement cancelled, zero.

**Regulation S** has the meaning given to it on page i of this Offering Circular.

**Regulator** has the meaning given to it on page 38 of this Offering Circular.

**Related Party** means any Sponsor or direct or indirect shareholder of a member of the Group or, in each case, any person that is an affiliate of any such person that is not a member of the Group or a person acting for or on behalf of any of them, other than any such person to the extent that person is:

- (a) providing services to any member of the Group in the ordinary course of its business (including financial advisory services) on an arm's length basis; or
- (b) operating in any market in the ordinary course of its business that involves managing, buying or selling any assets, rights or revenues, including purchasing debt owed by an Obligor on arm's length terms,

subject to the person providing the services or operating in the market having in place appropriate information barriers and management structures to operate the relevant businesses in an independent manner.

**Relevant Debt** means, without double counting, the Senior Secured Debt (disregarding for these purposes the notional amount under any Hedging Agreement, the commitments under Facility B and Facility C, the commitments under any Liquidity Facility and any Financial Indebtedness arising under any Debt Service Reserve Letter of Credit).

**relevant Dealer** has the meaning given to it on page i of this Offering Circular.

**Relevant Factor** has the meaning given to it on page 30 of this Offering Circular.

**Relevant Implementation Date** has the meaning given to it on page 164 of this Offering Circular.

**Relevant Interbank Market** means the European interbank market.

**Relevant Interest Rate** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Relevant Member State** has the meaning given to it on page v of this Offering Circular.

**Relevant Percentage** has the meaning given to it in Clause 19.3(c) (*Quorum and voting requirements in respect of an Initial Enforcement Instruction Notice and a Further Enforcement Instruction Notice*) of the STID, and as summarised on pages 91 - 92 of this Offering Circular.

**relevant persons** means all persons to whom the Offering Circular is being disputed, such persons being persons who (i) are outside the UK; or (ii) are persons who have professional experience in matters relating to investments falling within Article 19 of the FPO; or (iii) are high net worth entities falling within Article 49(2)(a) to (d) of the FPO.

**Relevant Screen Page** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**Relevant Security** means any Institutional Private Placement Debt offered and sold by the Institutional Private Placement Issuer from time to time to one or more Institutional Accredited Investors who accede to the Common Documents under the relevant Authorised Credit Facility

(including, without limitation, note purchase agreements) in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) of such Act.

**Relevant Swap Mid Curve Rate** has the meaning given to it in Condition 6.2 (*Optional redemption*).

**Repayment Costs** means, in respect of the repayment or prepayment of all or part of a particular Senior Secured Debt, any make whole or redemption premium or other equivalent costs payable including any related swap termination amounts and break costs payable in connection with the repayment or prepayment of such Senior Secured Debt.

**Repeated Representations** means the representations set out in paragraphs 1 to 4 (inclusive) of Schedule 1 (*General Representations*) to the Common Terms Agreement.

**Representative** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**Representative Amount** has the meaning given to it in the applicable Final Terms.

**Request** means a request for utilisation of any Authorised Credit Facility.

**Reservations** means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable limitation laws (including the Limitation Acts), the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void, defences of set off or counterclaim; and
- (c) in respect of any Obligor incorporated in a particular jurisdiction any other general principles which are set out as qualifications as to matters of law in the legal opinions delivered to the Security Trustee under Schedule 1 (*Conditions Precedent*) of the Common Terms Agreement in relation to such jurisdictions and in respect of the Finance Document(s) to which such Obligor is a party.

**Reserved Matters** has the meaning given to it in Schedule 3 (*Reserved Matters*) to the STID.

**Reset Date** has the meaning given to it in Condition 5.3(b) (*Interest Rate*).

**Restricted Payment** means:

- (a) any payment (by way of loan or repayment of any loan or otherwise) (in cash or in kind) of a dividend or other distribution by the Borrower to an Excluded Group Entity;
- (b) any payment or repayment (by way of loan or repayment of any loan or otherwise) (in cash or in kind) of interest, principal or other charges under any Investor Funding Loan or any other Subordinated Liability; or
- (c) any loan (by way of loan or repayment of any loan or otherwise) (in cash or in kind) made by a Subsidiary of the Borrower which is not an Obligor to an Excluded Group Entity.

**Restricted Payment Condition** means:

- (a) no Default is subsisting or would result from making any proposed Restricted Payment;
- (b) the Borrower has delivered a Compliance Certificate confirming that no Lock-Up is subsisting or would result from making any proposed Restricted Payment, by no later than 20 calendar days prior to the proposed date on which such Restricted Payment is to be made and no Challenge Period or any re-started Challenge Period is continuing; and
- (c) the Debt Service Requirement is met.

**Royal Decree 2001** means the Royal Decree dated 30 December 2001 authorising the Belgian State to sell certain real property to Brussels International Airport Company SA (as BAC was then known) ("*waarbij de Staat wordt gemachtigd om onroerende goederen aan de naamloze vennootschap van publiek recht Brussels International Airport Company te verkopen*" / "*autorisant l'Etat à vendre des biens immeubles a la société anonyme de droit public Brussels International Airport Company*").

**Royal Decree 2005** means the Royal Decree dated 12 January 2005 authorising the Belgian State to sell certain real property to Brussels International Airport Company SA (as BAC was then known) ("*waarbij de Staat wordt gemachtigd om onroerende goederen aan de naamloze vennootschap van publiek recht Brussels International Airport Company te verkopen*" / "*autorisant l'Etat à vendre des biens immeubles a la société anonyme de droit public Brussels International Airport Company*").

**Royal Decree August 2009** means the Royal Decree dated 10 August 2009 authorising the Belgian State to sell certain real property to Brussels International Airport Company SA (as BAC was then known) ("*waarbij de Staat wordt gemachtigd om onroerende goederen aan de naamloze vennootschap van publiek recht Brussels International Airport Company te verkopen*" / "*autorisant l'Etat à vendre des biens immeubles a la société anonyme de droit public Brussels International Airport Company*").

**Royal Decree November 2009** means the Royal Decree dated 10 November 2009 authorising the Belgian State to sell certain real property to Brussels International Airport Company SA (as BAC was then known) ("*waarbij de Staat wordt gemachtigd om onroerende goederen aan de naamloze vennootschap van publiek recht Brussels International Airport Company te verkopen*" / "*autorisant l'Etat à vendre des biens immeubles a la société anonyme de droit public Brussels International Airport Company*").

**Runway Permit** means the environmental permit (*milieuvergunning*) required under Section 57 of the Flemish Environmental Permit Regulations (*Rubriek 57 van "Bijlage I bij het Besluit van de Vlaamse Regering betreffende de milieuvergunning - VLAREM I"*) to operate Brussels Airport in conformity to the Flemish Environmental Permit Statute ("*Decreet van 28 juni 1985 betreffende de milieuvergunning*").

**S&P** means Standard & Poor's Credit Market Services Europe Limited.

**Screen Rate** means the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period displayed on the EURIBOR 01 page of the Reuters screen. If the relevant page is replaced or the service ceases to be available, the Facility Agent (after consultation with the Borrower and the Secured Creditors) may specify another page or service displaying the appropriate rate.

**Screen Rate Determination** has the meaning given to it in Condition 5.3(b)(ii) (*Screen Rate Determination for Floating Rate Bonds*).

**SEC** has the meaning given to it on page i of this Offering Circular.

**Secured Creditor** means the Bondholders, the Facility A Lenders, the Facility B Lenders, the Facility C Lenders, the Hedge Counterparties, the Institutional Private Placement Debt Providers, the Security Trustee, the Liquidity Facility Agent, the Facility Agent(s), the Bond Trustee, the Principal Paying Agent, the Domiciliary Agent, the Agent Bank and any other entity which provides Senior Secured Debt to the Obligor under an Authorised Credit Facility and accedes to the STID as a Secured Creditor and the Common Terms Agreement as a Finance Party from time to time.

**Secured Creditor Claim** has the meaning given to it on page 27 of this Offering Circular.

**Secured Creditor Representative** means the representative of a Secured Creditor appointed in accordance with Clause 10 (*Appointment of Secured Creditor Representatives*) of the STID.

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

**Securities Act** has the meaning given to it on page i of this Offering Circular.

**Securities Settlement System** means the X/N clearing system operated by the National Bank of Belgium or any successor thereto.

**Security** means the security constituted by the Security Documents including any guarantee or obligation to provide cash collateral or further assurance thereunder.

**Security Document** means:

- (a) the Initial Security Documents;
- (b) the STID and each deed of accession thereto, together with any deed supplemental to the STID and referred to in the STID as a "Supplemental Deed"; and
- (c) any other document evidencing, expressed to create or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Secured Creditor in respect of the Senior Debt.

**Security Interest** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Security Trustee** has the meaning given to it on page 8 of this Offering Circular.

**Security Trustee Claim** has the meaning given to it on page 27 of this Offering Circular.

**Semi-Annual Financial Statements** means the financial statements delivered pursuant to paragraph 1(b) (*Financial Statements*) of Part 1 (*Information Covenants*) of Schedule 2 (*Covenants*) of the Common Terms Agreement.

**Senior Debt** means, at any time, the aggregate amount of all obligations of members of the Group in respect of Borrowings other than in respect of Subordinated Liabilities and including any accruals under any index-linked swap or similar instrument.

**Senior Discharge Date** means the date on which the Security Trustee is satisfied that all of the Senior Debt has been irrevocably discharged in full.

**Senior Permitted Financial Indebtedness** means Permitted Financial Indebtedness arising under any Authorised Credit Facility incurred by the Obligors.

**Senior Secured Debt** means any Senior Debt under any Authorised Credit Facility.

**Series** has the meaning given to it in the Terms and Conditions.

**SFPI/FPIM** means Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij.

**Share Pledge** means the Belgian law share pledge agreement dated on or about the Initial Issue Date between BAC (in their capacity as pledgor) and Citibank Europe plc (as pledgee) concerning the pledge by such pledgor to the pledgee over the pledgor's shares in DNB.

**Single Till** means the system for setting aeronautical charges, whereby aeronautical charges are set such that an airport operator achieves a fair return on all of its assets when considering all activities.

**Specified Currency** means, subject to any applicable legal or regulatory restrictions, euro, sterling, U.S. dollars and such other currency or currencies as may be agreed from time to time by the Borrower, the relevant Dealer, the Principal Paying Agent, the Domiciliary Agent and the Bond Trustee and specified in the applicable Final Terms.

**Specified Denominations** means in respect of a Series of Bonds, the denomination or denominations of such Bonds specified in the applicable Final Terms, with a minimum denomination of €100,000 (or the equivalent in other currencies at the date of issue of any Bonds).

**Specified Interest Payment Date** has the meaning given to it in Condition 5.3(a) (*Interest Payment Dates*).

**Specified Period** has the meaning given to it in the applicable Final Terms.

**Specified Time** means a time determined in accordance with Schedule 5 (*Timetables*) of the Initial Authorised Credit Facilities Agreement.

**Sponsor** means:

- (a) each Sponsor Entity;
- (b) any fund, partnership or other entity managed and controlled by any of the Sponsor Entities or their affiliates; and/or
- (c) any person who is a manager of any of the Sponsor Entities and their respective affiliates.

**Sponsor Entity** means each of Macquarie European Infrastructure Fund LP, Macquarie European Infrastructure Fund III LP and OTTP.

**Stabilising Manager** has the meaning given to it on page iv of this Offering Circular.

**Standby Drawing** means a drawing made under the Liquidity Facility Agreement or Debt Service Letter of Credit (as applicable), as a result of a Liquidity Facility Provider or Debt Service Letter of Credit Provider (as applicable) ceasing to be an Acceptable Liquidity Bank or in the event that the Liquidity Facility Provider or Debt Service Letter of Credit Provider (as applicable) fails to renew the facility at the end of its term.

**Sterling Bonds** has the meaning given to it in Condition 18.1 (*Notice of redenomination*).

**STID** means the security trust and intercreditor deed to be entered into by, among others, the Obligors and the Secured Creditors.

**STID Direct Voting Mechanic** means a mechanic for voting directly through the relevant Clearing System.

**STID Proposal** means a proposal or request made by the Borrower in accordance with the STID proposing or requesting that the Security Trustee concur in making any modification, giving any consent or granting any waiver under or in respect of any Common Document.

**STID Voting Request** means the request sent by the Security Trustee following receipt of a STID Proposal, promptly but no later than five Business Days thereafter, in respect of any Ordinary Voting Matter, Extraordinary Voting Matter or Entrenched Right to each Secured Creditor in accordance with the STID.

**Stock Exchange** means the Luxembourg or any other or further stock exchange(s) on which any Bonds may from time to time be listed, and references to the **relevant Stock Exchange** shall, in relation to any Bonds, be references to the Stock Exchange on which such Bonds are, from time to time, or are intended to be, listed.

**Stock Exchange Tax Representative** has the meaning given to it on page 153 of this Offering Circular.

**Subordinated Creditor** means any Subordinated Intragroup Creditor or any Investor Creditor.

**Subordinated Intragroup Creditor** means any member of the Group which accedes to the STID as a Subordinated Creditor in the form set out in part 4 (Form of Accession Memorandum (New Subordinated Creditor)) of Schedule 1 (Form of Accession Memorandum) to the STID.

**Subordinated Liabilities** means all present and future liabilities at any time of the Borrower to a Subordinated Creditor, in respect of any Financial Indebtedness (including Financial Indebtedness arising from any Investor Funding Loans).

**Subsidiary** means:

- (a) a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006; and
- (b) for the purposes of any Belgian company, a subsidiary within the meaning of Article 6.2 of the Belgian Companies Code.

**successor** means, in relation to the Principal Paying Agent, the Domiciliary Agent, the other Paying Agents, the Agent Bank and the Calculation Agent, any successor to any one or more of them in relation to the Bonds which shall become such pursuant to the provisions of the Bond Trust Deed and/or the Agency Agreement (as the case may be) and/or such other or further principal paying agent, domiciliary agent, paying agents, agent bank and calculation agent (as the case may be) in relation to the Bonds as may (with the prior approval of, and on terms previously approved by, the Bond Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the case of the Principal Paying Agent being within the same city as the office(s) for which it is substituted) as may from time to time be nominated, in each case by the Borrower and the Obligors, and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Bondholders.

**Supplemental Deed** means a deed supplemental to the STID entered into by the Security Trustee on its own behalf and on behalf of the Secured Creditors in the circumstances referred to in Clause 2.1 (*Accession of Additional Secured Creditor*) or Clause 3 (*Additional Finance Documents*) of the STID.

**T&T** has the meaning given to it on page 18 of this Offering Circular.

**TARGET 2 System** has the meaning given to it in Condition 5.3(a) (*Interest Payment Dates*).

**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) and Taxes, taxation, taxable and comparable expressions will be construed accordingly.

**Tax Credit** has the meaning given to it in the relevant ISDA Master Agreement.

**Total Accretion Amount** means, on each Calculation Date, the aggregate amount of all accretions to the notional principal amount of the Accreting Swaps.

**Total Commitments** means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments.

**Total Facility A Commitments** means the aggregate of the Facility A Commitments, being EUR 1,350,000,000 subject to application of the provisions of Schedule 8 (*Scale Back Mechanics*) of the Initial Authorised Credit Facilities Agreement.

**Total Facility B Commitments** means the aggregate of the Facility B Commitments, being EUR 250,000,000 at the date on which the Initial Authorised Credit Facilities Agreement is entered into.

**Total Facility C Commitments** means the aggregate of the Facility C Commitments, being EUR 50,000,000 at the date on which the Initial Authorised Credit Facilities Agreement is entered into.

**Tranche** has the meaning given to it in the Terms and Conditions.

**Transformation Decree** has the meaning given to it on page 64 of this Offering Circular.

**Treasury Transaction** means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index-linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any rate or price.

**Treaty** means the treaty establishing the European Communities.

**US Private Placement** means a private placement of Relevant Securities to Institutional Accredited Investors.

**Utilisation** means a Loan.

**Utilisation Date** means the date on which a Utilisation is made, being the date on which the relevant Loan is made or to be made.

**Utilisation Request** means a notice substantially in the form set out in Part 1 (*Utilisation Requests*) of Schedule 3 (*Utilisation Requests*) of the Initial Authorised Credit Facilities Agreement.

**Voted Qualifying Debt** means the Participating Qualifying Secured Creditors who actually voted in accordance with Clause 11.3 (*Participating Qualifying Secured Creditors*) of the STID.

**WACC** has the meaning given to it on page 39 of this Offering Circular.

**Working Capital** means on any date Current Assets less Current Liabilities.

**X-account** has the meaning given to it on page 154 of this Offering Circular.

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