Listing Prospectus (a prospectus within the meaning of part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended from time to time)

Société Régionale Wallonne du Transport SA

EUR 32,250,000 3.75 per cent. fixed rate bonds due 21 November 2029

Issue Price: 100 per cent.
Yield: 3.825279 per cent.
ISIN Code: BE6260484074 (the “2029 Bonds”)

EUR 10,000,000 3.90 per cent. fixed rate bonds due 21 November 2031

Issue Price: 100 per cent.
Yield: 3.958 per cent.
ISIN Code: BE6260485089 (the “2031 Bonds”)

(the 2029 Bonds and the 2031 Bonds are hereinafter referred to as the “Bonds”)

Issue Date: 21 November 2013

Application has been made for the Bonds to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange

Sole Lead Manager

BNP Paribas

The date of this document is 21 November 2013
Société Regionale Wallonne du Transport (SRWT), a public law limited liability company (société anonyme de droit public) organised under the laws of Belgium, having its registered office at 5100 Jambes, Avenue du Gouverneur Bovesse 96, registered with the Crossroads Bank for Enterprises under enterprise number 0242.069.339 (the Issuer or the Company) will issue the Bonds for an aggregate principal amount of EUR 42,250,000, i.e. EUR 32,250,000 for the 2029 Bonds, EUR and EUR 10,000,000 for the 2031 Bonds.

The 2029 Bonds will bear interest at the rate of 3.75 per cent. per annum (subject to Condition 4 (Interest) of the 2029 Conditions, as defined below) and the 2031 Bonds will bear an interest rate of 3.90 per cent. per annum (subject to Condition 4 (Interest) of the 2031 Conditions, as defined below). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates (as defined below) falling on, or nearest to, 21 November in each year. The first payment on the Bonds will occur on 21 November 2014 and the last payment on 21 November 2029, for the 2029 Bonds, and on 21 November 2031, for the 2031 Bonds.

The 2029 Bonds will mature on 21 November 2029 and the 2031 Bonds will mature on 21 November 2031.

The Bonds will be guaranteed by the Walloon Region (Région wallonne) (the Guarantor) pursuant to a guarantee declaration dated 20 November 2013 (the Guarantee).

BNP Paribas, London Branch (having its registered office at Harewood Avenue 10, NW1 6AA London, United Kingdom) (BNP Paribas) is acting as sole lead manager and as sole bookrunner (the Lead Manager). Belfius Bank SA/NV has been appointed as domiciliary and paying agent (the Agent).

The denomination of the Bonds shall be EUR 250,000.

This listing prospectus dated 21 November 2013 (the Prospectus) constitutes a prospectus for the purposes of Part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended from time to time (the Prospectus Act 2005). It does not constitute a prospectus pursuant to Part II of the Prospectus Act 2005 which implemented Directive 2003/71/EC (as amended by Directive 2010/73/EU of 24 November 2010) (the Prospectus Directive) into Luxembourg law and does not constitute a prospectus for purposes of Article 20 of the Law of 16 June 2006 regarding the public offer of investment instruments and the admission to trading of investment instruments on regulated markets (Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés) (as may be amended from time to time) (the Law of 16 June 2006).


The Issuer accepts responsibility for the information contained in this Prospectus.

Application has been made with the Luxembourg Stock Exchange for the admission to trading of the Bonds on the Euro MTF Market of the Luxembourg Stock Exchange. Upon admission, the Bonds will be listed on the official list of the Luxembourg Stock Exchange. References in this Prospectus to the Bonds being listed (and all related references) shall mean that the Bonds have been listed on and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the Euro MTF Market). The Euro MTF Market is a multilateral trading facility for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended. This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Bonds will be issued in dematerialised form in accordance with Article 468 of the Belgian Company Code and cannot be physically delivered. The Bonds will be represented by book entry in the records of the securities settlement system operated by the
National Bank of Belgium (the “NBB”) or any successor thereto (the “NBB Clearing System”). The Bonds can be held by their holders through participants in the NBB Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB Clearing System. The Bonds will be accepted for clearance through the NBB Clearing 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 (all as amended from time to time) and the rules of the NBB Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “NBB Clearing System Regulations”).

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. Where reference is made to the Conditions of the Bonds or to the Conditions in general, reference is made to each of the conditions of the 2029 Bonds (the 2029 Conditions) and the conditions of the 2031 Bonds (the 2031 Conditions) as included in the Prospectus at page 19 (2029 Conditions) and page 37 (2031 Conditions).

An investment in the Bonds involves certain risks (reference is made to the section “Risk Factors” at page 7). Each investor contemplating purchasing Bonds should make its own independent investigation of the condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor.
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IMPORTANT NOTICE

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Bonds or any information supplied by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Lead Manager.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Lead Manager to any person to subscribe for or to purchase any Bonds.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. The Issuer and the Lead Manager do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Lead Manager which is intended to permit a public offering of any Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisements or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States and the United Kingdom. For a further description of certain restrictions on offering and sale of the Bonds and on distribution of this Prospectus, see below under section "Subscription and Sale".

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and will only be sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and, absent registration under the Securities Act, may only be offered or sold in the United States to an available exemption from such registration requirements.

In this Prospectus, all references to "euro" and "€" refer to the 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.

This Prospectus may be used only for the purposes for which it has been published.
RISK FACTORS

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

(A) understands that the income generated by the transport activities of the Issuer only covers approximately 30% of its expenses. The balance is covered by subsidies received from the Walloon Region (which is also the Guarantor). These subsidies are defined in a public service contract entered into between the Issuer and the Walloon Region that is extended every five years (the current contract expires in 2017). Any non-compliance by the Walloon Region with its obligations in terms of subsidies under the public service contract or any decrease of the amount of the subsidies upon renewal of the public service contract may have an impact on the financial situation of the Issuer and affect its ability to repay the Bonds.

(B) has sufficient knowledge and experience to understand the specific merits and risks of a public law entity such as the Issuer and a sovereign entity such as the Guarantor as regards, inter alia, the impact of the general economic climate on the Belgian banks and on the future financing needs of the Issuer and sovereigns (such as the Walloon Region), the current challenges of sovereigns of the Euro zone, the possible difficulty to obtain or enforce judgments against public law entities as the Issuer and sovereign regions as the Guarantor and the precise scope of the “butterfly agreement” (the 6th State Reform in Belgium) (the “Butterfly Agreement”) and its impact on the competence transfers and on the new finance act;

(C) has 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 or incorporated by reference in this Prospectus or any applicable supplement;

(D) has access to, and knowledge of, 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;

(E) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, where the currency for principal or interest payments is different from the potential investor's currency;

(F) understands thoroughly that the value of the Bonds may be affected by the creditworthiness of the Issuer or the Guarantor and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events, including factors affecting capital markets generally and the stock exchange(s) on which the Bonds are traded;

(G) understands thoroughly that in the event of a default by the Issuer and the Walloon Region, they might not receive the amounts to which they would have been entitled to and could lose all or part of the capital invested;

(H) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices, credit risks and financial markets; and
understands that the Guarantee granted by the Walloon Region as Guarantor only relates to the payment of principal and interest due under the Bonds upon acceleration of the Bonds following an Event of Default and not to any other amounts, if any, that may be due under the Bonds, and further understands that, upon a call on the Guarantee, the effective payment by the Guarantor to a Bondholder of any sums due under the Guarantee may be subject to delays, as a result of the administrative procedures that must be complied with by the Guarantor.

is able to fully 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.

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

Secondary market prices of bonds are affected by many factors, including prevailing interest rates and expectations thereof. Bonds- especially long-dated bonds- may therefore trade periodically at prices below their issue prices, implying a loss for bondholders who dispose of bonds prior to their stated maturity. In addition, bondholders may find it difficult to sell bonds prior to their stated maturity at a price that reflects the bondholder's opinion of the “fair value” of the bonds. They may find that no dealer, or only the dealer from whom they originally bought the bonds, is prepared to quote a price to buy bonds in the secondary market. This is likely to be the case to a greater extent for bonds with a relatively small aggregate outstanding amount.

Prospective investors are urged to consult their own tax advisers concerning the detailed and overall tax consequences of acquiring, redeeming and or disposing of the Bonds. Investors should note that the Conditions of the Bonds include a tax gross-up provision only in certain situations. Prospective investors should note that the Conditions of the Bonds contain provisions for meetings of Bondholders that 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 risks described above are not the only ones that the Issuer or the Walloon Region face or that relate to an investment in the Bonds. Additional risks whether or not currently known to the Issuer may also adversely affect it. Many of these risks are interrelated and occur under similar economic conditions, and the occurrence of certain of them may in turn cause the emergence, or exacerbate the effect, of others. Such a combination could materially increase the severity of the impact on the Issuer or the Walloon Region. As a result, should certain of these risks emerge, the Issuer or the Walloon Region may need to raise additional funds through borrowing in the internal or external capital markets, and there is no assurance that the Issuer or the Walloon Region will be able to borrow needed funds on terms that it considers acceptable or at all.
DESCRIPTION OF THE ISSUER

1. DESCRIPTION OF THE ISSUER

1.1 Legal Form

The Issuer is a public limited liability company (société anonyme de droit public) established by the Decree of the Walloon Region of 21 December 1989 regarding the public transport of people in the Walloon Region.

1.2 Registered offices

The registered offices of the Issuer are located at 5100 Namur (Jambes), 96 Avenue Gouverneur Bovesse, Belgium.

1.3 Crossroad Bank for Enterprises

The Issuer is registered with the Crossroads Bank for Enterprises (Banque-Carrefour des Entreprises) under the number 0242.069.339.

1.4 Activities of the Issuer

(a) Public transport in the Walloon Region

Since 1991, the public transport sector in Belgium is organised per region (Région) by way of different companies:

- DE LIJN: bus, tram, light metro lines.
- STIB: bus, tram, metro.
- TEC group (five operational companies headed by SRWT): bus, light metro.
SRWT was incorporated by a Decree of the Walloon Region of 21 December 1989 regarding the public transport of people in the Walloon Region.

In 2010, the TEC group was designated by the Walloon Region (by decision of 20 July 2010) as internal operator in charge of providing, in accordance with Regulation (EC) 1370/2007, public passengers transport services, by land, on the territory of the Walloon Region:

- **The activities for which the TEC group was assigned exclusive rights consist of:**
  - Regular public passenger transport services;
  - Specialised public passenger transport services that, in addition to regular public transport, ensure school transport services.

- **The activities assigned to the TEC group without exclusive rights consist of:**
  - Specialised regular public passenger transport services that (in addition to regular public transport) provide specialised transport for the disabled, contracted with TEC group;
  - The alternative public transport services, *i.e.*:
    - the local bus services;
    - on-demand, localised transport services; and
    - specialised regular transport services that provide transportation services to areas of economic activity.
  - The activities developed by the TEC group in its capacity as mobility manager.

A public service contract (within the meaning of Regulation (EC) 1370/2007) has taken effect on 18 November 2013 between the Walloon Region and the TEC group. This contract specifies and details, in a clear manner, the public service obligations relating to the TEC group’s activities. In addition, this contract sets out the terms for the calculation, and the payment, of the financial compensation to be paid by the Walloon Region to the TEC group as consideration for their services in the period 2013-2017.

(b) **Organisation**

The shareholders of SRWT are for 99.55% public authorities, *i.e.* for 49.21% by the Walloon Region, for 28.46% by the Belgian provinces and for 21.88% by the municipalities. The remainder of the shares (*i.e.*, 0.45%) is held by private shareholders.
(c) Missions

Role of the Walloon Region in its capacity as competent authority:

- Issues regulations;
- Sets the rate structures, upon proposal by SRWT;
- Decides on infrastructure investment programs, upon proposal by SRWT;
- Appoints representatives in the appropriate bodies;
- Financial activities comprise:
  - operating deficit (operating subsidy);
  - expenses related to operational investments: depreciations, financial expenses related to borrowings by SRWT to finance these investments and rent payments (subsidy for operating investments); and
  - infrastructure investment (capital subsidy).

Role of the Walloon Public Service (*service public de Wallonie*):

- Proposes, through intermediation of its operational General Directorate of Mobility and Waterways, the regional policy to the competent minister regarding matters of transport, as well as its transposition into Walloon law, and specifies the financial resources for such policy;
- Provides, manages and controls the licenses to operate a passenger transport service, and oversees the implementation of the regulations on passenger transport, as well as the technical requirements applicable to transportation;
- Supervises school transportation in the Walloon Region through:
• guaranteeing the right to transport;
• making sure that parents have free choice;
• executing the internal transportation of pupils of the schools of the French Community (Communauté française) in Belgium; and
• ensuring, in respect of school bus pickups, the accompaniment of pupils in primary schools and special education.

Role of SRWT in its capacity as coordinator of the global activities of the TEC group:

As coordinator of the global activities of the TEC group, SRWT

• Submits the rate structure and the infrastructure investment program to the Walloon government, for approval.
• Realises infrastructure investments (civil engineering works, rail and road infrastructure, stations, …)
• Coordinates and controls the activities of the five operational companies of the TEC group, in the regional interest and in order to generate economies of scale in matters such as:
  • commercial policies (choice of logo, passenger information strategy, …)
  • human resource management (definition of common pay scales, negotiations with unions, …)
  • bulk purchases (buses, diesel, …)
  • contract loans or issue bonds on behalf of the TEC entities with a view to funding the operational investments (buses, trams, workshops, warehouses, light metro extension, …)
  • social security commitments management of the group (supplemental pensions, illness, …)
  • internal audit mission (monitoring and evaluating common procedures)

The 5 TEC operational companies

The 5 TEC operational companies are responsible for establishing and operating the transport network within the scope of operations that has been entrusted to them.

1.5 Financing of the TEC group

In addition to the revenues from transport services, the TEC group receives financial compensations from the Walloon Region to fund the implementation of its public service obligations.

(a) Compensation for general public services

(i) Nature of the compensation

The Walloon Region grants the TEC group an annual general compensation that covers:
• On the one hand, the operational costs relating to the execution of its public service obligations, *i.e.* the net financial effect, which is equivalent to the sum of the positive and the negative effects, relating to:
  
  • Regular transport services;
  • School transport;
  • Disabled transport;
  • Alternative transport;
  • Tasks in respect of mobility management;

• On the other hand, the financing of expenses (interest expense, rent and depreciation) of operational investments (rolling stock, collection systems, transmission systems, traffic control systems and safety systems (except in respect of metro), buildings (administrative buildings, workshops and depots), equipment and, in general, any means necessary to accomplish the missions of the TEC group other than infrastructure investments), *i.e.*:
  
  • expenses related to prior commitments, as reflected in the accounts of SRWT and the five operating companies, as well as the shortfall, in terms of financial income, resulting from the integration in the context of these capital commitments by SRWT and the operating companies, in the form of working capital;
  
  • expenses related to investments in resources and tools of production, made by SRWT for the operating companies for the year and the shortfall, in terms of financial products, resulting from the injection of capital by the operational companies in the form of working capital of these investments.

(ii) Evolution of the compensation

The amount of the general compensation, after adjustment of the 2013 budget of the Walloon Region, amounts to EUR 406,112,000 for 2013 (including the necessary additions for the operation of the Gosselies antenna of the light metro of Charleroi)

For the years 2014, 2015, 2016 and 2017, the amounts are determined using the following principles:

• *For the year 2014*: the amount of the general compensation is currently estimated at EUR 410,489,000.

• *For the year 2015*: the general compensation is obtained by multiplying the amount for 2014 via the formula $(1 + (i + 1 \% (x) \times i))$ and adding a lump sum compensation of EUR 4.5 million.

• *For the year 2016*: the general compensation is obtained by multiplying the amount for 2015 via the formula $(1 + (i + 1 \% (x) \times i))$ and adding a lump sum compensation of EUR 3 million.

• *For the year 2017*: the general compensation is obtained by multiplying the amount for 2016 via the formula $(1 + (i + 1 \% (x) \times i))$. 


In each case:

\[ i = \text{rate of change in the annual health index}; \]

\[ x = \frac{\text{(the rate of change of the index of consumer prices - rate of change of the health index)}}{\text{rate of change in the annual health index}} \]

In the event of budget adjustments, the initial allocation will be reviewed in the light of developments in the health index and the index of consumer prices.

(b) Compensations for specific public services for covering social obligations

Pursuant to the Decree of 3 March 2011 on the coverage of social obligations of SRWT and its operating companies, a specific public service compensation purports to cover the social obligations of SRWT and its operating Companies, i.e.:

- Funding, through the operating account of SRWT, of the agency for pension funding or of the group insurance of the different supplementary pension systems, and the annuities prior to or after retirement, applicable to the staff of SRWT and its operating companies;
- Disability payments to the former SNCV social assistance recipients;
- Payments to employees who have reached 55 or 58 years of age, falling within the scope of collective agreements on the organisation of a payment plan supplementary to unemployment benefits, for the benefit of certain terminated workers.

Each year the Walloon Region awards SRWT a compensation to cover the total cost of its social commitments as set out above, based on the following mechanism:

The estimated amount for the year N +1 is estimated by SRWT on the basis of projected costs which SRWT will bear over the year N +1. In the month of May of each year, SRWT provides the Walloon Region with its multi-annual budget projections and the estimated level of compensation for the year N +1.

To adjust the projected compensation for the year N +1, SRWT informs the Walloon Region, no later than 31 May of the year N +1, of the observed deficit between the actual costs incurred and the compensation received during the year N. The Walloon Region adjusts the amounts to be paid during the second half of the year N +1, by reduction or increase of the corresponding compensation.

The compensation is paid in four instalments within the first 20 days of the first month of the relevant calendar quarter.

1.6 The TEC group in numbers (2012)

- 5020 employees (including more than 3,100 drivers)
- 1409 standard buses, 290 articulated buses, 104 minibuses and midibuses, and 44 trams (light metro Charleroi)
- 119,767,510 km travelled on 706 lines, counting 18,473 stops (per direction)
- 70 warehouses, workshops and service centers
• 295 million passengers carried
• €128,045,000 revenues from transportation

**Evolution of the number of passengers:**

Since 2000, the TEC group’s clientele has increased by almost 100%.

**Website**

http://www.infotec.be

### 1.7 Investment policy

The principal operational investments of the Issuer in the last three financial years are in rolling stock (standard buses, articulated buses, midibuses, trams for the Charleroi network), buildings (administrative buildings, workshops and depots) and equipment installed in vehicles. Additionally, from 2008 to 2013 important investments were made for finalising the extension of the light metro of Charleroi.

### 1.8 Information concerning administration, management and supervision

(a) **Board of Directors**

<table>
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<th>Other activities</th>
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</table>
| VANDENBROUCKE Jean-Marc  
Avenue des Combattants 111, 1340 Ottignies, Belgique | N/A |
| URBAIN Vincent  
Rue E. Vandervelde 32, 7080 Frameries, Belgique | N/A |
| BOURLARD Vincent  
Rue du Grand Pré 10, 4130 Tilff, Belgique | Directeur-général of SNCB Holding |
| BOVERIE Luc  
Rue des Vallées 1, 1320 Beauvechain, Belgique | Private secretary of the Walloon Region Minister of Finance |
| CABIAUX Dominique  
Rue du Carabinier 26, boîte 1, 6043 Ransart, Belgique | Secretary CSC Services publics |
| CHARLIER Philippe | Government Commissioner of the Université |
(b) Management

VANDENBROUCKE Jean-Marc ; and

URBAIN Vincent

(c) Government Auditors (Commissaires du Gouvernement)

MOSSAY François, Avenue Gevaert 58, 1332 Genval, Belgique; and

CASTAGNE Didier, Rue Julien Lahaut 6, 4000 Liège 1, Belgique

(d) College of Statutory Auditors

The Statutory Auditors of the current college of statutory auditors have been appointed by the Walloon government on 12 December 2011(see Moniteur Belge 12/12/2011 Ed.2 réf. 2011/206150 p.73040).

S.c.P.R.L. MOORE STEPHENS – RSP

Represented by Mr Axel Dumont

Registered offices: 151 Rue des Vennes, 4020 Liège, Belgium

Enterprise number : 0428.161.463
1.9 Annual Accounts of the Issuer

This Prospectus should be read and construed together with the consolidated annual accounts of the Issuer for the financial year ending on 31 December 2012, which is available on the website of the Issuer at http://www.infotec.be/Professionnels/Investisseurs.aspx, and which shall be deemed to be incorporated in, and to form part of, this Prospectus.

The annual report of the College of Statutory Auditors (as listed above in section 1.8(c)) on the annual accounts of the Issuer for the financial year ending 31 December 2012 contains the following qualification (free English translation of a French original1):

“The commitments in respect of all personnel of the group concerning supplementary pension and annuities that are not transferred to, or covered by, the Institution for professional pensions TEC Pension, as well as the social commitments related to, on the one hand, the extra-legal pre-pension regime and, on the other hand, the additional disability regime for the benefit of the former SNCV social assistance recipients, are not covered by accounting reserves prescribed by Article 54 of the Royal Decree of 30 January 2001 executing the Belgian Company Code. Conversely, the corresponding global claim, resulting from the provisions of the Decree of 3 March 2011 regarding the coverage of social commitments by the Société régionale wallonne du Transport public and its operational companies, and contemplating the annual grant, to the Société régionale wallonne du Transport public, of a subsidy to cover the total cost of the social commitments referred to above, is not recorded in the consolidated annual accounts at 31 December 2012.

1 Original French text: “Les engagements à l'égard de l'ensemble du personnel du groupe en matière de pension complémentaire et de rente de survie, non transférés à ou non provisionnés par l'Institution de retraite professionnelle TEC PENSION, de même que les engagements sociaux liés au régime extralégal de prépension d'une part, et au régime d'allocation complémentaire d'invalidité au profit des agents de l'ex-S.N.C.V. d'autre part, ne sont pas couverts par des provisions comptables dont la constitution est prescrite par l’article 54 de l’arrêté royal du 30 janvier 2001 portant exécution du Code des sociétés. À l'inverse, la créance globale correspondante, résultant des dispositions du décret du 3 mars 2011 relatif à la couverture des engagements sociaux de la Société régionale wallonne du Transport public et des sociétés d’exploitation, et visant l’attribution annuelle, à la société régionale, d’une subvention en vue de couvrir le coût total des engagements sociaux visés, n’est pas comptabilisée dans les comptes consolidés au 31 décembre 2012. Le montant estimé de l’ensemble des engagements non provisionnés et de la créance dont question au paragraphe précédent devrait atteindre un montant avoisinant 180 millions d’euros. Pour plus de clarté, nous précisons que la portée de la présente réserve n’a pas d’incidence sur le résultat consolidé et se limite à la présentation du bilan consolidé, dont les rubriques des créances à plus d’un an et des provisions pour risques et charges sont sous évaluées à raison du montant susmentionné.”
The estimated aggregate amount of the uncovered commitments and the receivable referred to in the preceding paragraph should amount to approximately EUR 180 million.

For reasons of clarity, we specify that the scope of this qualification does not impact on the consolidated results and is limited to the presentation of the consolidated balance sheet, of which the sections relating to receivables of more than one year and to provisions for risks and expenses are undervalued in amount of this aforementioned amount.

In our opinion, and subject to the impact of this qualification on the consolidated accounts, the consolidated annual accounts for the financial year ending on 31 December 2012 provide for an accurate view of the assets, the financial situation and the results of the consolidated total, in accordance with the applicable accounting standards in Belgium.”

The Issuer has taken note of this qualification but has considered that no change should be made to the presentation of the annual accounts of the Issuer, taking into account the public nature of the activities and the past and consistent presentation of the accounts.
TERMS AND CONDITIONS OF THE 2029 BONDS

The following is the text of the Terms and Conditions of the 2029 Bonds save for the paragraphs in italics that shall be read as complementary information.

Where this section “Terms and Conditions of the 2029 Bonds” refers to a “Bond” or to “Bonds”, it is understood that these terms relate only to the 2029 Bonds and not, for the avoidance of any doubt, to the 2031 Bonds referred to in this Prospectus.

Société Regionale Wallonne du Transport, a public limited liability company of public law (société anonyme de droit public), with registered seat at 5100 Jambes, Avenue du Gouverneur Bovesse 96, registered with the Crossroads Bank for Enterprises under enterprise number 0242.069.339 (the “Issuer”) has decided to issue bonds for a total aggregate nominal amount of €32,250,000 (the “Bonds” and each of them a “Bond”) on 21 November 2013 (the “Issue Date”) in accordance with the resolution of its Administrateur général of 7 November 2013 further to a delegation of powers granted by the Board of Directors of the Issuer dated 12 December 2012.

The payment of all amounts relating to principal or interest due under the Bonds is guaranteed by the Walloon Region.

A domiciliary and paying agency agreement has been entered into between the Issuer, the Guarantor and Belfius Bank SA/NV, acting as domiciliary and paying agent (the “Agent”), which expression shall include any successor Agent under the Agency Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) on 20 November 2013 in relation to the Bonds. A copy of the Agency Agreement is available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at B-1000 Brussels, Boulevard Pacheco 44. The Bondholders are bound by and deemed to have notice of all provisions of the Agency Agreement applicable to them.

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

1. FORM, DENOMINATION AND TITLE

The Bonds are in dematerialised form in accordance with Article 468 of the Belgian Company Code and cannot be physically delivered. The Bonds will be represented by book entry in the records of the securities settlement system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “NBB Clearing System”). The Bonds can be held by their holders through participants in the NBB Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB Clearing System. The Bonds are accepted for clearance through the NBB Clearing 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 (all as amended from time to time) and the rules of the NBB Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “NBB Clearing System Regulations”). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into bonds in bearer form.

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.

The Bonds are in principal amounts of €250,000 each (the “Specified Denomination”) and can only be settled through the NBB Clearing System in nominal amounts equal to that denomination or integral multiples thereof.

2. GUARANTEE

The Walloon Region, as referred to in Article 3 of the Belgian Constitution (the “Guarantor”) has unconditionally and irrevocably guaranteed the payment of all sums in relation to principal and interest due under the Bonds. Its obligations in that respect (the “Guarantee”) are set out in Schedule 1 to these Conditions and in a schedule to the Agency Agreement.

3. STATUS

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves and equally with all other existing and future unconditional, unsubordinated and unsecured obligations of the Issuer. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

4. INTEREST

The Bonds bear interest from and including 21 November 2013 at the rate of 3.75 per cent. per annum (subject as provided in Condition 5(c) (Redemption at the Option of Bondholders upon a Change of Control), payable annually in arrears on 21 November in each year (each an “Interest Payment Date”). Each Bond will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of the day on which all sums due in respect of such Bond up to that day are paid by the Issuer to the Agent for the benefit of the Bondholders.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 21 November 2013 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “Interest Period”.

Interest in respect of any Bond shall be calculated per Specified Denomination. The amount of interest payable per Specified Denomination for any period shall be equal to the product of 3.75 per cent. (subject as provided in Condition 5(c) (Redemption at the Option of Bondholders upon a Change of Control)), the Specified Denomination and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).
5. **REDEMPTION AND PURCHASE**

(a) *Final redemption:* Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 21 November 2029 (the “Maturity Date”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 5(b) (*Redemption for taxation reasons*).

(b) *Redemption for taxation reasons:* The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable in accordance with Condition 11 (*Notices*)) at their principal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Issuer shall redeem the Bonds on the date specified in the notice referred to in this Condition 5(b).

(c) *Redemption at the Option of Bondholders Upon a Change of Control:*

(i) *Exercise of Put Option*

In the event that a Change of Control occurs then each Bondholder, at its own initiative, will have the right to require the Issuer to redeem all or part of the Bonds held by such Bondholder on the Change of Control Put Date at the Put Redemption Amount (as defined below). The Issuer may not refuse to redeem the Bonds, subject to compliance with the procedure described hereunder. If Bondholders exercise such right in respect of at least 85 per cent. of the aggregate principal amount of the Bonds outstanding at that time, then the Issuer may redeem all outstanding Bonds as set out here below.

To exercise such right, the relevant Bondholder must, during the Change of Control Put Exercise Period, deposit a duly completed put option notice (a “*Change of Control Put Exercise Notice*”), substantially in the form as set out in Schedule 2, with the bank or other financial intermediary through which the Bondholder holds Bonds (the “*Intermediary*”), requesting that the Intermediary (i) deliver the Change of Control Put Exercise Notice to the Agent, (ii) liaise with the Agent to organise the early redemption of such Bonds pursuant to this Condition 5(c) and (iii) transfer the relevant Bond(s) to the account of the Agent. Upon receipt of such Change of Control Put Exercise Notice, the Agent shall deliver a duly completed receipt for such Change of Control Put Exercise Notice (a “*Put Exercise Receipt*”) to the depositing Bondholder and provide a copy of the Change of Control Put Exercise Notice to the Issuer. The Agent will inform the Issuer of the total amount of Bonds subject to Change of Control Put Exercise Notices no later than the fifth TARGET Business Day following the end of the Change of Control Put Exercise Period. The Issuer will not be liable for any inaction or late action of an Intermediary or the Agent and any fees charged by the Intermediary
and/or the Agent in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholders.

The “Change of Control Put Date” shall be the 14th TARGET Business Day after the last day of the Change of Control Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to an euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

Bondholders should note that the exercise by any of them of the option set out in Condition 5(c)(i) will only be effective under Belgian law if, prior to the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Namur (greffe du tribunal de commerce/griffie van de rechtbank van koophandel). The Issuer has undertaken pursuant to Condition 5(c)(ii) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of shareholders of the Issuer scheduled to be held on 11 June 2014 and to file a copy of the resolution as aforesaid by no later than 31 July 2014. If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in this Condition 5(c)(i). There can be no assurance that such approval will be granted at such meeting.

If, as a result of this Condition 5(c)(i), Bondholders submit Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds outstanding at that time, the Issuer may, having given not less than 15 nor more than 30 calendar days’ notice to the Bondholders in accordance with Condition 11 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition 5(c):

“Put Redemption Amount” means 100 per cent. of the principal amount of each Bond (together with interest accrued to (but excluding) the relevant repayment date).

(ii) Change of Control Notice

Within 10 TARGET Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 11 (Notices) (a “Change of Control Notice”). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 5(c)(i).

The Change of Control Notice shall also specify:

- the nature of the Change of Control;
- the last day of the Change of Control Put Exercise Period;
- the Change of Control Put Date; and
the Put Redemption Amount.

(iii) If the Change of Control Resolutions are not passed

If by not later than 31 July 2014 (the “Long Stop Date”):

- the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the shareholders of the Issuer; or

- the Change of Control Resolutions have not been duly filed with the clerk of the commercial court of Namur (greffe du tribunal de commerce/griffie van de rechtbank van koophandel);

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum, up to (and including) the last day of the Interest Period during which the Change of Control Resolutions have been approved by the general meeting of shareholders of the Issuer and have been duly filed with the clerk of the commercial court of Namur.

The Issuer shall use all reasonable endeavours to procure that the Change of Control Resolutions are approved by a resolution of the shareholders of the Issuer at its next general meeting, and in connection therewith to propose the Change of Control Resolutions at the next general meeting of the shareholders of the Issuer scheduled to be held on 11 June 2014, and undertakes to, immediately following approval of such resolutions, file a copy thereof with the clerk of the commercial court of Namur (greffe du tribunal de commerce/griffie van de rechtbank van koophandel).

For the purposes of this Condition 5:

“Change of Control” shall be deemed to have occurred if the Issuer ceases to be controlled within the meaning of Articles 5 through 9 of the Belgian Company Code by the Guarantor or by any other Public Entity;

“Change of Control Put Exercise Period” means the period commencing on the date of a Change of Control and ending 60 calendar days following the Change of Control, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 5(c)(ii);

“Change of Control Resolutions” means one or more resolutions duly passed, approved or adopted at a general meeting of shareholders of the Issuer approving the provisions of Condition 5(c)(i);

“Public Entity” means (i) each of the Belgian State, Regions, Communities, the provinces and municipalities; and (ii) any entity that is directly or indirectly controlled, within the meaning of Articles 5 through 9 of the Belgian Company Code, by any of the entities referred to in (i) or any combination thereof.

“TARGET Business Day” means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;

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

“TARGET System” means the TARGET2 system.
(d) **Purchase**: Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

(e) **Cancellation**: All Bonds which are redeemed will be cancelled and may not be re-issued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary, or cancelled.

6. **PAYMENTS**

(a) **Method of Payment**: Without prejudice to Article 474 of the Belgian Company Code, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the NBB Clearing System in accordance with the NBB Clearing System Regulations. Each payment in respect of the Bonds pursuant to this Condition 6 will be made by transfer to an euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(b) **Payments subject to laws**: All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (**Taxation**). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payments on TARGET Business Days**: If any date for payment in respect of the Bonds is not a TARGET Business Day, the holder shall not be entitled to payment until the next following TARGET Business Day nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

7. **TAXATION**

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable 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, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Bond; or

(b) **Payment to individuals**: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or any agreement between the EU and any other country or territory providing for similar measures; or

(c) **Non-Eligible Investor**: to a Bondholder, who at the time of issue 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 issue 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

(d) **Conversion into registered securities**: to a Bondholder who is liable to such taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB Clearing System.

8. **EVENTS OF DEFAULT**

If any one or more of the following events (each an “**Event of Default**”) shall occur, any Bondholder may give written notice to the Issuer at its registered office with a copy to the Agent that any of the Bonds held by it is immediately due and repayable, at its principal amount together with accrued interest (if any) to the date of payment, without further formality, unless such event shall have been remedied prior to the receipt of such notice by the Agent or within the relevant periods specified here below:

(i) **Non-payment**: the Issuer fails to pay the principal of or any interest on the Bonds when due and such failure continues for a period of 7 calendar days in the case of principal and 14 calendar days in the case of interest; or

(ii) **Breach of other obligations**: default is made in the performance of, or compliance with, any obligation of the Issuer or the Guarantor in respect of the Bonds (other than non-payment as described under (i) above) and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default shall not have been remedied within 30 calendar days after receipt by the Issuer of written notice from any Bondholder of such default requiring the default to be remedied; or

(iii) **Cross-Acceleration**: any other present or future Financial Indebtedness of the Issuer, any Material Subsidiary or the Guarantor (i) becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (however described) or (ii) is not paid when due or within any applicable grace period or (iii) the Issuer, any Material Subsidiary or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness, provided that in each case the aggregate amount of the relevant Financial Indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceed €5,000,000 in respect of the Issuer and any Material Subsidiary and €30,000,000 in respect of the Guarantor or its equivalent in any other currency; or

(iv) **Security Enforced**: any security interest such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that in each case the aggregate amount of indebtedness in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds €5,000,000 in respect of the Issuer and any Material Subsidiary; or

(v) **Enforcement Proceedings**: an executory attachment (saisie execution/uitvoerend beslag) or other similar legal process is enforced upon or against all or a material part of the property, assets or revenues of the Issuer or any Material Subsidiary having an aggregate value of €5,000,000 in respect of the Issuer and any Material Subsidiary and is not discharged or stayed within 60 calendar days; or

(vi) **Insolvency and insolvency proceedings**: 

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(a) the Issuer or any of its Material Subsidiaries becomes insolvent or is declared bankrupt (*est déclaré en faillite / wordt failliet verklaard*) or is unable to pay its debts as they fall due (cessation de paiement/staking van betaling); or

(b) the Issuer or any Material Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including the Belgian Law of 8 August 1997 on bankruptcy proceedings and the Belgian Law of 31 January 2009 regarding judicial reorganisation), or

(c) a petition has been filed with a court for the bankruptcy or any other insolvency petition has been filed in respect thereof, provided that no Event of Default under this paragraph will occur if the Issuer or the relevant Material Subsidiary (acting reasonably and in good faith) promptly disputes any such petition, proceedings or actions before a court as being unsubstantiated or vexatious and the proceedings initiated on the basis of such petition are dismissed within 45 days after their commencement, or

(d) the Issuer or any Material Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts; or

(e) the Issuer or any of its Material Subsidiaries proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or agreed in respect of all or any part of (or of a particular type of) the debts of the Issuer or of any Material Subsidiary (including judicial reorganisation (*réorganisation judiciaire/ gerechtelijke reorganisatie*), as applicable); or

(vii) **Winding-up:** an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any Material Subsidiary or a liquidator is appointed in case of voluntary liquidation of the Issuer or any Material Subsidiary (except in the case of a voluntary winding-up of any Material Subsidiary with a redistribution of its assets within the Group), or the Issuer or any Material Subsidiary ceases to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the Bondholders or (ii) in the case of a Material Subsidiary, whereby the undertakings and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another subsidiary; or

(viii) **Guarantee:** the Guarantee is not (or is claimed by the Issuer or the Guarantor not to be) in full force and effect; or

(ix) **Illegality:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any or more of its obligations under any of the Bonds or the Guarantee;

In these Conditions:

**“Financial Indebtedness”** means any financial indebtedness as referred to in item 170/4 and item 43 of the consolidated annual accounts of the Issuer, from time to time, as per the model of its consolidated annual accounts for the year ending on 31 December 2012 (any such annual accounts being consultable on the website of the NBB).

**“Group”** means the Issuer and its subsidiaries within the meaning of Article 6 of the Belgian Company Code, taken as a whole;

**“Material Subsidiary”** means
(a) any company or entity (i) that is controlled by the Issuer within the meaning of Articles 5 through 9 of the Belgian Company Code and (ii) the turnover of which represents not less than 10 (ten) per cent. of the consolidated turnover of the Issuer as calculated respectively by reference to the most recent financial statements (consolidated or, as the case may be, unconsolidated) of the relevant company or entity and the then latest audited consolidated financial statements of the Issuer, provided that in the case of a company or entity acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such company or entity had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors for the time being after consultation with the Issuer; and

(b) any company or entity that is controlled by the Issuer within the meaning of Articles 5 through 9 of the Belgian Company Code to which is transferred all or substantially all of the business, undertaking and assets of another company or entity which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee company or entity shall immediately become a Material Subsidiary, whereby it is however understood that, as of the date of the publication of the relevant financial statements for the financial period current at the date of such transfer, whether such transferor company or entity or such transferee company or entity qualifies as a Material Subsidiary shall be determined in accordance with the provisions of sub-paragraph (a) above.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of principal and interest on the Bonds shall be prescribed and become void unless made within a period of ten (10) years in the case of principal and five (5) years in the case of interest from the due date for payment thereof.

10. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions (for the avoidance of doubt any such modification shall always be subject to the consent of the Issuer). Any such modification may be made if sanctioned by an Extraordinary Resolution.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 et seq. of the Belgian Company Code with respect to Bondholders’ meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Conditions, provided however that any proposal (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution (each a “Reserved Matter”) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Resolutions duly passed in accordance with these provisions
shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 11 (Notices).

In these Conditions:

“Extraordinary Resolution” means a resolution passed at a meeting duly convened and held in accordance with these Conditions and the Belgian Company Code by a majority of at least 75 per cent. of the votes cast.

(b) Modification and Waiver

The Agency Agreement, any agreement supplemental to the Agency Agreement and these Conditions may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

(c) Meetings of shareholders and right to information

The Bondholders shall be entitled to attend all general meetings of the shareholders of the Issuer, in accordance with article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

11. NOTICES

Notices to the Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB Clearing System for communication by it to the NBB Clearing System participants and (ii) if published on its website (www.infotec.be). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB Clearing System and (ii) publication on its website.

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

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code.
12. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Bondholders create and issue further tranches of bonds either having the same terms and conditions as the Bonds in all respects or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any tranche (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the Bonds. The Agency Agreement contains provisions for convening a meeting of the outstanding holders of any tranche of bonds (including the Bondholders).

13. **GOVERNING LAW**

(e) **Governing Law:** The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

(f) **Jurisdiction:** The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Bonds ("Proceedings") may be brought in such courts.

(g) **Waiver of immunity:** The Issuer and the Guarantor hereby irrevocably and unconditionally to the fullest extent permitted by applicable law waive with respect to the Bonds and the Guarantee, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents, to the fullest extent permitted by applicable law, to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any suit, action or proceeding.
SCHEDULE I

GUARANTEE

THIS GUARANTEE DECLARATION is made on 20 November 2013 by the Walloon Region (“Région wallonne”) (the “Guarantor”).

WHEREAS:

(A) Société Regionale Wallonne du Transport (the “Issuer”), issuing EUR 32,250,000 3.75 per cent. bonds due 21 November 2029 (the “2029 Bonds”) and EUR 10,000,000 3.90 per cent. bonds due 21 November 2031 (the “2031 Bonds”, and together with the 2029 Bonds, the “Bonds”), has entered into an Agency Agreement (the “Agency Agreement”, which expression includes the same as it may be amended, supplemented, novated or restated from time to time) dated 20 November 2013 between the Issuer, the Walloon Region (“Région wallonne”) (in its capacity as guarantor, the “Guarantor”) and Belfius Bank NV/SA (the “Agent”).

(B) The Guarantor wishes to guarantee the payment of principal and interest due under the Bonds issued by the Issuer.

(C) Terms defined in the Conditions of the Bonds (the “Conditions”) and the Agency Agreement and not otherwise defined in this Guarantee Declaration shall have the same meaning when used in this Guarantee Declaration.

THE GUARANTOR HEREBY DECLARES as follows:

1. The Guarantor unconditionally and irrevocably undertakes and agrees to pay and discharge to each Bondholder, on demand in writing to the Guarantor in accordance with Clause 14 below, any amount of principal and interest due under the Bonds.

2. The Guarantor confirms that this Guarantee in respect of the Bonds is given pursuant to the Decree of the Walloon Region of 19 December 2012 regarding the general budget of the expenditures of the Walloon Region for the financial year 2013 (Décret du 19 décembre 2012 contenant le budget général des dépenses de la Région wallonne pour l’année budgétaire 2013) and the decision of the Walloon regional government of 21 February 2012 authorising the Issuer to contract loans under a regional guarantee for an amount of EUR 67,256,000 during the financial year 2013 (Arrête du Gouvernement wallon autorisant la Société Regionale Wallonne du Transport à contracter, sous la garantie régionale, des emprunts à concurrence de 67,562,000 € au cours de l’exercice 2013).

3. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other existing and future unsecured and unsubordinated obligations of the Guarantor.

4. The Guarantee is abstract and independent. The Guarantor waives any right it may have of first requiring any Bondholder to proceed or enforce any other rights or security against the Issuer or any other person before claiming from the Guarantor hereunder.

5. The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect such obligations including, without limitation:
Any time or indulgence granted to, or composition with, the Issuer or any other person; or

The taking, variation, renewal or release of remedies or securities against the Issuer or any other person; or

Any unenforceability, invalidity or irregularity of the Bonds.

6. Where any discharge (whether in respect of the obligations of the Issuer or any security for the obligations of the Issuer or otherwise) is made in whole or in part, or any arrangement is made on the faith of any payment, security or other disposition which is avoided, or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement.

7. This Guarantee will be additional to, and shall not be in any way affected or prejudiced by any other guarantee or security now or hereafter held from the Guarantor in respect of the Bonds nor shall any other guarantee or security to which any Bondholder may be otherwise entitled for all or part of any such liabilities be affected or prejudiced by this Guarantee.

8. This Guarantee shall be a continuing security and shall not be considered satisfied by any intermediate payment or satisfaction of the whole or any part of the Issuer’s liabilities under or in connection with the Bonds and shall remain in force for as long as any amount in relation to principal or interest due under the Bonds remains unpaid.

9. While this Guarantee remains in force, the Guarantor shall not be entitled to stand in the place of the Bondholders in respect of any security or money, nor shall the Guarantor take any step to enforce any right or claim against the Issuer in respect of any moneys paid by the Guarantor to the Bondholders hereunder.

10. The Guarantor represents and warrants (which representations and warranties shall be deemed to be repeated on each day that this Guarantee continues in force) that:

(a) The Guarantor is a public law entity with legal personality with the power to enter into and to perform the obligations expressed to be assumed by it under the agreements to which it is expressed to be a party in connection with the issue of the Bonds. The Guarantor has the power to execute and deliver the Guarantee and to perform its obligations under the Guarantee and has taken all necessary action to authorise such execution and delivery and performance of such obligations;

(b) All necessary governmental consents and authorisations for the giving and implementation of this Guarantee have been obtained;

(c) This Guarantee constitutes the legal valid and binding obligations of the Guarantor duly enforceable in accordance with their terms; the Guarantor shall not in any circumstances challenge the legality, validity or enforceability of this Guarantee;

(d) The execution and performance of this Guarantee will not contravene any provision of any existing law, decree or regulation or of its constitutive documents or any agreement to which it is a party; and

(e) It is not engaged in or under threat of litigation nor is it in default in respect of any financial commitment which might in either case affect its ability to perform its obligations under this Guarantee.
All payments of principal and interest by or on behalf of the Guarantor in respect of any Bond while it is held directly or indirectly by an eligible investor (as defined in article 4 of the Royal Decree of 26 May 1994, as in force on 20 November 2013) (an “Eligible Investor”) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond.

11. In the event of the liquidation of the Issuer, if any moneys shall then be payable by the Guarantor under this Guarantee, the Guarantor shall, until all moneys due from the Issuer to the Bondholders in relation to principal or interest under the Bonds shall have been paid in full, hold the benefit of all its claims against the Issuer for the account of the Bondholders to pay the same to the Bondholders, and the Guarantor hereby irrevocably authorises and requires the Issuer and any liquidator of the Issuer to pay to the Bondholders, to the extent that any amount of principal and interest due under the Bonds due under Clause 1 shall not have been paid in full, all moneys payable to the Guarantor in respect of such claims.

12. A demand or notice hereunder shall be in writing signed by a duly authorised officer, representative or agents, of the Bondholder, and must be sent to the Guarantor by registered mail with acknowledgment of receipt, at the following address:

SERVICE PUBLIC DE WALLONIE, Direction générale transversale du Budget, Logistique et Technologies de l’Information et de la Communication
Département de la Trésorerie - Direction du Financement
Boulevard du Nord, 8
5000 NAMUR
Belgium
Tel: +32 81 77 25 01
Fax: +32 81.77.38.77
E-mail: financement@spw.wallonie.be
Attention: Direction du Financement

13. References to the Bondholders, the Issuer and the Guarantor include their respective successors and assigns; references to persons include references to companies, corporations, firms, governments, states or state agencies, associations, and any other legal entities; and (where the context so permits) the singular includes the plural and vice versa.

14. Call on the Guarantee

In relation to this Clause 14, any time reference is made to the Conditions or a Condition of the Bonds, such reference shall relate to the Conditions or a Condition of the 2029 Bonds or the 2031 Bonds, depending on the type of Bonds the Guarantee is called upon by a Bondholder.

14.1 If:

(a) an Event of Default as defined in Condition 8 (Events of Default) of the Bonds occurs; and

(b) the Bondholder sends a written notice to the Issuer in accordance with Condition 8 (Events of Default) of the Bonds, that the Bonds held by it are immediately due and repayable, at their principal amount together with accrued interest (if any) to the date of payment,
the Bondholder may call on the Guarantee of the Bonds by submitting a valid, completed and signed notice to call upon the Guarantee to the Guarantor, with a copy thereof to the Issuer (the Exchange Notice).

14.2 Such a call shall only be accepted if the Bondholder adds a certificate as required pursuant to article 474 of the Belgian Company Code to the Exercise Notice, prepared by the recognised account holder, which verifies the number of Bonds registered in the name of the owner or the agent on the date of this certificate and demonstrates that:

(a) the relevant Bondholder owns the Bonds specified in the Exercise Notice; and

(b) the Bonds specified in the Exercise Notice are blocked in the name of the Bondholder until (A) the return of the certificate to the recognised account holder or (B) a period of 10 Target Business Days after the date of the Exercise Notice.

14.3 No call under this Guarantee Declaration shall be accepted in case the full principal sum and, all interest payable under the Bonds were strictly paid by the Issuer in accordance with the Conditions.

14.4 By calling on the Guarantee of the Bonds, and by sending an Exercise Notice, the Bondholder commits not to transfer the relevant Bonds during a period of 10 Target Business Days from the date of the Exercise Notice. The Guarantor shall use its best efforts to proceed with payment in accordance with an Exercise Notice within a period of 10 Target Business Days after the date thereof. If the Guarantor only proceeds with payment in accordance with an Exercise Notice after a period of 10 Target Business Days after the date thereof, the Guarantor can request as condition to such payment that a new certificate as provided for in Clause 14.2 is submitted to it, demonstrating that the particular Bondholder is still the holder of the Bonds specified in the Exercise Notice.

14.5 Payment upon transfer - Any payment under the Guarantee in accordance with an Exercise Notice shall be made upon wire transfer or transfer of the relevant Bonds, or as a debit of the securities account where the relevant Bonds are registered, to the Guarantor or in accordance with its instructions.

15. This Guarantee shall be construed and take effect according to Belgian law and the Guarantor hereby submits to the exclusive jurisdiction of the courts of Brussels for all purposes connected with it.

The Guarantor irrevocably and unconditionally to the fullest extent permitted by applicable law waives with respect to the Bonds and the Guarantee, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably and unconditionally consents, to the fullest extent permitted by applicable law, to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any suit, action or proceeding.

This Guarantee Declaration has been executed by the Guarantor on the date which appears first on page 1.

THE WALLOON REGION
By: André Antoine, Vice-President of the Walloon Government, Minister of Budget and Finance of the Walloon Region
FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 4(c) (Redemption at the Option of Bondholders Upon a Change of Control) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Intermediary.

Such Intermediary is the bank or other financial intermediary through which the Bondholder holds the Bonds.

When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Intermediary (i) delivers the Change of Control Put Exercise Notice to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 4(c) and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.

To: [Details of the Intermediary through which the Bondholder holds the Bonds]

SOCIETE REGIONALE WALLONNE DU TRANSPORT SA

(incorporated under the form of a public limited liability company of public law under Belgian law)

EUR 32,250,000

3.75 per cent. Bonds due 21 November 2029

(issued in the denomination of EUR 250,000 and

(the “Bonds”)

CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 4(c) (Redemption at the Option of Bondholders Upon a Change of Control) of the Bonds, the undersigned holder of the Bonds specified below exercises its option to have such Bonds redeemed early in accordance with Condition 4(c) on the Change of Control Put Date falling on .......................................... ..........* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she/it holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she/it undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above. By signing this notice, the undersigned holder of the Bonds specified below instructs the Intermediary to transfer such Bonds to the account of the Agent to the extent needed for the exercise of its rights under Condition 4(c).

Nominal amount of Bonds held:

EUR.................................................... ([amount in figures] Euro)

Bondholder contact details:

Name or Company: ……………………………………………………………………………………

Address: ……………………………………………………………………………………………

Telephone number:………………………………………………………………………………

Payment instructions:
Please make payment in respect of the Bonds redeemed early pursuant to Condition 4(c) by Euro transfer to the following bank account:

Name of Bank: ..................................................................................................................

Branch Address: ..............................................................................................................

Account Number: ............................................................................................................

* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her/its securities account number ........................................ with [name and address of bank] for the above-mentioned nominal amount of Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address of the Bondholder specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder: ............................................ Date:............................................

N.B. The Agent shall not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of the Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of the Agent.

THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND SENT TO THE RELEVANT INTERMEDIARY.

BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT INTERMEDIARY WHEN SUCH INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.

ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.
The following is the text of the Terms and Conditions of the 2031 Bonds save for the paragraphs in italics that shall be read as complementary information.

Where this section “Terms and Conditions of the 2031 Bonds” refers to a “Bond” or to “Bonds”, it is understood that these terms relate only to the 2031 Bonds and not, for the avoidance of any doubt, to the 2029 Bonds referred to in this Prospectus.

Société Regionale Wallonne du Transport, a public limited liability company of public law (société anonyme de droit public), with registered seat at 5100 Jambes, Avenue du Gouverneur Bovesse 96, registered with the Crossroads Bank for Enterprises under enterprise number 0242.069.339 (the “Issuer”) has decided to issue bonds for a total aggregate nominal amount of €10,000,000 (the “Bonds” and each of them a “Bond”) on 21 November 2013 (the “Issue Date”) in accordance with the resolution of its Administrateur général of 7 November 2013 further to a delegation of powers granted by the Board of Directors of the Issuer dated 12 December 2012.

The payment of all amounts relating to principal or interest due under the Bonds is guaranteed by the Walloon Region.

A domiciliary and paying agency agreement has been entered into between the Issuer, the Guarantor and Belfius Bank SA/NV, acting as domiciliary and paying agent (the “Agent”), which expression shall include any successor Agent under the Agency Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) on 20 November 2013 in relation to the Bonds. A copy of the Agency Agreement is available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at B-1000 Brussels, Boulevard Pacheco 44. The Bondholders are bound by and deemed to have notice of all provisions of the Agency Agreement applicable to them.

References herein to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

1. **FORM, DENOMINATION AND TITLE**

The Bonds are in dematerialised form in accordance with Article 468 of the Belgian Company Code and cannot be physically delivered. The Bonds will be represented by book entry in the records of the securities settlement system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “NBB Clearing System”). The Bonds can be held by their holders through participants in the NBB Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB Clearing System. The Bonds are accepted for clearance through the NBB Clearing 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 (all as amended from time to time) and the rules of the NBB Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “NBB Clearing System Regulations”). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into bonds in bearer form.

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.

The Bonds are in principal amounts of €250,000 each (the “Specified Denomination”) and can only be settled through the NBB Clearing System in nominal amounts equal to that denomination or integral multiples thereof.

2. GUARANTEE

The Walloon Region, as referred to in Article 3 of the Belgian Constitution (the “Guarantor”) has unconditionally and irrevocably guaranteed the payment of all sums in relation to principal and interest due under the Bonds. Its obligations in that respect (the “Guarantee”) are set out in Schedule 1 to these Conditions and in a schedule to the Agency Agreement.

3. STATUS

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves and equally with all other existing and future unconditional, unsubordinated and unsecured obligations of the Issuer. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

4. INTEREST

The Bonds bear interest from and including 21 November 2013 at the rate of 3.90 per cent. per annum (subject as provided in Condition 5(c) (Redemption at the Option of Bondholders upon a Change of Control), payable annually in arrears on 21 November in each year (each an “Interest Payment Date”). Each Bond will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of the day on which all sums due in respect of such Bond up to that day are paid by the Issuer to the Agent for the benefit of the Bondholders.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 21 November 2013 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “Interest Period”.

Interest in respect of any Bond shall be calculated per Specified Denomination. The amount of interest payable per Specified Denomination for any period shall be equal to the product of 3.90 per cent. (subject as provided in Condition 5(c) (Redemption at the Option of Bondholders upon a Change of Control)), the Specified Denomination and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).
5. REDEMPTION AND PURCHASE

(a) **Final redemption**: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 21 November 2031 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 5(b) (**Redemption for taxation reasons**).

(b) **Redemption for taxation reasons**: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable in accordance with Condition 11 (**Notices**)) at their principal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (**Taxation**) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Issuer shall redeem the Bonds on the date specified in the notice referred to in this Condition 5(b).

(c) **Redemption at the Option of Bondholders Upon a Change of Control**:

(i) **Exercise of Put Option**

In the event that a Change of Control occurs then each Bondholder, at its own initiative, will have the right to require the Issuer to redeem all or part of the Bonds held by such Bondholder on the Change of Control Put Date at the Put Redemption Amount (as defined below). The Issuer may not refuse to redeem the Bonds, subject to compliance with the procedure described hereunder. If Bondholders exercise such right in respect of at least 85 per cent. of the aggregate principal amount of the Bonds outstanding at that time, then the Issuer may redeem all outstanding Bonds as set out here below.

To exercise such right, the relevant Bondholder must, during the Change of Control Put Exercise Period, deposit a duly completed put option notice (a “**Change of Control Put Exercise Notice**”), substantially in the form as set out in Schedule 2, with the bank or other financial intermediary through which the Bondholder holds Bonds (the “**Intermediary**”), requesting that the Intermediary (i) deliver the Change of Control Put Exercise Notice to the Agent, (ii) liaise with the Agent to organise the early redemption of such Bonds pursuant to this Condition 5(c) and (iii) transfer the relevant Bond(s) to the account of the Agent. Upon receipt of such Change of Control Put Exercise Notice, the Agent shall deliver a duly completed receipt for such Change of Control Put Exercise Notice (a “**Put Exercise Receipt**”) to the depositing Bondholder and provide a copy of the Change of Control Put Exercise Notice to the Issuer. The Agent will inform the Issuer of the total amount of Bonds subject to Change of Control Put Exercise Notices no later than the fifth TARGET Business Day following the end of the Change of Control Put Exercise Period. The Issuer will not be liable for any inaction or late action of an Intermediary or the Agent and any fees charged by the Intermediary.
and/or the Agent in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholders.

The “Change of Control Put Date” shall be the 14th TARGET Business Day after the last day of the Change of Control Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to an euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

Bondholders should note that the exercise by any of them of the option set out in Condition 5(c)(i) will only be effective under Belgian law if, prior to the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Namur (greffe du tribunal de commerce/griffie van de rechtbank van koophandel). The Issuer has undertaken pursuant to Condition 5(c)(ii) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of shareholders of the Issuer scheduled to be held on 11 June 2014 and to file a copy of the resolution as aforesaid by no later than 31 July 2014. If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in this Condition 5(c)(i). There can be no assurance that such approval will be granted at such meeting.

If, as a result of this Condition 5(c)(i), Bondholders submit Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds outstanding at that time, the Issuer may, having given not less than 15 nor more than 30 calendar days’ notice to the Bondholders in accordance with Condition 11 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition 5(c):

“Put Redemption Amount” means 100 per cent. of the principal amount of each Bond (together with interest accrued to (but excluding) the relevant repayment date).

(ii) Change of Control Notice

Within 10 TARGET Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 11 (Notices) (a “Change of Control Notice”). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 5(c)(i).

The Change of Control Notice shall also specify:

- the nature of the Change of Control;
- the last day of the Change of Control Put Exercise Period;
- the Change of Control Put Date; and
(iii) If the Change of Control Resolutions are not passed

If by not later than 31 July 2014 (the “Long Stop Date”):

- the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the shareholders of the Issuer; or

- the Change of Control Resolutions have not been duly filed with the clerk of the commercial court of Namur (greffe du tribunal de commerce/griffie van de rechtbank van koophandel);

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum, up to (and including) the last day of the Interest Period during which the Change of Control Resolutions have been approved by the general meeting of shareholders of the Issuer and have been duly filed with the clerk of the commercial court of Namur.

The Issuer shall use all reasonable endeavours to procure that the Change of Control Resolutions are approved by a resolution of the shareholders of the Issuer at its next general meeting, and in connection therewith to propose the Change of Control Resolutions at the next general meeting of the shareholders of the Issuer scheduled to be held on 11 June 2014, and undertakes to, immediately following approval of such resolutions, file a copy thereof with the clerk of the commercial court of Namur (greffe du tribunal de commerce/griffie van de rechtbank van koophandel).

For the purposes of this Condition 5:

“Change of Control” shall be deemed to have occurred if the Issuer ceases to be controlled within the meaning of Articles 5 through 9 of the Belgian Company Code by the Guarantor or by any other Public Entity;

“Change of Control Put Exercise Period” means the period commencing on the date of a Change of Control and ending 60 calendar days following the Change of Control, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 5(c)(ii);

“Change of Control Resolutions” means one or more resolutions duly passed, approved or adopted at a general meeting of shareholders of the Issuer approving the provisions of Condition 5(c)(i);

“Public Entity” means (i) each of the Belgian State, Regions, Communities, the provinces and municipalities; and (ii) any entity that is directly or indirectly controlled, within the meaning of Articles 5 through 9 of the Belgian Company Code, by any of the entities referred to in (i) or any combination thereof.

“TARGET Business Day” means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;

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

“TARGET System” means the TARGET2 system.
(d) **Purchase**: Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

(e) **Cancellation**: All Bonds which are redeemed will be cancelled and may not be re-issued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary, or cancelled.

6. **PAYMENTS**

(a) **Method of Payment**: Without prejudice to Article 474 of the Belgian Company Code, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the NBB Clearing System in accordance with the NBB Clearing System Regulations. Each payment in respect of the Bonds pursuant to this Condition 6 will be made by transfer to an euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(b) **Payments subject to laws**: All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (Taxation). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payments on TARGET Business Days**: If any date for payment in respect of the Bonds is not a TARGET Business Day, the holder shall not be entitled to payment until the next following TARGET Business Day nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

7. **TAXATION**

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable 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, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Bond; or

(b) **Payment to individuals**: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or any agreement between the EU and any other country or territory providing for similar measures; or

(c) **Non-Eligible Investor**: to a Bondholder, who at the time of issue 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 issue 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

(d) **Conversion into registered securities**: to a Bondholder who is liable to such taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB Clearing System.

8. **EVENTS OF DEFAULT**

If any one or more of the following events (each an “**Event of Default**”) shall occur, any Bondholder may give written notice to the Issuer at its registered office with a copy to the Agent that any of the Bonds held by it is immediately due and repayable, at its principal amount together with accrued interest (if any) to the date of payment, without further formality, unless such event shall have been remedied prior to the receipt of such notice by the Agent or within the relevant periods specified here below:

(i) **Non-payment**: the Issuer fails to pay the principal of or any interest on the Bonds when due and such failure continues for a period of 7 calendar days in the case of principal and 14 calendar days in the case of interest; or

(ii) **Breach of other obligations**: default is made in the performance of, or compliance with, any obligation of the Issuer or the Guarantor in respect of the Bonds (other than non-payment as described under (i) above) and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default shall not have been remedied within 30 calendar days after receipt by the Issuer of written notice from any Bondholder of such default requiring the default to be remedied; or

(iii) **Cross-Acceleration**: any other present or future Financial Indebtedness of the Issuer, any Material Subsidiary or the Guarantor (i) becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (however described) or (ii) is not paid when due or within any applicable grace period or (iii) the Issuer, any Material Subsidiary or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness, provided that in each case the aggregate amount of the relevant Financial Indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceed €5,000,000 in respect of the Issuer and any Material Subsidiary and €30,000,000 in respect of the Guarantor or its equivalent in any other currency; or

(iv) **Security Enforced**: any security interest such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that in each case the aggregate amount of indebtedness in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds €5,000,000 in respect of the Issuer and any Material Subsidiary; or

(v) **Enforcement Proceedings**: an executory attachment (**saisie execution/uitvoerend beslag**) or other similar legal process is enforced upon or against all or a material part of the property, assets or revenues of the Issuer or any Material Subsidiary having an aggregate value of €5,000,000 in respect of the Issuer and any Material Subsidiary and is not discharged or stayed within 60 calendar days; or

(vi) **Insolvency and insolvency proceedings**: 

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a) the Issuer or any of its Material Subsidiaries becomes insolvent or is declared bankrupt (est déclaré en faillite / wordt failliet verklaard) or is unable to pay its debts as they fall due (cessation de paiement/staking van betaling); or

b) the Issuer or any Material Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including the Belgian Law of 8 August 1997 on bankruptcy proceedings and the Belgian Law of 31 January 2009 regarding judicial reorganisation), or

c) a petition has been filed with a court for the bankruptcy or any other insolvency petition has been filed in respect thereof, provided that no Event of Default under this paragraph will occur if the Issuer or the relevant Material Subsidiary (acting reasonably and in good faith) promptly disputes any such petition, proceedings or actions before a court as being unsubstantiated or vexatious and the proceedings initiated on the basis of such petition are dismissed within 45 days after their commencement, or

d) the Issuer or any Material Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts; or

e) the Issuer or any of its Material Subsidiaries proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or agreed in respect of all or any part of (or of a particular type of) the debts of the Issuer or of any Material Subsidiary (including judicial reorganisation (réorganisation judiciaire/ gerechtelijke reorganisatie), as applicable); or

(vii) **Winding-up:** an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any Material Subsidiary or a liquidator is appointed in case of voluntary liquidation of the Issuer or any Material Subsidiary (except in the case of a voluntary winding-up of any Material Subsidiary with a redistribution of its assets within the Group), or the Issuer or any Material Subsidiary ceases to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the Bondholders or (ii) in the case of a Material Subsidiary, whereby the undertakings and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another subsidiary; or

(viii) **Guarantee:** the Guarantee is not (or is claimed by the Issuer or the Guarantor not to be) in full force and effect; or

(ix) **Illegality:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any or more of its obligations under any of the Bonds or the Guarantee;

In these Conditions:

“**Financial Indebtedness**” means any financial indebtedness as referred to in item 170/4 and item 43 of the consolidated annual accounts of the Issuer, from time to time, as per the model of its consolidated annual accounts for the year ending on 31 December 2012 (any such annual accounts being consultable on the website of the NBB).

“**Group**” means the Issuer and its subsidiaries within the meaning of Article 6 of the Belgian Company Code, taken as a whole;

“**Material Subsidiary**” means
(a) any company or entity (i) that is controlled by the Issuer within the meaning of Articles 5 through 9 of the Belgian Company Code and (ii) the turnover of which represents not less than 10 (ten) per cent. of the consolidated turnover of the Issuer as calculated respectively by reference to the most recent financial statements (consolidated or, as the case may be, unconsolidated) of the relevant company or entity and the then latest audited consolidated financial statements of the Issuer, provided that in the case of a company or entity acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such company or entity had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors for the time being after consultation with the Issuer; and

(b) any company or entity that is controlled by the Issuer within the meaning of Articles 5 through 9 of the Belgian Company Code to which is transferred all or substantially all of the business, undertaking and assets of another company or entity which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee company or entity shall immediately become a Material Subsidiary, whereby it is however understood that, as of the date of the publication of the relevant financial statements for the financial period current at the date of such transfer, whether such transferor company or entity or such transferee company or entity qualifies as a Material Subsidiary shall be determined in accordance with the provisions of sub-paragraph (a) above.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of principal and interest on the Bonds shall be prescribed and become void unless made within a period of ten (10) years in the case of principal and five (5) years in the case of interest from the due date for payment thereof.

10. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions (for the avoidance of doubt any such modification shall always be subject to the consent of the Issuer). Any such modification may be made if sanctioned by an Extraordinary Resolution.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 et seq. of the Belgian Company Code with respect to Bondholders’ meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Conditions, provided however that any proposal (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution (each a “Reserved Matter”) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Resolutions duly passed in accordance with these provisions
shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 11 (Notices).

In these Conditions:

“Extraordinary Resolution” means a resolution passed at a meeting duly convened and held in accordance with these Conditions and the Belgian Company Code by a majority of at least 75 per cent. of the votes cast.

(b) Modification and Waiver

The Agency Agreement, any agreement supplemental to the Agency Agreement and these Conditions may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

(c) Meetings of shareholders and right to information

The Bondholders shall be entitled to attend all general meetings of the shareholders of the Issuer, in accordance with article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

11. NOTICES

Notices to the Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB Clearing System for communication by it to the NBB Clearing System participants and (ii) if published on its website (www.infotec.be). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB Clearing System and (ii) publication on its website.

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

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code.
12. FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further tranches of bonds either having the same terms and conditions as the Bonds in all respects or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any tranche (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the Bonds. The Agency Agreement contains provisions for convening a meeting of the outstanding holders of any tranche of bonds (including the Bondholders).

13. GOVERNING LAW

(a) Governing Law: The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

(b) Jurisdiction: The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Bonds (“Proceedings”) may be brought in such courts.

(c) Waiver of immunity: The Issuer and the Guarantor hereby irrevocably and unconditionally to the fullest extent permitted by applicable law waive with respect to the Bonds and the Guarantee, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents, to the fullest extent permitted by applicable law, to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any suit, action or proceeding.
SCHEDULE I

GUARANTEE

THIS GUARANTEE DECLARATION is made on 20 November 2013 by the Walloon Region (“Région wallonne”) (the “Guarantor”).

WHEREAS:

(A) Société Regionale Wallonne du Transport (the “Issuer”), issuing EUR 32,250,000 3.75 per cent. bonds due 21 November 2029 (the “2029 Bonds”) and EUR 10,000,000 3.90 per cent. bonds due 21 November 2031 (the “2031 Bonds”, and together with the 2029 Bonds the “Bonds”), has entered into an Agency Agreement (the “Agency Agreement”, which expression includes the same as it may be amended, supplemented, novated or restated from time to time) dated 20 November 2013 between the Issuer, the Walloon Region (“Région wallonne”) (in its capacity as guarantor, the “Guarantor”) and Belfius Bank NV/SA (the “Agent”).

(B) The Guarantor wishes to guarantee the payment of principal and interest due under the Bonds issued by the Issuer.

(C) Terms defined in the Conditions of the Bonds (the “Conditions”) and the Agency Agreement and not otherwise defined in this Guarantee Declaration shall have the same meaning when used in this Guarantee Declaration.

THE GUARANTOR HEREBY DECLARES as follows:

1. The Guarantor unconditionally and irrevocably undertakes and agrees to pay and discharge to each Bondholder, on demand in writing to the Guarantor in accordance with Clause 14 below, any amount of principal and interest due under the Bonds.

2. The Guarantor confirms that this Guarantee in respect of the Bonds is given pursuant to the Decree of the Walloon Region of 19 December 2012 regarding the general budget of the expenditures of the Walloon Region for the financial year 2013 (Décret du 19 décembre 2012 contenant le budget general des dépenses de la Région wallonne pour l’année budgétaire 2013) and the decision of the Walloon regional government of 21 February 2012 authorising the Issuer to contract loans under a regional guarantee for an amount of EUR 67,256,000 during the financial year 2013 (Arrête du Gouvernement wallon autorisant la Société Regionale Wallonne du Transport à contracter, sous la garantie régionale, des emprunts à concurrence de 67,562,000 € au cours de l’exercice 2013).

3. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other existing and future unsecured and unsubordinated obligations of the Guarantor.

4. The Guarantee is abstract and independent. The Guarantor waives any right it may have of first requiring any Bondholder to proceed or enforce any other rights or security against the Issuer or any other person before claiming from the Guarantor hereunder.

5. The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect such obligations including, without limitation:
(a) Any time or indulgence granted to, or composition with, the Issuer or any other person;

(b) The taking, variation, renewal or release of remedies or securities against the Issuer or any other person; or

(c) Any unenforceability, invalidity or irregularity of the Bonds.

6. Where any discharge (whether in respect of the obligations of the Issuer or any security for the obligations of the Issuer or otherwise) is made in whole or in part, or any arrangement is made on the faith of any payment, security or other disposition which is avoided, or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement.

7. This Guarantee will be additional to, and shall not be in any way affected or prejudiced by any other guarantee or security now or hereafter held from the Guarantor in respect of the Bonds nor shall any other guarantee or security to which any Bondholder may be otherwise entitled for all or part of any such liabilities be affected or prejudiced by this Guarantee.

8. This Guarantee shall be a continuing security and shall not be considered satisfied by any intermediate payment or satisfaction of the whole or any part of the Issuer’s liabilities under or in connection with the Bonds and shall remain in force for as long as any amount in relation to principal or interest due under the Bonds remains unpaid.

9. While this Guarantee remains in force, the Guarantor shall not be entitled to stand in the place of the Bondholders in respect of any security or money, nor shall the Guarantor take any step to enforce any right or claim against the Issuer in respect of any moneys paid by the Guarantor to the Bondholders hereunder.

10. The Guarantor represents and warrants (which representations and warranties shall be deemed to be repeated on each day that this Guarantee continues in force) that:

(a) The Guarantor is a public law entity with legal personality with the power to enter into and to perform the obligations expressed to be assumed by it under the agreements to which it is expressed to be a party in connection with the issue of the Bonds. The Guarantor has the power to execute and deliver the Guarantee and to perform its obligations under the Guarantee and has taken all necessary action to authorise such execution and delivery and performance of such obligations;

(b) All necessary governmental consents and authorisations for the giving and implementation of this Guarantee have been obtained;

(c) This Guarantee constitutes the legal valid and binding obligations of the Guarantor duly enforceable in accordance with their terms; the Guarantor shall not in any circumstances challenge the legality, validity or enforceability of this Guarantee;

(d) The execution and performance of this Guarantee will not contravene any provision of any existing law, decree or regulation or of its constitutive documents or any agreement to which it is a party; and

(e) It is not engaged in or under threat of litigation nor is it in default in respect of any financial commitment which might in either case affect its ability to perform its obligations under this Guarantee.
(f) All payments of principal and interest by or on behalf of the Guarantor in respect of any Bond while it is held directly or indirectly by an eligible investor (as defined in article 4 of the Royal Decree of 26 May 1994, as in force on 20 November 2013) (an “Eligible Investor”) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond.

11. In the event of the liquidation of the Issuer, if any moneys shall then be payable by the Guarantor under this Guarantee, the Guarantor shall, until all moneys due from the Issuer to the Bondholders in relation to principal or interest under the Bonds shall have been paid in full, hold the benefit of all its claims against the Issuer for the account of the Bondholders to pay the same to the Bondholders, and the Guarantor hereby irrevocably authorises and requires the Issuer and any liquidator of the Issuer to pay to the Bondholders, to the extent that any amount of principal and interest due under the Bonds due under Clause 1 shall not have been paid in full, all moneys payable to the Guarantor in respect of such claims.

12. A demand or notice hereunder shall be in writing signed by a duly authorised officer, representative or agents, of the Bondholder, and must be sent to the Guarantor by registered mail with acknowledgment of receipt, at the following address:

SERVICE PUBLIC DE WALLONIE, Direction générale transversale du Budget, Logistique et Technologies de l’Information et de la Communication
Département de la Trésorerie - Direction du Financement
Boulevard du Nord, 8
5000 NAMUR
Belgium
Tel: +32 81 77 25 01
Fax: +32 81.77.38.77
E-mail: financement@spw.wallonie.be
Attention: Direction du Financement

13. References to the Bondholders, the Issuer and the Guarantor include their respective successors and assigns; references to persons include references to companies, corporations, firms, governments, states or state agencies, associations, and any other legal entities; and (where the context so permits) the singular includes the plural and vice versa.

14. Call on the Guarantee

In relation to this Clause 14, any time reference is made to the Conditions or a Condition of the Bonds, such reference shall relate to the Conditions or a Condition of the 2029 Bonds or the 2031 Bonds, depending on the type of Bonds the Guarantee is called upon by a Bondholder.

14.1 If:

(a) an Event of Default as defined in Condition 8 (Events of Default) of the Bonds occurs; and

(b) the Bondholder sends a written notice to the Issuer in accordance with Condition 8 (Events of Default) of the Bonds, that the Bonds held by it are immediately due and repayable, at their principal amount together with accrued interest (if any) to the date of payment,
the Bondholder may call on the Guarantee of the Bonds by submitting a valid, completed and signed notice to call upon the Guarantee to the Guarantor, with a copy thereof to the Issuer (the Exercise Notice).

14.2 Such a call shall only be accepted if the Bondholder adds a certificate as required pursuant to article 474 of the Belgian Company Code to the Exercise Notice, prepared by the recognised account holder, which verifies the number of Bonds registered in the name of the owner or the agent on the date of this certificate and demonstrates that:

(a) the relevant Bondholder owns the Bonds specified in the Exercise Notice; and
(b) the Bonds specified in the Exercise Notice are blocked in the name of the Bondholder until (A) the return of the certificate to the recognised account holder or (B) a period of 10 Target Business Days after the date of the Exercise Notice.

14.3 No call under this Guarantee Declaration shall be accepted in case the full principal sum and, all interest payable under the Bonds were strictly paid by the Issuer in accordance with the Conditions.

14.4 By calling on the Guarantee of the Bonds, and by sending an Exercise Notice, the Bondholder commits not to transfer the relevant Bonds during a period of 10 Target Business Days from the date of the Exercise Notice. The Guarantor shall use its best efforts to proceed with payment in accordance with an Exercise Notice within a period of 10 Target Business Days after the date thereof. If the Guarantor only proceeds with payment in accordance with an Exercise Notice after a period of 10 Target Business Days after the date thereof, the Guarantor can request as condition to such payment that a new certificate as provided for in Clause 14.2 is submitted to it, demonstrating that the particular Bondholder is still the holder of the Bonds specified in the Exercise Notice.

14.5 Payment upon transfer - Any payment under the Guarantee in accordance with an Exercise Notice shall be made upon wire transfer or transfer of the relevant Bonds, or as a debit of the securities account where the relevant Bonds are registered, to the Guarantor or in accordance with its instructions.

15. This Guarantee shall be construed and take effect according to Belgian law and the Guarantor hereby submits to the exclusive jurisdiction of the courts of Brussels for all purposes connected with it.

The Guarantor irrevocably and unconditionally to the fullest extent permitted by applicable law waives with respect to the Bonds and the Guarantee, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably and unconditionally consents, to the fullest extent permitted by applicable law, to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any suit, action or proceeding.

This Guarantee Declaration has been executed by the Guarantor on the date which appears first on page 1.

THE WALLOON REGION

__________________________________________
By: André Antoine, Vice-President of the Walloon Government, Minister of Budget and Finance of the Walloon Region
FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 4(c) (Redemption at the Option of Bondholders Upon a Change of Control) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Intermediary.

Such Intermediary is the bank or other financial intermediary through which the Bondholder holds the Bonds.

When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Intermediary (i) delivers the Change of Control Put Exercise Notice to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 4(c) and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.

To: [Details of the Intermediary through which the Bondholder holds the Bonds]

SOCIETE REGIONALE WALLONNE DU TRANSPORT SA
(incorporated under the form of a public limited liability company of public law under Belgian law)

EUR 10,000,000
3.90 per cent. Bonds due 21 November 2031
(issued in the denomination of EUR 250,000 and
the “Bonds”)

CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 4(c) (Redemption at the Option of Bondholders Upon a Change of Control) of the Bonds, the undersigned holder of the Bonds specified below exercises its option to have such Bonds redeemed early in accordance with Condition 4(c) on the Change of Control Put Date falling on .......................................... ..........* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she/it holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she/it undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above. By signing this notice, the undersigned holder of the Bonds specified below instructs the Intermediary to transfer such Bonds to the account of the Agent to the extent needed for the exercise of its rights under Condition 4(c).

Nominal amount of Bonds held:

EUR.................................................... ([amount in figures] Euro)

Bondholder contact details:

Name or Company: .................................. ................................................... ..................
Address: .......................................... ................................................... ...........................
Telephone number:.................................. ................................................... ...................

Payment instructions:
Please make payment in respect of the Bonds redeemed early pursuant to Condition 4(c) by Euro transfer to the following bank account:

Name of Bank: ........................................................................................................

Branch Address: ....................................................................................................

Account Number: ...................................................................................................

* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her/its securities account number ........................................... with [name and address of bank] for the above-mentioned nominal amount of Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address of the Bondholder specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder: ......................................................... Date:.................................

N.B. The Agent shall not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of the Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of the Agent.

THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND SENT TO THE RELEVANT INTERMEDIARY.

BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT INTERMEDIARY WHEN SUCH INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.

ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.
DESCRIPTION OF THE GUARANTEE

The Bonds will be guaranteed by the Walloon Region (Région wallonne), as referred to in article 3 of the Belgian constitution.

Reference is made to the Guarantee included as Schedule 1 to each of the Conditions of the 2029 Bonds and the Conditions of the 2031 Bonds.
USE OF PROCEEDS

The proceeds from the issue of the Bonds will be used for the general operational investments to be carried out by SRWT and its operational companies.

In addition, the proceeds will be used for investments in the light metro system (*Métro léger*) in Charleroi.

The net proceeds of the 2029 Bonds are estimated at EUR 31,866,892.50. The net proceeds of the 2031 Bonds are estimated at EUR 9,862,300.
TAXATION IN BELGIUM

The following is a general description of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions.

Prospective investors are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds, including under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The summary provided below is based on the information provided in this Prospectus and on Belgium’s tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in force on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

1. BELGIAN WITHHOLDING TAX

All payments of interest on the Bonds by or on behalf of the Issuer are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 25 per cent. Tax treaties may provide for lower rates or an exemption subject to certain conditions and formalities.

In this regard, “interest” means the periodic interest income, any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date, or upon purchase by the Issuer) and, in case of a disposal of Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the holding period.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds, if and as long as at the moment of payment or attribution of interest the Bonds are held by certain eligible investors (the “Tax 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 NBB Clearing System. Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Bonds through the NBB Clearing System enables Tax Eligible Investors to receive the interest income on their Bonds gross and to transfer Bonds on a gross basis.

Participants in the NBB Clearing System must enter the Bonds which they hold on behalf of Tax Eligible Investors in an X Account.

Tax Eligible Investors are those listed 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) and include, inter alios:

(i.) Belgian corporations subject to Belgian corporate income tax;

(ii.) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies, other than those referred to in 1° and 3°, subject to the application of article 262, 1° and 5° of the Belgian income tax code 1992 (code des impôts sur les revenus 1992 / wetboek van de inkomenstenbelastingen 1992, the BITC 1992);
(iii.) state regulated institutions \textit{(institutions parastatales / parastatalen)} for social security, or institutions which are assimilated therewith, referred to in article 105, 2º of the royal decree implementing the BITC 1992 \textit{(arrêté royal d'exécution du code des impôts sur les revenus 1992 / koninklijk besluit tot uitvoering van het wetboek inkomstenbelastingen 1992, the RD/BITC 1992)};

(iv.) non-resident investors referred to in article 105, 5º of the RD/BITC 1992;

(v.) investment funds, recognised in the framework of pension savings, referred to in article 115 of the RD/BITC 1992;

(vi.) taxpayers referred to in article 227, 2º of the BITC 1992 which have allocated the income-generating capital to the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the BITC 1992;

(vii.) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC 1992;

(viii.) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and

(ix.) Belgian resident corporations, not referred to under (i.) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, \textit{inter alios}, Belgian resident investors who are individuals or non profit organisations, other than those mentioned under (ii.) and (iii.) above.

Participants in the NBB Clearing System must keep the Bonds which they hold on behalf of the non-Tax Eligible Investors in a non-exempt securities account (an “\textbf{N Account}”). In such instance, all payments of interest are subject to withholding tax (currently at the rate of 25 per cent.), which is applied by the NBB and paid to the Belgian Treasury.

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-Tax 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-Tax Eligible Investor of an amount equal to the withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date; and

- transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Bonds, the Tax Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status. Participants are required to annually provide the NBB with listings of investors who have held an X Account during the preceding calendar year.
An X Account may be opened with a Participant by an intermediary (an “Intermediary”) in respect of Bonds that the Intermediary holds for the account of its clients (the “Beneficial Owners”), provided that each Beneficial Owner is a Tax Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that: (i) the Intermediary is itself a Tax Eligible Investor; and (ii) the Beneficial Owners holding their Bonds through it are also Tax Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Bonds held in Euroclear or Clearstream, Luxembourg as Participants in the NBB Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Bonds in such accounts.

2. **BELGIAN INCOME TAX ON CAPITAL GAINS**

2.1 Belgian resident individuals

Belgian resident individuals, i.e. natural persons 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 withholding tax has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may elect 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 25 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, except if the capital gains are realised outside the scope of the management of the taxpayer's private estate or except to the extent they qualify as interest (as described in *Belgian Withholding Tax* above). Capital losses are in principle not tax deductible.

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

2.2 Belgian resident companies

Interest attributed or paid to companies which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (vennootschapsbelasting / impôt des sociétés), as well as capital gains realised upon the disposal of Bonds, are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. (or the relevant progressive corporate income tax rate(s) in the case of certain companies with limited profits). Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

2.3 Belgian resident legal entities

Resident legal entities subject to Belgian legal entities tax (rechtspersonenbelasting / impôt des personnes morales) and which do not qualify as Tax Eligible Investors will not be subject to any further taxation on interest in respect of the Bonds over and above the withholding tax. Resident legal entities which qualify as Tax Eligible Investors and which consequently have received gross interest income are required to declare and pay the 25 per cent. withholding tax to the Belgian tax authorities.
Capital gains realised on the sale of the Bonds are in principle tax exempt, except to the extent the capital gains qualify as interest (as described in Belgian Withholding Tax above). Capital losses are in principle not tax deductible.

2.4 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 not subject to 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.

2.5 Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through a permanent establishment in Belgium will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Bonds, provided that they qualify as Tax Eligible Investors and that they hold their Bonds in an X Account.

3. BELGIAN TAX ON STOCK EXCHANGE TRANSACTIONS AND TAX ON REPURCHASE TRANSACTIONS

A tax on stock exchange transactions (taxe sur les opérations de bourse / beurstaks) 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 per cent. on each acquisition and disposal separately, with a maximum amount of Euro 650 per transaction and per party, and is collected by the professional intermediary.

A tax on repurchase transactions (taxe sur les reports / taks op de reporten) will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party. The tax is due at the rate of 0.085 per cent, with a maximum amount of Euro 650 per transaction and per party, and is collected by the professional intermediary.

However neither of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian residents (provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status) and certain Belgian institutional investors as defined in Article 126.1 2° of the Code of Miscellaneous Duties and Taxes (Code des droits et taxes divers / wetboek diverse rechten en taken) for the tax on stock exchange transactions and Article 139, second paragraph, of the same Code for the tax on repurchase transactions.

4. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

EC Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”) requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State (hereinafter “Disclosure of Information Method”), except that Austria and Luxembourg will instead impose a withholding system (hereinafter “Source Tax”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. In April 2013, the Luxembourg government announced its intention to abolish the Source Tax with effect from 1 January 2015, in favour of the Disclosure of Information Method. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (Disclosure of Information Method or Source Tax). The European Commission has proposed certain
amendments to the Savings Directive, which may, if adopted, amend or broaden the scope of the requirements described above.

The Savings Directive has been implemented in Belgium by the Law of 17 May 2004, which applies to interest paid or attributed as from 1 July 2005.

(a) Individuals not resident in Belgium

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

(b) Individuals resident in Belgium

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

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in its personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excess amount will be reimbursed, provided it reaches a minimum of Euro 2.50.

5. THE PROPOSED FINANCIAL TRANSACTIONS TAX (“FTT”)

The European Commission has published a 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”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain transactions relating to Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under current proposals 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 (as defined in the proposal), and at least one party is established in a participating Member State. A party may 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.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. 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.
SELLING RESTRICTIONS

BNP Paribas, London Branch (having its registered office at Harewood Avenue 10, NW1 6AA London, United Kingdom) (BNP Paribas) is as sole lead manager (the Lead Manager), and has, pursuant to a Subscription Agreement (the Subscription Agreement) dated 20 November, agreed to subscribe or procure subscribers for the Bonds and pay for the aggregate amount payable for the Bonds calculated at the Issue Price less the fee as set out in the Subscription Agreement. The Subscription Agreement may be terminated in certain circumstances by the Lead Manager prior to payment of the Issuer.

General

The Bonds have been offered in a private placement. No action has been taken in any jurisdiction by the Lead Manager or the Issuer that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of the Prospectus or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where action for that purpose is required. Accordingly, each of the Issuer and the Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish the Prospectus, or any part thereof, any advertisement, or other document or information in any country or jurisdiction except under circumstances that the Issuer or Lead Manager believes in good faith, on reasonable grounds after making all reasonable investigations, result in compliance with any applicable laws and regulations.

United States

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and will only be sold outside the United States in offshore transactions under the Securities Act and, absent registration under the Securities Act, may only be offered or sold in the United States pursuant to an available exemption from such registration requirements.

United Kingdom

The Lead Manager has represented and agreed that:

(a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the UK FSMA) with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and

(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 UK FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the UK FSMA does not apply to the Issuer.

European Economic Area

Any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive 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 the placement contemplated in the Prospectus may only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Lead Manager have authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or the Lead Manager to publish a prospectus for such offer.
GENERAL INFORMATION

(1) The issue of the Bonds has been authorised by a resolution of the Administrateur-général of the Issuer of 7 November 2013 further to a delegation of powers granted by the board of directors of the Issuer of 12 December 2012.

(2) The Notes have been accepted for clearance through the X/N clearing system operated by the National Bank of Belgium and can be held by its participants, including Euroclear and Clearstream, Luxembourg, with the following ISIN and Common Codes:

(a) the ISIN Code for the 2029 Bonds is BE6260484074 and the Common Code is 099743000;
(b) the ISIN Code for the 2031 Bonds is BE6260485089 and the Common Code is 099743336.

(3) Copies of the Agency Agreement may be inspected during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Issuer and at the office of the Agent in Belgium specified in the Conditions at any time after the date of this Prospectus.

(4) Save as disclosed in this Prospectus, since 31 December 2012 (being the date of the most recent audited financial statements the Issuer), there has been no material adverse change in the financial position of the Issuer.

(5) The Issuer is not involved in any legal or arbitration proceedings which may have, or have had, since 31 December 2012 (being the date of the most recent audited financial statements of the Issuer), a significant effect on its financial position nor is the Issuer aware that any such proceedings are pending or threatened against the Issuer.