



IMMOBEL  
since 1863

# IMMOBEL

Limited Company making a public call for saving  
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## CORPORATE GOVERNANCE CHARTER

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# Corporate Governance Charter of IMMOBEL

## INTRODUCTION

IMMOBEL and all of its subsidiaries make up a Group that is mainly active in Belgium. IMMOBEL is a company pursuant to Belgian laws.

Above and beyond complying with the various laws and regulations in force, the Board of Directors of IMMOBEL sets itself high standards of corporate governance. It is from this perspective that IMMOBEL has decided to comply with the Belgian Code on Corporate Governance.

The Board of Directors of IMMOBEL has drawn up this Corporate Governance Charter, the aim of which is to be the document referred to by IMMOBEL in these matters. It covers the following areas :

- Part I: Board of Directors
- Part II: Committees set up by the Board of Directors
- Part III: The Managing Director, the Management Committee and the Executive Committee
- Part IV: Shareholders.

Factual information relating to the governance of IMMOBEL will complete the Corporate Governance Charter upon publication of the Annual Report. These publications are available on IMMOBEL's website ([www.immobel.be](http://www.immobel.be)).

The Board of Directors of IMMOBEL approved this Corporate Governance Charter on 12<sup>th</sup> December 2005, updated it regularly and for the last time on the 14<sup>th</sup> December 2011.

## Values of IMMOBEL

Five values that are important to IMMOBEL are:

- Professionalism
- Loyalty
- Ambition
- Team spirit
- Respect

These are simple and even familiar values. They have always been at the heart of IMMOBEL's activities.

These values are the common thread that binds the various projects undertaken by the Group.

### **Professionalism**

Acting with competence, rigour and efficiency in view of guaranteeing the quality and reliability of performance.

### **Loyalty**

Showing loyalty to commitments made and promoting the company image.

### **Ambition**

To confirm its position of leader on the market as much in terms of quality of the projects as in ethics, innovation and performances, in view to insure a long term and profitable development of the company.

### **Team spirit**

Favouring the sharing of knowledge and experience through solidarity, complementarity and the quality of human relations.

### **Respect**

Incorporating the challenges facing society and the environment in daily action and showing a willingness to listen, consideration and fairness to all interlocutors.

## Part I. Board of Directors of IMMOBEL - Internal Guidelines

The objective of these regulations is to describe the Competencies, Responsibilities and Authority of the Board of Directors of IMMOBEL (part 1), the rules relating to its Composition (part 2), the role of the Chairman of the Board of Directors (part 3), the Structure and Organisation of the Board of Directors (part 4) and the behaviour (Rules of Behaviour) of the Board of Directors (part 5).

Each Director accepts and follows these regulations by accepting his/her mandate and formally confirms this commitment by signing this document.

A Director who no longer subscribes to the principles or behavioural standards described in these Internal Guidelines will draw the obvious conclusions and return his/her mandate to the Shareholders.

### I.1 Competencies, Responsibilities and Authority

#### **Competencies**

The Board of Directors of IMMOBEL is its ultimate organ of decision-making, except in areas reserved for shareholders pursuant to either Company Law or the Articles of Association.

In its decision-making process, the Board of Directors aims to ensure the longevity and success of IMMOBEL's principal activity: Real Estate Development. It therefore considers it essential to give priority to short and long-term financial returns, while remaining attentive to the interests of the *stakeholders* who are critical to the success of its activity: IMMOBEL's customers, Shareholders, employees, and the Communities, Regions and the Federal State within which IMMOBEL operates.

#### **Responsibilities**

Above all else, the Board of Directors is responsible for IMMOBEL's strategic direction and monitoring of the conduct of business. In this respect, the key activities of the Board of Directors are the following:

- to identify and understand the strategic challenges and associated risks facing IMMOBEL;
- to define IMMOBEL's strategy, as well as its values, policies and the standards that underlies the achievement of strategic objectives. The strategic priorities of the Board of Directors are growth in the Real Estate Development activity and financial management of IMMOBEL's risks, as well as appointing the most suitable executive Managers for achieving its strategic objectives.

To do this, the Board of Directors:

- meets regularly to evaluate the competitive positions and strategies of IMMOBEL's various departments, to consider new strategic proposals and to select strategies that the Managing Director will simply execute;
- meets regularly in absence of the Managing Director, to assess its interaction with the Management Committee and the Executive Committee;

- on the basis of proposals made by the Managing Director,
  - examines and approves IMMOBEL's financial objectives, especially in terms of risk profile and the capital appropriate to this risk profile;
  - studies and approves strategies that will enable IMMOBEL to achieve its financial objectives.
- to ensure the implementation by IMMOBEL of appropriate management and risk monitoring systems, and in particular any procedures necessary to ensure compliance with laws and regulations, as well as with internal policies and procedures;
- to monitor and evaluate IMMOBEL's performance with regard to its strategic objectives, business plans and budgets;
- to review the performance of the Management Committee and the Executive Committee and the realisation of IMMOBEL's strategy;
- to continuously maintain interaction and dialogue, as well as a climate of respect, confidence and candour, with the Management Committee and the Executive Committee;
- to monitor and review the effectiveness of the Board's committee's;
- to approve a framework of internal control and risk management set up by the Management Committee;
- to review the implementation of this framework, taking into account the review made by the Audit & Finance Committee;
- to supervise the performance of the external auditor and supervise the internal audit function, taking into account the review made by the Audit & Finance Committee;
- to take decisions on the issues reserved for it, and in particular:
  - all decisions relating to proposals to be submitted to General Shareholders' Meetings;
  - decisions relating to IMMOBEL's governance, and especially the appointment of the Chairman and Vice-Chairman of the Board of Directors, of the Management Committee and of the Executive Committee, the composition and responsibilities of the Committees set up by the Board of Directors, the definition of the responsibilities of the Managing Director, of the Members of the Management Committee and of the Members of the Executive Committee ;
  - important decisions relating to business operations, and especially:
    - the approval of business plans and budgets;
    - the agreement, reassessment or cessation (in the sense of putting an end to) of any merger, investment, acquisition, disposal or any commitment or surety relating to an amount in excess of 5 MEUR (Group share);
    - any transaction, regardless of the amount, that the Managing Director considers will be submitted for the approval of the Board of Directors because of its nature or the significance of the risks involved;

- IMMOBEL's accounting principles, in conformity with applicable accounting standards, and financial information to be published;
  - proposals for advances on dividends and financial transactions affecting Shareholders' Equity;
- proposals to be formulated in respect of certain important decisions, submitted to IMMOBEL's General Shareholders' Meetings, and especially the appointment of external Directors, the approval of significant modifications to the company's capital structure or changes to the Articles of Association, proposals for the distribution of the annual dividend.
- to take all necessary measures to ensure the integrity and timely disclosure of the company's financial statements and other material, financial or non-financial, information disclosed to the shareholders and potential shareholders;
  - to foster - through appropriate measures - an effective dialogue with the shareholders and potential shareholders based on a mutual understanding of objectives and concerns;
  - to describe the main features of the company's internal control and risk management systems, to be disclosed in the Corporate Governance Statement;
  - to encourage the controlling shareholder(s) to respect the Belgian Code on Corporate Governance.

### **Authority**

The Board of Directors has the authority and the obligation to dedicate adequate, necessary and proportionate resources to exercising its functions. It assumes, in respect of IMMOBEL, the collegiate responsibility for exercising its authority and its powers sensibly.

The Directors individually have access to professional independent counsellors, at IMMOBEL's expense, if they consider this necessary in order to carry out their responsibilities as Directors, and following consultation with the Chairman of the Board of Directors.

IMMOBEL is validly represented either by (a) two Directors signing jointly, or by (b) the Managing Director, for all matters relating to day-to-day management. The Board of Directors has defined, delineated and published the specific powers of representation of IMMOBEL.

## I.2 Composition

The Board's composition ensures that decisions are made in the corporate interest. For this purpose, the Board particularly pays attention to gender diversity, and diversity in general, complementary skills, experience and knowledge.

### I.2.1 Number of Directors

The Board of Directors must have a minimum of five Members, although the actual number may vary in accordance with the company's needs. It contains a majority of non-executive Directors, and at least one executive Director.

### I.2.2 Eligibility criteria for the Board of Directors

When proposing candidates to General Shareholders' Meetings, IMMOBEL's Board of Directors applies the following principles:

- (a) a majority of the Directors must be non-executive of whom at least 3 must be independent, in the opinion of the Board of Directors, based on the criteria of independence drawn up by the Board of Directors of IMMOBEL, which are contained in the appendix to these regulations;
- (b) each Director is proposed on the basis of personal knowledge and/or experience, such that the Board of Directors has at its disposal all the competencies and qualifications it needs in order to assume its collective responsibilities;
- (c) each Director must have the availability needed to carry out his/her obligations.

Taking into account of the foregoing, every Director or prospective Director will provide the Chairman of the Board of Directors the information required in order to make it possible to verify that the eligibility criteria can be satisfied, whether at the time of his/her appointment or before any major change that may occur, that could impact his/her capacity to comply with these requirements.

### I.2.3 Appointments

The Board of Directors submits its proposals on the appointment or re-election of Directors to the Shareholders, supported by a recommendation from the Remuneration & Appointments Committee.

General Shareholders' Meetings nominate the Directors of their choice based on a majority of votes cast. They may also revoke a Director's mandate before its normal expiration date, once again based on a majority of votes cast.

The Board of Directors manages the process of appointment and re-election within the framework of overall and systematic succession planning whose aim is to maintain the optimal level of competency and experience within IMMOBEL and the Board of Directors.

#### I.2.4 Training

The Chairman of the Board of Directors assures that new Directors and Members of particular Committees, where necessary and upon their request, are given suitable training to enable them to contribute efficiently to the work of the Board of Directors and the various Committees.

#### I.2.5 Performance appraisal

Under the lead of its Chairman, the Board of Directors regularly reviews and appraises its own performance and the one of its Committees, as well as the efficacy of IMMOBEL's governance structure, including the number, role and responsibilities of the various Committees set up by the Board of Directors.

There will be a periodic evaluation of the contribution of each Director aimed at adapting the composition of the Board of Directors to take into account changing circumstances. The performance of individual Directors is evaluated within the framework of the re-election procedure.

Information on the main features of the evaluation process of the Board of Directors, of its Committees and of its individual Directors will be disclosed in the Corporate Governance Statement.

#### I.2.6 Duration of mandates

Mandates are fixed for a period of maximum four years but can be renewed.

#### I.2.7 Age limit

The Directors retire at the date of the General Shareholders' Meeting in the year following the year in which they reach the age of 75. Nevertheless, the Board of Directors may allow exceptions to this rule and propose to re-elect, for a renewable period of one year, a Director who has reached the age of 75. The Board of Directors will explain the reasons for making this exception when it submits its proposal to the General Shareholders' Meeting.

#### I.2.8 Remuneration

The remuneration of non-executive Directors takes into account their role as ordinary Board Members, and specific roles, as Chairman of the Board, Chairman or Member of Committees set up by the Board, as well as their resulting responsibilities and commitment in time. Non-executive Directors may receive remuneration determined in accordance with legal provisions and the remuneration policy of the Directors. Any remuneration paid by IMMOBEL to the Directors is published, in respect of each Director individually, in the Remuneration Report, which is a specific section of the Corporate Governance Statement, part of the Management Report of the Board of Directors.

The mandate of the executive Directors may also be remunerated. In this case, the remuneration is taken into account in the overall framework of remuneration paid to executive Directors in respect of the executive functions that they perform within IMMOBEL, in conformity with the remuneration policy of the Directors and that of the Members of the Management Committee and of the Executive Committee.

IMMOBEL discloses a Remuneration Report, disclosing:

- a description of its internal procedure applied during the last financial year for developing a remuneration policy for the Directors and the Members of the Management Committee of IMMOBEL, and for setting the level of remuneration of these persons individually ;
- a statement on the remuneration policy applied during the last financial year towards the Directors and the Members of the Management Committee which contains at least the following data:
  - the principles upon which the remuneration was based, indicating the correlation between remuneration and performance;
  - the relative importance of the various components of the remuneration;
  - the features of the performance-based premiums consisting of shares, options or other rights to acquire shares;
  - information on the remuneration policy for the two financial years to come;

If the company has materially deviated from this remuneration policy during the reported financial year, this must be explained in the remuneration report;

- on an individual basis, the amount of remuneration and other benefits which are awarded to the non-executive Directors, directly or indirectly, by IMMOBEL or its subsidiaries;
- if certain members of the Management Committee are also members of the Board of Directors, information on the amount of remuneration awarded to them in that capacity;
- in the case the executive Directors or the members of the Management Committee are eligible for variable remuneration : the criteria for evaluating the performance in view of the objectives, the indication of the evaluation period and the description of the methods used to ascertain whether or not the performance criteria are met. This information should be stated in a manner that does not disclose any confidential information regarding the strategy of the company.
- on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly to the Managing Director, by IMMOBEL or its subsidiaries, on individual basis. This information must be provided with a breakdown between :
  - basic remuneration;
  - variable remuneration: any additional remuneration linked to performance criteria, indicating the form in which this variable remuneration is paid;

- pension: the amounts paid during the reported financial year or the costs for services rendered during the reported financial year, depending on the type of pension scheme, with an explanation of the applicable pension scheme;

- other components of the remuneration : such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components.

If the company has materially departed from this remuneration policy during the reported financial year, this must be specifically high-lighted in the Remuneration Report.

- on a global basis, the amount of the remuneration and other benefits directly or indirectly awarded to the other executive Directors or the Members of the Management Committee, by IMMOBEL or its subsidiaries.

This information must be provided with a breakdown between:

- basic remuneration;

- variable remuneration: any additional remuneration linked to performance criteria, indicating the form in which this variable remuneration is paid;

- pension: the amounts paid during the financial reported year, depending on the type of pension scheme, with an explanation of the applicable pension scheme;

- other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components.

If the company has materially departed from this remuneration policy during the reported financial year, this must be explained in the remuneration report.

- as regards executive Directors or Members of the Management Committee, on an individual basis, the number and main features of the shares, share options and all other rights to acquire shares (which have been granted or exercised or have expired during the reported financial year);
- as regards executive Directors or Members of the Management Committee, on an individual basis, the provisions concerning severance payments;
- In the event of departure of the executive Directors or Members of the Management Committee : the justification and the decision of the Board of Directors, further to a proposal of the Remuneration & Appointments Committee, on whether or not the persons involved qualify for the severance payment, and the calculation thereof ;
- as regards executive Directors or Members of the Management Committee, the extent to which a right of recovery ('claw back') has been provided in favour of IMMOBEL in case variable remuneration has been granted based on incorrect financial data.

IMMOBEL's remuneration policy is described in Appendix 2.

### I.3 Chairmanship of the Board of Directors

The Board of Directors elects a Chairman and a Vice-Chairman from among its Members. The Chairman is designated on the basis of his knowledge, skills, experience and mediation strength. In particular, he must be respected and recognised by the financial world and public authorities (local, regional and federal), and as such have a network which will also command a respect of IMMOBEL on a geographical level.

It is up to the Chairman, if necessary, with the support of the Committees set up by the Board of Directors, to assume the leading role in all initiatives aimed at ensuring the Board of Directors functions effectively in accordance with these Regulations.

In particular, the Chairman:

- establishes a close relationship with the Managing Director, providing support and advice, while fully respecting the executive responsibilities of the Managing Director;
- ensures the optimal composition of the Board of Directors. He/she initiates and conducts the process that governs :
  - (i) the formulation of requirements in respect of independence, competency and qualifications of IMMOBEL's Directors;
  - (ii) the appointment or re-election of Directors and of the Members of the Committees set up by the Board of Directors;
  - (iii) the evaluation of the effectiveness of the Board of Directors as a whole;
- monitors the quality and effectiveness of the activities of the Board of Directors:
  - (i) by managing the calendar of meetings of the Board of Directors. The Chairman defines, in consultation with the Managing Director, the calendar of meetings of the Board of Directors and its Committees. He/she draws up the agenda for each meeting, containing issues to be discussed during the meetings, and indicating for each point whether it is to be submitted to the Board of Directors for information, discussion, approval or decision;
  - (ii) by preparing, chairing and leading meetings of the Board of Directors. The Chairman is consulted on all proposals to be submitted to the Board of Directors. He/she ensures that written documents are distributed in good time, to allow all recipients sufficient opportunity to examine them. He/she also ensures that all documents submitted to the Directors contain pertinent and concise information;
  - (iii) by continuously supervising and monitoring the quality of interaction and dialogue at the level of the Board of Directors. The Chairman ensures that the Board of Directors is kept fully informed of essential aspects of IMMOBEL's strategy, activities and financial situation. He/she takes initiatives to support the appearance and development of a climate of respect, confidence and candour within the Board of Directors, in general, and between the non-executive Directors, the Members of the Management Committee and of the Executive Committee in particular;
- chairs and conducts the General Shareholders' Meetings and ensures that they run smoothly.

## I.4 Structure and Organisation

### I.4.1 Meetings of the Board of Directors

The Board of Directors meets sufficiently regularly to discharge its duties effectively, and at least 3 times per year. The Directors must devote the necessary time to exercising their mandate.

In order to constitute a quorum, at least half of the Directors must be present or represented. Each Director may be represented by another Director on the basis of a signed proxy, communicated by post, fax or electronically. No Director may exercise more than two proxies.

Decisions of the Board of Directors are taken on a simple majority of votes cast. To the extent the law permits, the Board of Directors may take decisions without meeting physically, on the basis of the unanimous written agreement of its Members. This procedure can only be used in circumstances where it is dictated by the urgency of the issue and the interests of IMMOBEL.

The Board of Directors can be held by conference call or any other communications medium.

Each meeting of the Board of Directors is minuted.

The Chairman of the Board of Directors meets from time to time with the non-executive Directors without the Managing Director being present.

### I.4.2 Consultation of Directors

The Chairman and/or Managing Director may, if necessary, consult the Directors by any means of communication that they consider appropriate.

### I.4.3 Committees set up by the Board of Directors

In order to efficiently carry out its role and responsibilities, the Board of Directors has set up a Remuneration & Appointments Committee, an Audit & Finance Committee and an Investment & Asset Management Committee. The existence of these Committees does not affect the capacity of the Board of Directors to create, where appropriate, other *ad hoc* Committees to deal with specific matters.

### I.4.4 IMMOBEL Secretary

The Board of Directors appoints a Secretary who assists and advises the Board of Directors on all governance matters, as well as the Chairman of the Board of Directors, the Chairmen of the Committees set up by the Board of Directors and all the Directors in performing their roles and obligations.

The Secretary, in collaboration with the *Compliance Officer*, has the responsibility for (i) ensuring that IMMOBEL's management organs comply with legal provisions, the Articles of Association and internal rules and procedures, and notably those referred to in these IMMOBEL Internal Guidelines, (ii) organising the General Shareholders' Meeting and (iii) carrying out the function of Secretary of the Board of Directors of IMMOBEL and its Committees.

The Secretary of IMMOBEL is responsible to the Board of Directors, for all issues relevant to his/her responsibilities.

## I.5 Rules of Behaviour

### I.5.1 Applicability of IMMOBEL's general principles of behaviour

Each Director of IMMOBEL applies the principles of integrity and ethics that apply also to the Executive Managers and to all IMMOBEL employees and other service providers. The Board of Directors shall take all necessary and useful measures for effective and efficient execution of the Belgian rules on market abuse. This relates in particular to the principles of good conduct in IMMOBEL's business (see the "Good Behaviour Code" in Appendix 3).

### I.5.2 Service contracts

Non-executive Directors are not authorised to conclude contracts with IMMOBEL, either directly or indirectly, in relation to the provision of paid services (whether in the area of accounting, legal advice, consulting, etc.) without the explicit consent of the Board of Directors. They must consult the Chairman, who decides whether or not to submit the request for a concession to the Board of Directors.

### I.5.3 Conflicts of interest

All Directors must avoid taking any action, position or interest that is or appears to be in conflict with the interests of IMMOBEL. They must immediately inform the Chairman if there is any possibility that a conflict of interest may arise. They will abstain from any discussion or decision by the Board of Directors affecting their personal, commercial or professional interests, in accordance with legal provisions in force.

### I.5.4 Confidentiality

In order to facilitate open discussion during meetings of both the Board of Directors and the Committees, Directors are committed to maintaining the confidentiality of information and discussions, in accordance with legal provisions in force.

## Appendices to the Internal Guidelines of the Board of Directors

Appendix 1 : Criteria for determining the independence of the Board of Directors

Appendix 2 : Directors' Remuneration Policy

Appendix 3 : Good Behaviour Code

### Appendix 1 – Criteria for determining the independence of the Board of Directors

Each executive or non-executive Director must:

- work exclusively to achieve the general objective of the Board of Directors, which is to sustain and develop IMMOBEL's Real Estate Development activity,
- maintain his/her independence of judgement, decision and action under all circumstances, and
- clearly express his/her concerns and, if relevant, act upon his/her opposition if he/she believes that a proposal submitted to the Board of Directors is contrary to the interests of IMMOBEL.

In addition to this personal obligation imposed on each of the Directors, the Board of Directors considers the possible existence of relations or circumstances that could compromise or appear to compromise, the independence of non-executive Directors.

Each Director, in order to be considered independent, must at least meet the criteria of independence set out in article 526ter of the Belgian Company Code, which can be summarized as follows:

- for a period of five years preceding his/her appointment, not have acted as an executive or managing Director of IMMOBEL nor of an affiliated company of IMMOBEL;
- not have been a Member of the Board of Directors of IMMOBEL as non-executive Director for more than three successive terms or for more than twelve years;
- for a period of three years prior to his/her appointment, not have been a Member of the executive management of IMMOBEL nor of an affiliated company of IMMOBEL;
- not receive, nor have received, any remuneration or any other significant advantage from IMMOBEL or from an affiliated company of IMMOBEL, with the exception of profit sharing and fees possibly received as non-executive Director;
- not hold (or not represent a shareholder who holds) 10% or more of the shares of IMMOBEL or, if he/she holds (or represents a shareholder who holds) less than 10% of these shares, (i) not hold 10% or more of these shares together with another company controlled by the independent Director or (ii) not have subjected the shares of IMMOBEL or the exercise of the rights pertaining to these shares to any bilateral or unilateral commitment;

- not maintain, nor have maintained in the past financial year, any significant business relationship with IMMOBEL or an affiliated company of IMMOBEL, neither directly, nor as partner, shareholder, director or Member of the executive management of a company maintaining such a relationship;
- in the past three years, not have been a partner or an employee of the current or former external auditor of IMMOBEL or an affiliated company of IMMOBEL;
- not hold a position as executive Director of another company of which an executive Director of IMMOBEL is a non-executive Director, nor maintain any other significant relationship with the executive Directors of IMMOBEL by reason of mandates held in other companies; and
- not have, either within IMMOBEL, or within an affiliated company of IMMOBEL, any spouse, legal cohabitant, parent or second degree relative acting as Director, managing Director or Member of the executive management, or who is in any situation described above.

Legal transitional provisions authorize the independent Directors of IMMOBEL holding office in January 2009 not to meet the criteria described above until 1<sup>st</sup> July 2011.

Each independent Director who ceases to fulfil the conditions of independence set by the Board of Directors must immediately inform it of this fact.

## Appendix 2 – Directors’ Remuneration Policy

IMMOBEL’s Board of Directors sets the remuneration of Directors while respecting the prerogatives of the General Shareholders' Meeting.

With regard to the remuneration of non-executive Directors, the Remuneration & Appointments Committee makes detailed proposals to the Board of Directors.

The level and structure of remuneration is based on their general and specific responsibilities and current market practice. Unless otherwise decided by the Board of Directors, this remuneration consists of a basic remuneration for belonging to the Board of Directors and an additional remuneration for either participating in meetings of one or more Committees set up by the Board of Directors or for each Chairmanship or Vice-Chairmanship of a Committee or of the Board. The non-executive Directors do not receive an annual bonus, or share options, and do not participate in pension schemes. They are not entitled to any payment when their mandate comes to an end.

## Appendix 3 – Good Behaviour Code

Directors, Members of staff of IMMOBEL, and third parties, as well as their representatives whose contractual relationship with IMMOBEL necessarily involves access to sensitive information, hereafter “Related Parties”, are committed to respecting all Belgian legal provisions as well as the provisions of the Good Behaviour Code.

In accordance with IMMOBEL’s principles and values, the Rules detailed below, apply.

### **Conflicts of interest**

Any Member of Staff who has a conflict of interest will immediately inform his/her manager.

Any Director who has a conflict of interest will immediately inform the Chairman of the Board of Directors and abstain, with immediate effect, from participating in both the process of decision-making and the decision itself. The term conflict of interest covers both direct and indirect conflicts, of a patrimonial or any other nature.

Any third party having a conflict of interest will immediately inform the *Compliance Officer*.

Related Parties agree that they will not solicit and will refuse to accept remuneration, in cash or in kind, or any other personal advantage from third parties as a result of their professional links with IMMOBEL. This includes but is not limited to consultancy fees, sales commissions, rental commissions, commission for placement and success, etc.

### **Professional secrecy – *inside information***

During their period of activity within IMMOBEL and following the cessation of this activity, Related Parties will neither use nor reveal to any other party whatsoever any information (other than that published in annual reports, interim reports and other communications), nor any information about IMMOBEL of which they gained knowledge while carrying out their functions.

In this respect, they recognise as confidential all real estate, economic or financial reports, all customer files, all electronic files, all accounting data, all contracts, all business proposals, all designs and plans for buildings and equipment, all work instructions made verbally or in writing that relate to IMMOBEL’s activities, its procedures and its economic and financial situation.

### **Purchase / sale of shares – *insider trading***

Related Parties who intend to carry out transactions involving IMMOBEL shares commit to advise the *Compliance Officer* in advance by letter or by e-mail (at least 5 working days before the transaction is completed). In the case of an operation carried out by the *Compliance Officer*, he/she will, under the same rule, forewarn the Chairman of the Board of Directors.

The advice will explain the nature of the planned transaction, the quantity or value concerned and the planned date of the transaction.

The *Compliance Officer* informs the Related Person who has sent advance notice within 5 working days of receiving it if, in his/her opinion, there are reasons to believe that the planned transaction would constitute an infringement of this Code.

Related Parties must confirm that the transaction has been carried out within 5 working days of it happening. The *Compliance Officer* will make the information available to the public on an individual basis by publishing it on the IMMOBEL Website within one month following the receipt of confirmation that the transaction has been carried out.

The *Compliance Officer* will keep a written copy of all notices relating to planned and completed transactions. Related Parties will receive confirmation by letter or e-mail of the receipt of any notice.

Related Parties will not purchase or sell IMMOBEL shares for a period of six weeks before the publication of IMMOBEL's interim and annual results, as well as for the period during which they are in possession of any confidential information that could influence IMMOBEL's share price.

More broadly, Related Parties will not acquire or dispose of IMMOBEL shares, on the basis of sensitive information, on their own account or on behalf of anyone else, either directly or indirectly. Nor will they communicate any information to which they have access as a result of their function to a third party, or recommend IMMOBEL shares to a third party on the basis of information of this type.

These restrictions extend to both primary sources (persons who acquire information directly either because of their ownership of capital in IMMOBEL, or as a result of performing their function) and secondary sources (any person who knowingly is in possession of information that he/she knows or could not reasonably deny is sensitive and which originates, directly or indirectly, from a primary source).

Any Related Person will avoid placing a member of his/her family or a third party in a position that could result in them carrying out transactions that would be forbidden to him/her.

Any information relating to major operations will remain strictly confidential at all times. This obligation of confidentiality applies to all Related Persons.

Related Parties must avoid any transaction that could be contrary to IMMOBEL's interests.

**Policy and procedure drawn up by the Board of Directors for transactions and other contractual relations - between IMMOBEL, including its related companies, and the Directors, the Members of the Management Committee, the Members of the Executive Committee, the collaborators as well as the persons with whom they are related or otherwise connected and companies they control - who are not covered by legal provisions relating to conflicts of interest.**

1. All the operations of IMMOBEL and its subsidiaries are carried out under “arm’s length” conditions.
2. A distinction can be made between normal operations that are part of normal sales to the public and exceptional operations.

“Normal operations” is intended to refer to sales of plots in Land Developments, sales of houses and sales of apartments. Other operations are considered as exceptional.

3. Normal operations do not require any prior approval from the Audit & Finance Committee or the Remuneration & Appointments Committee as long as they are carried out at a price at least equal to that at which the building is offered to the public. These operations must be brought to the attention of the Audit & Finance Committee or the Remuneration & Appointments Committee in writing within sixty days of being carried out.
4. Normal operations which are transacted at a price below that at which the building is offered to the public are to be submitted to the Audit & Finance Committee or the Remuneration & Appointments Committee for approval in advance on the basis of a proposal explained by two Directors of whom at least one is the Chairman or the Managing Director of IMMOBEL.
5. Exceptional operations are submitted, for prior approval, to the Audit & Finance Committee or the Remuneration & Appointments Committee on the basis of a proposal supported by a third party estimate and explained by two Directors of whom at least one is the Chairman or Managing Director of IMMOBEL.

### **Corruption and abuse of assets**

Related Parties will neither offer nor give items of value – regardless of the significance and/or the value – nor sums of money – of whatever amount – to customers, suppliers or other third parties of whatever nature, for any purpose whatsoever.

Similarly, they will not offer or give items of value or sums of money – of whatever amount – to anyone who has been elected or to an employee of the State or any public authority, whether Belgian or foreign, with a view to the approval and/or obtaining authorisations or permits, or with a view to obtaining concessions, bypassing and/or violating laws, regulations, directives, or agreements in general of whatever nature.

Related Parties will not appropriate, for personal gain, objects (of whatever nature and/or value) that are the property of IMMOBEL. This commitment also covers the abusive use for personal gain of IMMOBEL's communications and computing equipment.

### **Business gifts**

In general, Related Parties will not offer to, solicit from or accept any benefit whatsoever from, an actual or prospective business partner (customers, suppliers, entrepreneurs, construction companies, etc.) unless it is in line with existing practice relating to low-value end of year gifts or participation at social or artistic events.

### **Compliance Officer**

A *Compliance Officer* is appointed by the Board of Directors to ensure that, on the basis of information communicated to him/her, the laws and regulations within the framework of Corporate Governance are complied with, including the internal regulations, the Good Behaviour Code and the Corporate Governance Charter of IMMOBEL.

### **Human dignity**

Within IMMOBEL, each person will be treated with dignity and respect. IMMOBEL does not tolerate any form of discrimination, and in particular that which is based on any personal characteristics such as gender, race, religion, political opinions, sexual preference or physical aptitude, or any form of harassment.

### **Final provisions**

This Code is an integral part of the workplace regulations and contractual relationships with third parties.

IMMOBEL will ensure that all Related Parties are informed of the existence and content of the Code, as well as the fact that its provisions also apply to them.

Without prejudice to other judicial recourse, any infraction of the provisions of Belgian law governing insider trading, or of this Code may, where appropriate, constitute a reason for break for serious misconduct.

## Part II. Committees set up by the Board of Directors of IMMOBEL – Common Rules and Regulations

### II.1 Common Rules to all the Committees set up by the Board of Directors

#### II.1.1 Role, Responsibilities and Authority

The general principle is that the Committees set up by the Board of Directors perform a consultative function to it. They support the Board of Directors in specific areas that they deal with in the necessary detail, and make recommendations to it. Nevertheless, decision-making remains within the collegiate competency of the Board of Directors.

The Board of Directors defines the roles and responsibilities of each Committee, and describes them in the Regulations. The Committees review their Regulations each year if necessary, either at their own initiative or on the initiative of the Board of Directors, and may propose modifications to the Board of Directors.

Each Committee has the authority and the obligation to dedicate adequate, necessary and proportionate resources to exercising its functions. It reports to the Board of Directors in respect of the work it has carried out.

After each meeting, the Committees present the Board of Directors with a report of their activities, conclusions and recommendations.

#### II.1.2 Composition

The rules that govern the composition of the Committees set up by the Board of Directors are the following:

- the Board of Directors appoints, on proposal of the Remuneration & Appointments Committee, the Chairman, eventual Vice-Chairman, and Members of each Committee;
- the appointment of the Members of the Committees is based on (i) their competencies and their specific experience, in addition to the general competency required from Directors of IMMOBEL and on (ii) the need for collective competency and experience, for each Committee, which is required to accomplish its goals;
- depending on the agenda, the Chairman of each Committee may invite the Managing Director, a Member of the Management Committee or a Member of the Executive Committee to participate in Committee meetings, in whole or in part.

### II.1.3 Chairmanship

It is the responsibility of the Chairman of each Committee, supported by the Chairman of the Board of Directors, and, where indicated by the Board of Directors, by the Managing Director, to make sure that the Committee (i) understands its role and responsibilities, (ii) is given the information and the internal and external support it needs in order to carry out its tasks effectively and (iii) operates in conformity with these common Rules and the Regulations that are specific to each Committee of which he/she is a member.

### II.1.4 Meetings

The rules that govern the meetings of the Board of Directors also apply to meetings of Committees, with the following additional provisions:

- in order to constitute a quorum, at least half the Members of the Committee must participate in the meeting;
- each Member of a Committee may be represented by another Member of the Committee on the basis of a signed proxy transmitted by letter, fax or e-mail. No Committee Member may exercise more than one proxy;
- the meetings of Committees can be held by conference call or any other communication tools;
- the recommendations of the Committees are made on the basis of a simple majority;
- each meeting of a Committee is minuted.

## II.2 Regulations of the Investment & Asset Management Committee

The common rules applicable to all the Committees set up by the IMMOBEL Board of Directors, as listed above, apply in full to the Investment & Asset Management Committee, subject to the following provisions.

### **Task**

The Investment & Asset Management Committee is a Committee set up under the auspices of the Board of Directors. Its task is to assist the Board of Directors in the following areas:

- the strategic management of any asset of IMMOBEL in excess of 5 MEUR, especially for the purposes of identifying and defining strategic challenges and priorities as regards existing real estate investments, including capital expenditures, acquisitions, letting, project financing and asset disposals;
- identify and understand the strategic challenges and priorities as regards new real estate investments in excess of 5 MEUR;

- formulate the objectives, policies and strategies of new real estate investments in excess of 5 MEUR, and in particular the investment parameters;
- identify potential new real estate projects and give an opinion to the Board thereon.

Any recommendation of the Investment & Asset Management Committee to the Board of Directors must be based on a feasibility survey submitted to the Investment & Asset Management Committee, which must include the investment parameters required to make a sound investment decision.

Each quarter, the Chairman of the Investment & Asset Management Committee provides the Members of this Committee with a report on the implementation of each existing real estate investment of IMMOBEL and on the progress related to the acquisition of each new investment project of IMMOBEL. The latest report of the Chairman is updated at each meeting of the Investment & Asset Management Committee.

In order to perform its duties, the Investment & Asset Management Committee has unrestricted access to all information available within IMMOBEL as well as the right to consult any Member of the Management Committee or of the Executive Committee. It has the resources that it considers necessary to complete its tasks.

#### **Composition of the Investment & Asset Management Committee**

The Investment & Asset Management Committee is made up of at least three Directors, including the Managing Director.

The Members of the Investment & Asset Management Committee are appointed by the Board of Directors for a maximum duration of 4 years. The Managing Director is the Chairman of the Investment & Asset Management Committee.

#### **Meetings**

A meeting of the Investment & Asset Management Committee is called at least once per quarter by its Chairman or two of its Members. They can also call a meeting whenever they consider this to be necessary.

There is a quorum for any meeting of the Investment & Asset Management Committee when a majority of its Members is present. Decisions are taken on the basis of a simple majority of the Members present or represented.

The Meetings of the Investment & Asset Management Committee can be held by conference call or any other communications medium.

#### **Reports**

The minutes of the meetings of the Investment & Asset Management Committee are kept by the IMMOBEL Secretary and are available to the Members of the Investment & Asset Management Committee and Directors.

## II.3 Regulations of the Audit & Finance Committee

The common rules applicable to all Committees set up by the IMMOBEL Board of Directors, such as those referred to above, apply in full to the Audit & Finance Committee, subject to the following provisions.

### **Task**

The Audit & Finance Committee is a Committee set up under the auspices of the Board of Directors, in accordance with the Belgian Company Code. The task of the Audit & Finance Committee is to assist the Board of Directors in its function of surveillance, particularly in the following areas of intervention:

- ***Financial reporting and information intended for Shareholders and third parties***

The Audit & Finance Committee helps the Board of Directors with their responsibilities, checks the information that is given the Shareholders and third parties related to the functioning, the pertinence and efficiency of the internal control.

The Audit & Finance Committee specifically assesses the procedure used for the preparation of financial information to make sure it is correct, complete, pertinent and coherent and abides to the accounting policies in use.

The Audit & Finance Committee examines modifications made, where relevant, to accounting principles and valuation methods, with particular emphasis on their impact on the financial statements.

It oversees with the Management Committee the biannual (and/or quarterly) reports, including variances from budget, the annual budget and the financial forecasts, considering the appropriateness of financial policies.

- ***The quality of the system of internal controls and the risk management***

The Audit & Finance Committee monitors the areas examined during internal audits and external audits, from planning tasks to concluding reports.

It assesses the scope and the progress of the internal audit function, in coordination with the activities of the external auditors, and any implications that may arise for the control environment.

It is consulted by the Executive Managers on the appointment and discharge of the internal auditor.

The internal auditor reports functionally to the Committee, as well as administratively to the Chairman of the Board and the Managing Director.

The Audit & Finance Committee verifies that the statutory auditor's and the internal auditor's recommendations are acted upon by the responsiveness of the Management Committee and reports to the Board the nature of any significant matter that remains unsolved.

It evaluates with one or more Members of the Management Committee and/or of the Executive Committee and the statutory auditors the quality, the adequacy and the effectiveness of the system of internal controls, management policies and procedures to ensure compliance with legal, ethical, regulatory and financial reporting requirements and company's code of business conduct.

It receives information as to the appetite for corporate risks, in particular financial risks, as set forth by the Management Committee and the Board, their policies and processes for the identification, monitoring and management of significant business risks, and reviews their adequacy and effectiveness.

The Audit & Finance Committee shall reassess the Charter to ensure it remains consistent with the Committee's objectives and responsibilities and shall recommend changes to it to be approved by the Board.

It examines and approves, where requested by the Corporate Governance Charter, the propriety of any related party transactions and the necessary disclosures required by law.

It reviews annually all Directors' expenses, the other operating costs of the Board and the Managing Director's expenses.

It may request the Management Committee or internal and external auditors to undertake reviews of major transactions with the aim of assessing the adequacy of the analysis undertaken in support of the decisions to proceed.

The Committee will have regard for the appointment or discharge of the key people involved in the accounting and the financial reporting to ensure high quality reporting, and of the Compliance Officer.

- ***Relations with the statutory auditors***

The Audit & Finance Committee permanently monitors the duties (whether contractual or legal) of the statutory auditors and examines reports drawn up by them.

It considers the nature and extent of their work, as well as the conclusions resulting from that work.

The Audit & Finance Committee also takes care of the questions and the recommendations made by the external auditor.

It is consulted by the Members of the Management Committee on the proposal to submit to the Board of Directors with regard to both the appointment or discharge of and fees payable to the statutory auditors, considering before the audit commences, their qualifications, independence, quality of service and performance.

It reviews annually the report on all relationships and engagements for non-audit services, including taxation advice that may reasonably be thought to bear independence of the statutory auditor and the related fees.

It also examines with the statutory auditor of the threats to the independence of the latter and the safeguard measures taken to mitigate these risks, such as these measures are described by the auditor.

It reports to the Board its review of the external auditors' report on the progress against the approved audit plan, important findings, recommendation for improvements, quality control procedures, steps taken by the auditor to respond to changes in regulatory and other requirements and the results of the audit of the company's and consolidated financial statements.

It reviews the formal representation letter provided by the Managing Director and *Head of Finance* to the external auditors as to the accuracy, fairness and completeness of financial reporting.

- ***Finance and capital structure***

The Audit & Finance Committee reviews with the Management Committee the capital structure and the financing of the company, taking into consideration the multiple year forecast and the appropriateness of the financial policies, the debt and interest rate risk management policy proposed for the upcoming years.

It reviews and monitors the company's financial performance related to the achievement of approved financial targets by the Management Committee, including the targets of equity level and the dividend policy.

In order to perform its tasks, the Audit & Finance Committee has unrestricted access to all information available and all collaborators of IMMOBEL. If deemed necessary, it has the authority to retain external advisors, experts or consultants, at cost of the company. It considers that it has the necessary resources to accomplish its task.

The responsibility of the Members of the Audit & Finance Committee with regard to the Board of Directors of which it is exclusively made up, consists of carrying out its task as stipulated in the "Common Rules to all the Committees" and these "Regulations of the Audit & Finance Committee" with mature diligence and in total independence.

The functions of the Audit & Finance Committee are carried out within the framework of what it is reasonably possible to devote to preparing and attending meetings.

### **Composition of the Audit & Finance Committee**

The Audit & Finance Committee is made up of at least three Directors who do not have executive responsibilities within IMMOBEL, a majority of this committee are independent and at least one Member of this committee is competent in accounting and auditing matters.

The Members of the Audit & Finance Committee and its Chairman are appointed by the Board of Directors for a maximum duration of four years.

With regard to third parties, the Members of the Audit & Finance Committee perform their functions as Directors of IMMOBEL.

### **Meetings**

The Audit & Finance Committee meets four times a year at the request of its Chairman. A quorum is constituted when a majority of its Members is present or represented.

Depending on the items contained in the agenda, the Chairman may invite:

- the Managing Director and, with him/her, any Member of the Management Committee and/or of the Executive Committee,
- the statutory auditors,

who are its natural correspondents and who will be seen by the Audit & Finance Committee at their request.

The meetings of the Audit & Finance Committee can be held by conference call or any other communications medium.

Two meetings are dedicated primarily to the interim and annual financial statements. At these meetings, the statutory auditors are invited to present the upcoming audit plan and scope and to report on the results of their works on the annual financial statements and consolidated financial statements, and the interim financial statements of the Company and its subsidiaries.

The Chairman of the Audit & Finance Committee or two of its Members may call a meeting at any time if they consider this to be necessary. The external auditors, the internal auditor and the Head of Finance may request a meeting with the Chairman of the Committee if they consider it is necessary.

The Audit & Finance Committee may assign specific tasks to the statutory auditors or other experts, at cost of the company, and ask them to provide it with a report.

The recommendations are made on the basis of a simple majority of Members present or represented. However, the Chairman has a (second) casting vote in the event of a tie.

### **Reports**

The minutes of the meetings of the Audit & Finance Committee are written and maintained by the IMMOBEL Secretary at the disposal of the Members of the Audit & Finance Committee, Directors and the statutory auditors.

A report of each Committee meeting shall be made by the Chairman of the Committee at the next regular meeting of the Board.

The Chairman of the Audit & Finance Committee presents the annual report of the activity of the Audit & Finance Committee to the Directors and reports of the manner in which the Committee has completed its task.

## II.4 Regulations of the Remuneration & Appointments Committee

The common rules applicable to all the Committees set up by the IMMOBEL Board of Directors, as listed above, apply in full to the Remuneration & Appointments Committee, subject to the following provisions.

### **Task**

The Remuneration & Appointments Committee is a Committee set up under the auspices of the Board of Directors. The task of the Remuneration & Appointments Committee consists of :

- preparing the Remuneration Report that the Board of Directors inserts in the Corporate Governance Statement;
- explaining this report during the Statutory Shareholders' Meeting;
- formulating proposals to the Board of Directors on the following issues:
  - In relation to Remuneration
    - the individual remuneration (bonus, directors' fees, other) of the Directors, of the Members of the Management Committee as well as of the Members of the Executive Committee, including variable remuneration and bonuses for long-term benefit, whether or not related to shares granted as stock options or other financial instruments, and severance pay, and whether the resulting proposals and must be submitted by the Board of Directors to shareholders ;
    - the remuneration policy for Directors, for the Members of the Management Committee as well as of the Executive Committee, and if applicable, the resulting proposals that must be submitted by the Board of Directors to the shareholders;
    - the attribution of share options in applying the general principles laid out by the Board of Directors;
    - the policy regarding share ownership by employees;
    - the application of the principles of good governance with regard to remuneration.
  - In relation to Appointments
    - the regular review of the principles and criteria (independence, competence and qualifications) that govern the selection and appointment of Directors and any recommendations for changes to the Board of Directors;
    - the appointment or the re-election of Directors and of Members of the Committees set up by the Board and the appointment or dismissal of Members of the Management Committee and of the Executive Committee;
    - the evolution of the management team and succession planning for the Members of the Management Committee and of the Executive Committee, where appropriate on the basis of reports from the Managing Director;

- In relation to other responsibilities
  - the objectives of the Managing Director and, at the latter's proposal, of the Members of the Management Committee as well as of the Executive Committee. These objectives will be the criteria on which their respective performance appraisals will be based;
  - evaluating the performance of the Directors, of the Members of the Management Committee and of the Executive Committee;
  - information published in the Annual Report on the remuneration of the Directors and the Members of the Management Committee, on the procedures that govern their appointment and remuneration and on the activities of the Remuneration & Appointments Committee. It reports to the Board of Directors' meeting that takes place closest to its work and meetings.

### **Composition of the Remuneration & Appointments Committee**

The Remuneration & Appointments Committee is made up of at least three Directors, a majority of whom are independent Directors and have the necessary expertise in remuneration policy.

The Managing Director takes part at the meetings of the Remuneration & Appointments Committee with a advisory vote when this Committee treats about the remuneration of the other Executive Directors, the other Members of the Management Committee and the other Members of the Executive Committee.

The Members of the Remuneration & Appointments Committee and its Chairman are appointed by the Board of Directors for a maximum duration of four years.

### **Meetings**

The Remuneration & Appointments Committee meets at least twice per year at the request of its Chairman, at the latest on the day of the Board meeting that establishes the annual accounts. A quorum is constituted when a majority of its Members is present or represented.

The Chairman of the Remuneration & Appointments Committee or two of its Members may call a meeting at any time if they consider this to be necessary.

The meetings of the Remuneration and Appointments Committee can be held by conference call or any other communications medium.

Recommendations are made on the basis of a simple majority of the Members present or represented. However, the Chairman has a (second) casting vote in the event of a tie.

### **Reports**

Minutes of the meetings of the Remuneration & Appointments Committee are maintained by the IMMOBEL Secretariat at the disposal of the Members of the Remuneration & Appointments Committee as well as of the Directors.

## Part III. The Managing Director, the Management Committee and the Executive Committee of IMMOBEL – Regulations

The role of the Management Committee and of the Executive Committee consists in ensuring the implementation of decisions of the Board of Directors while respecting the values, strategies, policies, business plans and budgets drawn up by the Board of Directors.

In exercising their role, the Committees are responsible for ensuring that all currently applicable legislation and regulations are complied with, and in particular the legal and regulatory framework within which IMMOBEL and each of its subsidiaries operates.

The IMMOBEL Management Committee is made up of the Managing Director and the Members of the Management Committee. The IMMOBEL Executive Committee is made up of the Managing Director and the Members of the Executive Committee.

The meetings of the Committees can be held by conference call or any other communications medium.

The Board of Directors has determined below, and in accordance with statutory provisions, the responsibilities and powers of the Managing Director as well as, on the proposal of the latter, those of the Management Committee and of the Executive Committee, subject to the other delegations approved by the Board of Directors from time to time.

### III.1 The Managing Director

#### III.1.1 Responsibilities

The responsibilities of the Managing Director are as follows:

- He/she is the leading manager of IMMOBEL. As such, he/she :
  - personifies and clearly communicates IMMOBEL's values. Thus, he/she sets the tone and, by his/her behaviour, inspires the conduct of the managers and all collaborators of IMMOBEL;
  - is the main spokesperson for IMMOBEL vis-à-vis the outside world;
  - considers, defines and submits to the Board of Directors the proposals and strategic choices that could contribute to IMMOBEL's development; he/she implements the decisions of the Board of Directors;
  - chairs, organises and leads the Meetings of the Management Committee and of the Executive Committee. He/she submits to the Board of Directors the proposals relating to the composition and powers of the Management Committee and of the Executive Committee. He/she assumes responsibility vis-à-vis the Board of Directors for the exercising of his powers by the Management Committee and the Executive Committee;
  - provides leadership to the Members of the Management Committee and of the Executive Committee, along with support and advice in performing their individual responsibilities as defined by him/her;

- sets the objectives of the Members of the Management Committee and of the Executive Committee, assesses their performance and makes proposals concerning their remuneration.
- He/she contributes actively to the exercising by the Board of Directors and the Chairman of their responsibilities. To this end, he/she:
  - continuously maintains interaction and dialogue, in a climate of respect, confidence and candour, with the Board of Directors;
  - submits proposals to the Board of Directors or its Committees, for which he/she assumes final responsibility, in areas reserved for them;
  - provides the Board of Directors with useful information for exercising its authority and informs it regularly of the main initiatives and decisions taken by the Management Committee and by the Executive Committee and by himself/herself in performing their respective functions;
  - is in regular contact with the Chairman who he/she includes in strategic initiatives and any major project that nonetheless falls below EUR 5 million; he/she considers with the Chairman any question and specifically any issues to be put on the agenda of the meetings of the Board of Directors and the Investment & Asset Management Committee.
- He/she manages IMMOBEL and the Group's subsidiary companies on a day-to-day basis, and exercises any other powers that the Board of Directors may decide to confer upon him/her.

### III.1.2 Authority

Without prejudice to the powers that are proper to him/her, the Board of Directors gives the Managing Director the necessary and sufficient authority to exercise his/her powers. The Managing Director reports to the Board of Directors on the manner in which this authority is exercised.

The authority of the Managing Director flows both from his/her formal position and from personal influence, which is based on his/her function as Chairman of the Executive Committee of IMMOBEL.

### III.1.3 Appointment

The Board of Directors chooses the Managing Director from among its Members, based on the recommendation of the Remuneration & Appointments Committee.

### III.1.4 Remuneration and performance appraisal

#### III.1.4.1 Remuneration

The Board of Directors approves the contract for the appointment of the Managing Director and fixes its remuneration, further to the advice of the Remuneration & Appointments Committee, based on a proposal of the

Chairman of the Remuneration & Appointments Committee in accordance with the remuneration policy of Directors and the Executive Committee of IMMOBEL.

#### Contracts concluded after 1<sup>st</sup> July 2009

The contracts made on or after 1<sup>st</sup> July 2009 refer to the criteria to be taken into account when determining variable remuneration. The variable remuneration of the Managing Director, and of each other executive Director, meets the following rules:

- determination of the criteria for assigning a variable remuneration ;
- these criteria must be explicitly included in a binding agreement between IMMOBEL and the person concerned ;
- the paying out of the variable remuneration may only occur if the criteria are effectively met ;
- spreading out of bonuses in time (if the variable remuneration amounts  $\frac{1}{4}$  or more of the annual remuneration) :
  - at least  $\frac{1}{4}$  : based on predetermined performance criteria measured over at least two years ;
  - at least  $\frac{1}{4}$  : based on predetermined performance criteria measured over at least three years.

Companies may depart from these rules, subject to the prior and express approval by the Shareholders' Meeting or conflicting statutory regulations.

The contracts contain specific provisions relating to early termination.

Any contractual arrangement made with IMMOBEL or its subsidiaries as from 1<sup>st</sup> July 2009 concerning the remuneration of the Managing Director should specify that severance pay awarded in the event of early termination should not exceed 12 months' basic and variable remuneration.

The contracts with the executive Directors can allow severance payments who should not exceed 12 months' remuneration. If the severance pay exceeds the remuneration, it should be approved by the very next Ordinary Shareholders' Meeting. If however the severance pay is higher than 18 months' remuneration, this departure should be approved by the very next Ordinary Shareholders' Meeting further to a recommendation by the Remuneration & Appointments Committee.

The contract should specify that the severance package should neither take account of variable remuneration nor exceed 12 months' basic remuneration if the departing Managing Director did not meet the performance criteria referred to in the contract.

The remuneration policy is described in Appendix 2 of the Regulations of the Board of Directors and in point III.4. below.

#### III.1.4.2 Performance appraisal

Each year, at the proposal of the Remuneration & Appointments Committee, the Board of Directors sets out the objectives of the Managing Director for the coming financial year, and appraises his/her performance for the period just ended, in conformity with the existing procedure. This appraisal of the Managing Director's performance is also used to determine the variable part of his/her annual remuneration.

### III.2 The responsibilities of the Management Committee

On the proposal of the Managing Director, the Board of Directors defined as follows the responsibilities of the Management Committee. It will :

- consider, define and prepare, under the leadership of the Managing Director, proposals and strategic options that could contribute to IMMOBEL's development. This responsibility covers in particular strategic planning: analysis of strategies, activity plans and budgets submitted by IMMOBEL departments; drawing up the business plan and budgets of IMMOBEL for proposal, discussion and approval by the Board of Directors;
- monitors the developments of IMMOBEL, analyzing the compliance of the feasibilities, the deadlines and the quality of the projects, making sure to maintain or improve quality standards of the Group;
- present to the Board a complete, timely, reliable and accurate preparation of the company's financial statements, in accordance with the applicable accounting standards and policies of IMMOBEL;
- prepare the company's required disclosure of the financial statements and another material, financial and non-financial, information;
- proposes the financial strategy with the operational financial management to the Board of Directors
- ensure the monitoring of the performance of IMMOBEL's departments in line with strategic objectives, business plans and budgets,
- draw up and implement IMMOBEL's policies that the Managing Director considers to fall within the competence of the Management Committee;
- be responsible and accountable to the Board for the discharge of its responsibilities.

### III.3 The responsibilities of the Executive Committee

On the proposal of the Managing Director, the Board of Directors defined as follows the responsibilities of the Executive Committee. It will :

- put internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other risks), without prejudice to the Board's monitoring role, based on the framework approved by the Board;
- consider, define and prepare, under the leadership of the Managing Director, proposals and strategic options that could contribute to IMMOBEL's development. This responsibility covers in particular the following aspects:

- structure: organisation of the activities of IMMOBEL into departments that are consistent with IMMOBEL's strategy and recommending changes where this becomes necessary;
- external growth: formulation of recommendations for the Board of Directors for the agreement, reassessment or cessation of any alliance, spin-off or merger, investment, acquisition or disposal requiring a commitment by the Group or relating to an amount in excess of EUR 5 million, or, regardless of the amount, for any transaction that the Managing Director considers necessary to submit for decision to the Board of Directors because of its nature or because of the risks involved;
- draw up for IMMOBEL proposals relating to policies to be submitted for the approval of the Board of Directors, and implement these policies; these policies include amongst others risk management (policy relating to the development at risk of real estate projects);
- under the leadership of the Managing Director:
  - give leadership, advice and support to IMMOBEL's various subsidiaries and departments, respecting the legal and regulatory framework in which each of IMMOBEL's subsidiaries operates;
  - approve or decide to agree, reassess or cease any alliance, spin-off or merger, investment, acquisition and disposal, which does not fall under the responsibilities reserved for the Board of Directors;
  - ensure the monitoring compliance with laws and regulations in force, as well as policies and standards set by IMMOBEL;
  - manage and organise the support functions within IMMOBEL covering areas such as human resources, legal, tax, accounting and financial matters.
- be responsible and accountable to the Board for the discharge of its responsibilities;

### III.4 The Remuneration Policy for the Members of the Management Committee and of the Executive Committee

The Board of Directors approves the contracts for the appointment of the Members of the Management Committee and of the Executive Committee and fixes their remuneration, further to the advice of the Remuneration & Appointments Committee, based on a proposal of the Managing Director. The contracts made on or after 1<sup>st</sup> July 2009 refer to the criteria to be taken into account when determining variable remuneration. The variable remuneration of the Members of the Management Committee and of the Executive Committee meets the following rules:

- determination of the criteria for assigning a variable remuneration ;
- these criteria must be explicitly included in a binding agreement between IMMOBEL and the person concerned ;
- the paying out of the variable remuneration may only occur if the criteria are effectively met ;
- spreading out of bonuses in time (if the variable remuneration amounts ¼ or more of the annual remuneration) :

- at least ¼ : based on predetermined performance criteria measured over at least two years ;
- at least ¼ : based on predetermined performance criteria measured over at least three years.

Companies may depart from these rules, subject to the prior and express approval by the Shareholders' Meeting or conflicting statutory regulations.

The contracts contain specific provisions relating to early termination.

Any contractual arrangement made with IMMOBEL or its subsidiaries as from 1<sup>st</sup> July 2009 concerning the remuneration of any Member of the Management Committee and of the Executive Committee should specify that severance pay awarded in the event of early termination should not exceed 12 months' basic and variable remuneration.

The contracts with the Members of the Management Committee and of the Executive Committee can allow severance payments who should not exceed 12 months' remuneration. If the severance pay exceeds the remuneration, it should be approved by the very next Ordinary Shareholders' Meeting. If however the severance pay is higher than 18 months' remuneration, this departure should be approved by the very next Ordinary Shareholders' Meeting further to a recommendation by the Remuneration & Appointments Committee.

The contract should specify that the severance package should neither take account of variable remuneration nor exceed 12 months' basic remuneration if the departing Member of the Management Committee and of the Executive Committee did not meet the performance criteria referred to in the contract.

The level and structure of the remuneration of the Members of the Management Committee and of the Executive Committee of IMMOBEL are reviewed annually, and are such that qualified and expert professionals can be recruited, retained and motivated, taking into account the nature and scope of their individual responsibilities.

A procedure exists for the appraisal of their performance. On the initiative of the Remuneration & Appointments Committee, the Board of Directors analyses the competitiveness of IMMOBEL's remuneration structure.

The remuneration of the Members of the Management Committee and of the Executive Committee aims to:

- continuously enable IMMOBEL, taking account of the competitive environment in which it operates, to attract, motivate and develop the loyalty of high level managers with high potential;
- encourage the achievement of ambitious performance objectives by ensuring consistency between the interests of managers and Shareholders in the short, medium and long-term;
- stimulate, recognise and compensate both significant individual contributions and strong collective performances.

Concerning the remuneration of the Members of the Management Committee and of the Executive Committee, the company discloses in its remuneration report :

- a description of its internal procedure for developing a remuneration policy and for setting the level;
- a statement of the adopted remuneration policy;
- the criteria for the evaluation of performance achieved against targets as well as the term of evaluation, without disclosing any confidential information regarding the company's strategy (where Members of the Management Committee and of the Executive Committee are eligible for incentives based on the performance of the company or its subsidiaries).

Any significant changes to this remuneration policy occurred since the end of the financial reported year will be explicitly emphasized in the remuneration report.

If the company has materially deviated from its remuneration policy during the financial reported year, it will be explained in the remuneration report.

## Part IV. Shareholders of IMMOBEL

### IV.1 Structure of shareholding and control of IMMOBEL

The structure of the shareholding and control of IMMOBEL as well as any cross-participations greater than 3 % of the shares or voting rights to the extent that ImmoBEL is aware of them and has received the relevant information.

(at 7 <sup>th</sup> September 2010)	Number of shares
Number of shares issued by IMMOBEL	<b>4 121 934</b>
<b>Known Shareholders (according to information received by IMMOBEL)</b>	
- Cresida Investment Sàrl	1 030 484
- JER Audrey Sàrl	228 081
- Fidea n.v. et KBC Assurances n.v.	213 688
- Capfi Delen Asset Management n.v.	208 516
<b>Total of known Shareholders</b>	<b>1 680 769</b>

### IV.2 Identity of the main Shareholders

The identity of the main Shareholders with a description of their voting rights, special rights of control, and, where they act in concert, a description of the key elements of existing Shareholders agreements.

Cresida Investment Sàrl : 67, rue Ermesinde, L-1469 Luxembourg.  
Capfi Delen Asset Management n.v.: Jan Van Rijswijcklaan 178, 2020 Antwerp.  
Fidea s.a. : Van Eycklei 14, 2018 Antwerp.  
JER Audrey Sàrl : 15, rue Notre Dame, L-2240 Luxembourg.  
KBC Assurances s.a. : Waaistraat 6, 3000 Louvain.

There are no special voting rights and no agreements between existing Shareholders.

### IV.3 Other direct and indirect relations between IMMOBEL and its main Shareholders

None.

## IV.4 Dialogue with Shareholders

IMMOBEL promotes an effective dialogue with Shareholders and potential Shareholders. To ensure rapid communication and equal treatment of all Shareholders, IMMOBEL publishes all information that could be of interest to Shareholders or “Stakeholders”, such as the agenda and minutes of the General Shareholders' Meetings, interim and final financial results, the Articles of Association, the Corporate Governance Charter and the Annual Report, on its Website. Certain information is also published in the press.

## IV.5 General Meetings

IMMOBEL encourages Shareholders to make use of their voting rights and to participate at General Shareholders' Meetings as often as it is opportune and practicable for them to do so.

The Belgian Code on Corporate Governance prescribes that the level of shareholding for the submission of proposals by a shareholder to the General Shareholders' Meeting will not exceed 5% of the share capital. While the management of IMMOBEL or its Board of Directors will always consider any proposal submitted by shareholders in the best interest of IMMOBEL, the Board of Directors is of the opinion that the threshold of 5 % of the share capital is too low to oblige IMMOBEL to put any proposal of whatever nature on the agenda of a General Shareholders' Meeting. The Board of Directors therefore retains the principles in this context as prescribed by the Articles of Association of IMMOBEL and Article 532 of the Belgian Company Code which foresee the right of shareholders holding more than 20% of the share capital to request the Board of Directors to convene a General Shareholders' Meeting.