

Free translation. The Dutch version will prevail.

CARE PROPERTY INVEST

Public limited liability company (société anonyme/naamloze vennootschap),
Public Regulated Real Estate Company (Société Immobilière Réglementée (SIR) /
Gereglementeerde Vastgoedvennootschap (GVV)) under Belgian Law
Registered Office: 3 Horstebaan, 2900 Schoten
Companies Registration No. 0456.378.070 (LPR Antwerp)
("CP Invest" or the "Company")

SPECIAL REPORT OF THE BOARD OF DIRECTORS IN COMPLIANCE WITH ARTICLE 559 OF THE BELGIAN COMPANY CODE

CONCERNING THE PROPOSED CHANGE IN THE OBJECTIVES OF THE COMPANY

The Appendices form an integral part of this report

Ladies and Gentlemen,

We have the pleasure of presenting the changes to the objectives of the company to the general meeting of the Company, in relation to the Company's adjustment of its objectives in accordance with the Act of 22 October 2017 amending the Act of 12 May 2014 concerning the regulated real estate companies. The change in the company objectives also sets the boundaries for the further expansion of its activities, in particular investment in real estate that is solely or primarily used or intended for residential units adapted for residential care or health care.

This report (hereinafter the "**Report**") has been drawn up by the Board of Directors of CP Invest in compliance with Article 559 of the Belgian Company Code (the "**Belgian Company Code**") in response to the changes in the corporate objective of CP Invest. In compliance with Article 559 of the Belgian Company Code, this report accounts for the proposed changes to the objectives of the Company.

The proposal will be presented to the extraordinary general meeting of the Company to be held on or around 27 April 2018 ("**EGM I**") and if the required quorum is not reached at EGM I, to the extraordinary general meeting of the Company to be held on or around 16 May 2018 ("**EGM II**").

1. Context

The amendment of the Act of 12 May 2014 concerning the regulated real estate companies implements the long-awaited relaxation of the regulatory framework within which regulated real estate companies ("RRECs") perform their activities.

The change in the Company's objectives in the light of the aforementioned legal amendment offers the Company an opportunity to expand its objectives. In that regard, the Company wishes to further expand its activities to include investment in real estate that is solely or primarily used or intended for residential units adapted for residential care or health care.

The Company takes the view that the proposed change is in the interests of the Company's shareholders.

2. Proposed change

As of today's date, Article 3 of the Company's Articles of Association provides as follows:

The sole objectives of the Company are, (a) to make real estate available to users directly or through a company in which they have a shareholding, in accordance with the provisions of the RREC Act and its implementing decisions and regulations; and (b) to own real estate within the limits of the RREC Act, as stated in Article 2(5°)(vi) to 2(5°)(x) of the RREC Act. Real estate is defined as real estate within the meaning of the RREC Act, as well as all other property, shares or rights defined as real estate by regulations applicable to regulated real estate companies.

The activity, as described in the preceding paragraphs, must relate to the financing and realisation of (i) with regard to the Flemish Region, only projects concerning (a) the realisation of service flats as referred to in Article 88, §5, of the Residential Care Decree of 13 March 2009 (as amended from time to time) or (b) real estate for facilities in relation to the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) with regard to the European Economic Area, with the exception of the Flemish Region, projects equivalent to the projects referred to in (i), or (iii) other projects which are approved from time to time under the applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation (hereinafter jointly referred to as "Projects").

In the context of the provision of real estate, the Company may, in accordance with regulations applicable to RRECs and within the aforementioned limits, perform all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, except in the case of occasional transactions), refurbishment, renovation, furnishing and fitting, development, acquisition, disposition, lease, sublease, exchange, contribution, transfer, parcelling, placement under a system of co-ownership or joint ownership of real estate as described above, the provision or acquisition of rights of superficie, usufruct, leasehold or other real or personal rights to real estate as described above, the management and operation of real estate. The Company may, in accordance with regulations applicable to regulated real estate companies and within the aforementioned limits,

- . act as the lessee of real estate, with or without a purchase option;*
- . act as the lessor of real estate, as the main activity or as an additional activity, with or without a purchase option (with the proviso that the leasing of real estate with a purchase option may only be the main activity, as defined in and subject to compliance with the conditions of Article 17, paragraph three of the BER RD); and*
- . develop activities within the framework of public-private partnerships, whether or not incorporated in an institutional regulated real estate company;*
- . in a secondary or temporary capacity, invest in securities which are not property securities within the meaning of the regulations applicable to RRECs. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash and cash*

equivalents may be held in any currency in the form of deposits on demand, or term deposits or any monetary instrument, which are readily available for mobilisation;

. provide mortgages or other securities or guarantees in the context of the funding of the real estate activities of the Company or its group, within the limits of legislation applicable to regulated real estate companies;

. grant loans within the limits of legislation applicable to regulated real estate companies;

. carry out transactions concerning authorised hedging instruments (as defined in the regulations applicable to regulated real estate companies), where these operations are part of a policy adopted by the Company to cover financial risks, with the exception of speculative transactions.

The Company shall, in compliance with the regulations applicable to regulated real estate companies, within the above limits, carry out all immovable, movable, financial, commercial and industrial actions which are directly or indirectly related to its objectives or of a basic nature to pursue their realization or to facilitate this, both domestically and abroad.

In compliance with the regulations applicable to regulated real estate companies, and within the above limits, the Company may acquire, by means of contribution in cash or in kind, merger, de-merger or other corporate law restructuring, subscription, participation, financial intervention or otherwise, a share in any existing or future companies or businesses in Belgium or abroad, whose objectives are identical, similar or related to its own, or of a nature as to pursue or promote the objectives of the Company.

The Board of Directors therefore proposes to replace this provision, as follows:

The Company's sole objective is,

(a) making real estate available to users directly or via a company in which it has a shareholding, in compliance with the provisions of the RREC Act and decrees and regulations issued for the implementation of the RREC Act;

(b) property ownership, within the limits of the RREC Act, as referred to in Article 2(5°)(vi) to 2(5°)(xi) of the Act;

(c) concluding or joining one or more of the following long-term contracts with a public client, directly or via a company in which it has a shareholding in compliance with the provisions of the RREC Act and the decrees and regulations issued for its implementation, possibly in collaboration with third parties:

(i) Design, Build, Finance (DBF) contracts, except where these can be qualified solely as a promotional order for works, within the meaning of Article 115(4°) of the Royal Decree of 15 July 2011 on the award of public procurement contracts in the classical sectors;

(ii) Design, Build, (Finance) and Maintain (DB(F)M) contracts;

(iii) Design, Build, Finance, (Maintain) and Operate (DBF(M)O) contracts;

and/or

(iv) contracts for concessions for public work relating to buildings and/or other infrastructure of an immovable nature and services relating to this, on the basis of which:

(i) it guarantees the provision, maintenance and/or operation for a public entity and/or citizens as end-users, in order to meet a social need and/or to facilitate the provision of a public service; and

(ii) for which it is able to bear the associated financing, availability, demand and/or operating risks, partially or in full, in addition to any construction risk, without necessarily holding rights in rem in that regard.

(d) developing, providing for the development, establishing, providing for the establishment, managing, providing for the management, operating, providing for the operation of or making available one or more of the following in the long term, directly or via a company in which it has a shareholding in compliance with the provisions of the RREC Act and the decisions and regulations imposed for its implementation, possibly in collaboration with third parties:

(i) utilities and storage locations for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general and the related goods;

(ii) utilities for transportation, distribution, storage or treatment of water and the related goods;

(iii) installations for the generation, storage and transportation of energy, green or otherwise, and the related goods; or

(iv) waste and incineration installations and related goods.

The activity, as described in the preceding paragraphs, must relate to the financing and realisation of (i) with regard to the Flemish Region, only projects primarily concerning (a) the realisation of service flats as referred to in Article 88, §5, of the Residential Care Decree of 13 March 2009 (as amended from time to time) or (b) real estate for facilities in relation to the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) with regard to the European Economic Area, with the exception of the Flemish Region, projects equivalent to the projects referred to in (i), or (iii) real estate located in a Member State of the European Economic Area and used or intended solely or primarily for residential units adapted for residential care or health care, or (iv) other projects which are approved from time to time under the applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation (hereinafter jointly referred to as "Projects").

In the context of the provision of real estate, the Company may, in accordance with regulations applicable to RRECs and within the aforementioned limits, perform all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, within the meaning of the RREC Act, except in the case of occasional transactions), refurbishment, renovation, furnishing and fitting, development, acquisition, disposition, lease, sublease, exchange, contribution, transfer, parcelling, placement under a system of co-ownership or joint ownership of real estate as described above, the provision or acquisition of right of superficies, usufruct, leasehold or other real or personal rights to real estate as described above, the management and operation of real estate. The Company may, in accordance with regulations applicable to regulated real estate companies and within the aforementioned limits:

- . act as the lessee of real estate, with or without a purchase option;
- . act as the lessor of real estate, as the main activity or as an additional activity, with or without a purchase option (with the proviso that the leasing of real estate with a purchase option may only be the main activity, as defined in and subject to compliance with the conditions of Article 17(3) of the RREC Royal Decree);
- . develop activities within the framework of public-private partnerships, whether or not incorporated in an institutional regulated real estate company;
- . initially hold a share of less than 25% in the capital of a company which performs the activities referred to in sub-paragraph (c) of this Article, in as far as the said participating interest is converted into a participating interest through a share transfer, in accordance with the provisions of the RREC Act and the decisions and regulations for its implementation, within two years of the end of the construction phase of the public-private partnership (PPP) or after every longer term required in that regard by the public entity with which the contract is concluded;
- . invest in securities which are not real estate within the meaning of the legislation applicable to regulated real estate companies, in an additional or temporary capacity. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash and cash equivalents may be held in any currency in the form of deposits on demand, or term deposits or any monetary instrument, which are readily available for mobilisation;
- . provide mortgages or other securities, or issue guarantees in the context of the activities of the company or its group, within the limits of the regulations applicable to RRECs;
- . grant loans within the limits of the legislation applicable to RRECs, and
- . carry out transactions concerning authorised hedging instruments (as defined in the regulations applicable to regulated real estate companies), where these operations are part of a policy adopted by the Company to cover financial risks, with the exception of speculative transactions.

The Company shall, in compliance with the regulations applicable to regulated real estate companies, within the above limits, carry out all immovable, movable, financial, commercial and industrial actions which are directly or indirectly related to its objectives or of a basic nature to pursue their realization or to facilitate this, both domestically and abroad.

In compliance with the regulations applicable to regulated real estate companies, and within the above limits, the Company may acquire, by means of contribution in cash or in kind, merger, de-merger or other corporate law restructuring, subscription, participation, financial intervention or otherwise, a share in any existing or future companies or businesses in Belgium or abroad, whose objectives are identical, similar or related to its own, or of a nature as to pursue or promote the objectives of the Company.

3. Abridged statement of assets and liabilities of the Company and auditors' report

The Board of Directors attaches to this report a statement of the assets and liabilities of the Company as at 28 February 2018, as Appendix 1.

The Company's auditors were instructed to draw up the report required pursuant to Article 559 of the Belgian Company Code. The Board of Directors attaches a copy of this report as Appendix 2.

4. Accounting for the change in the objectives of the company

The company has held the status of an RREC for a considerable time. The Company therefore wishes to comply with the legal framework of an RREC, more specifically, the Act of 12 May 2014 concerning the regulated real estate companies, as amended by the Act of 22 October 2017, (the "**RREC Act**").

The change in the objectives of the Company is proposed in order to broaden the description of the objectives of CP Invest, in accordance with the RREC legislation, and to enable it to perform all the permitted activities of an RREC.

With the accompanying addition (as well as the addition of the activities permitted by the RREC Act) of investment in real estate that is solely or primarily used or intended for residential units adapted for residential care or health care, the Board of Directors wishes to include all existing and future business activities.

The envisaged change in the objectives is therefore in the interests of the Company, as it enables CP Invest to make maximum use of the possibilities of the RREC Act, which will benefit its competitive position. The Board of Directors therefore proposes to the shareholders that they approve this change.

Drawn up in Schoten on 14 February 2018.

For the Board of Directors of Care Property Invest,

Peter VAN HEUKELOM,
CEO / Managing Director

Willy PINTENS
Managing Director

Appendix 1: Abridged statement of assets and liabilities of the Company as at 28 February 2018.

Appendix 2: Statutory auditors' report in compliance with Article 559 of the Belgian Company Code.