







3 EIKEN

Corporate governance charter

VIII. Corporate governance charter

The corporate governance charter is an integral part of the report of the Board of Directors included in this annual financial report.

1. Introduction

Pursuant to Article 96, §2(1°) of the Companies Code (as amended by the Law of 6 April 2010 to strengthen corporate governance in listed companies) and the Royal Decree of 6 June 2010 on the designation of the Corporate Governance Code applying to listed companies, Care Property Invest is required to comply with the Belgian Corporate Governance Code 2009.

The Belgian Corporate Governance Code 2009 is available at www.corporategovernancecommittee.be.

The company uses this as a reference code and does everything possible to comply with the relevant standards at all times, taking the specific nature of the company into account.

In compliance with the Belgian Corporate Governance Code, the Board of Directors of Care Property Invest (the "Company") adopted its Corporate Governance Charter on 7 December 2005. The Corporate Governance Charter is updated on a regular basis in accordance with developments in the corporate governance policy. On 25 November 2014, the Board of Directors approved a modified version of the Charter, pursuant to the decision of the Extraordinary General Meeting of 25 November 2014 to adopt the status of a public RREC. The Charter was last updated on 9 March 2016.

The Corporate Governance Charter can be viewed on the company website at www.carepropertyinvest.be, can be requested from the Company's registered offices and can also be provided on request by letter, e-mail or fax.

The Corporate Governance Code 2009 applies the "comply or explain" principle, whereby deviations from the recommendations must be accounted for in the Company's Corporate Governance Statement.

The Company differs only on a limited number of points from the Belgian Corporate Governance Code:

- Provision 2.9. of the Corporate Governance Code - Secretary: given the limited number and simplicity of the procedures, rules and regulations governing the operation of the Board, no secretary is appointed. Any director can address any questions in this regard directly to the CEO of the Company.
- Provision 4.5 of the Corporate Governance Code - directorships in listed companies of non-executive directors: Mr De Peuter (non-executive director until 16 September 2015) holds more than five directorships of listed real estate certificates. The Board of Directors recorded this on 13 January 2010 and raised no objections, as the certificates should be regarded more as a financing product than as operational companies. The Board of Directors also notes that this will not encumber his availability as a director of the Company in any way.
- Provision 7.11: partial variable remuneration for the executive management: the CEO receives partially variable remuneration, and thus complies with the provision. The two other managing directors are not involved in the activities on a daily basis and are more involved in supervision of the daily operations, so that variable remuneration seems less appropriate.

- Principle 5 of the Corporate Governance Code - specialised committees: because of the limited size of the company, and given the balanced composition of the Board and frequency of meetings, no committees are established with an advisory role in relation to the powers of the Board of Directors concerning audits, appointments and remuneration; instead, the Board will undertake these tasks itself, in plenary sessions. Care Property Invest is also not required by law⁴ to establish an audit and remuneration committee.

This Corporate Governance Statement is an integral part of the Report of the Board of Directors of Care Property Invest and describes the position as at 31 December 2015.

2. Board of Directors

2.1 Profile

The Board of Directors has a variable number of members. The minimum number of directors is five⁵. Article 16 of the Articles of Association also provides that the Board of Directors should consist of a maximum of eight directors from the list compiled by the special shareholders and three directors from the list compiled from the list of the ordinary shareholders. In accordance with Article 13 of the RREC Law, the Board of Directors includes at least three independent members within the meaning of Article 526 of the Companies Code.

The composition of the Board of Directors is such that the public RREC can be optimally governed in accordance with Article 4 of the RREC Law. Article 4 of the RREC Law defines the permitted activities of an RREC as being the provision of real estate to users and, in the context of this provision of real estate, the public RREC may perform all activities relating to the construction, refurbishment, renovation, development, acquisition, disposal, management and operation of real estate. A public RREC must develop a strategy that serves to maintain long-term ownership of its real estate and, in the performance of its activities, a focus on active management, which implies in particular that it takes responsibility itself for the development and daily management of the real estate, and that all other activities that it performs have added value for that real estate or its users, such as the provision of services that are complementary to the provision of the relevant properties.

The directors must at all times possess the professional integrity and competencies required for the performance of their duties by Article 14, §1(2) of the RREC Law. Subject to acceptance by the FSMA, the appropriate competencies for the position may be demonstrated by their experience and knowledge of real estate in general, or of the RREC's target group, i.e. the elderly and disabled persons.

The directors do not need to be shareholders.

The directors are permitted to accept additional directorships of listed and unlisted companies. They must notify the Chairman of the Board of Directors of this. In accordance with the Corporate Governance Code, the non-executive directors may not hold more than five directorships in listed companies. Derogations from this requirement are permissible, subject to the approval of the Board of Directors (as an application of the "comply or explain" principle). Directors must report any changes to their other commitments and new commitments outside the company to the Chairman of the Board of Directors in due time.

⁴ Article 526 bis of the Companies Code for the Audit Committee and Article 526 quater of the Companies Code for the remuneration committee.

⁵ Article 16 of the Articles of Association.

In accordance with Article 14 §1 of the RREC Law, the directors may only be natural persons. Since the appointment of the directors at the Ordinary General Meeting of 2015, all directors have been natural persons.

Pursuant to Article 518 bis, §1 of the Companies Code, introduced by the Law of 28 July 2011, from the first day of the eighth financial year commencing after 14 September 2011, i.e. from 1 January 2019, at least one third of the members of the Board of Directors (rounded off to the nearest whole number) should be of a different gender to that of the other members. On 31 December 2015, the Board of Directors consisted of 11 members, of whom four were women and seven were men, as a result of which the Company already complies with the aforementioned one-third rule. In the future, Care Property Invest will continue to strive to maintain gender diversity when appointment proposals are considered. The company will in any event ensure that diversity in general is borne in mind in the composition of the Board, as well as the need to have complementary skills, experience and knowledge.

Directors who step down are eligible for reappointment after a positive evaluation of their commitment and effectiveness by the Board of Directors.

2.2 Appointment - Term of Office - Termination

The members of the Board of Directors are appointed by the General Meeting, which also determines their remuneration.

Holders of special shares have the right to propose a list of at least 16 prospective candidates. The General Meeting can choose up to eight directors from this list. The directors are known as “directors nominated by the holders of special shares”.

There is a verbal agreement among the holders of special shares to take account of the most balanced representation possible of the holders of special shares on the Board of Directors in their nominations, and of the possibility of nominating one or two candidates from external organisations or institutions whose representation is considered by the special shareholders to be expedient and in the interests of the Company.

The holders of ordinary shares are entitled to propose one or more prospective candidates. The General Meeting may choose directors from among these candidates, with a maximum of three.

Any proposal to the General Meeting regarding the appointment of a director must be accompanied by a recommendation of the Board of Directors.

Before considering the candidature, the Chairman of the Board of Directors must ensure that the Board has sufficient information about the candidate, such as a curriculum vitae, an assessment of the candidate based on the first meeting with the members of the management board and the list of the positions currently held by the candidate, and if necessary, the information needed for the evaluation of an independent candidate on the basis of the independence criteria of Article 526 ter of the Companies Code (*See also “2.4. Independent Directors”*).

The appointment proposal must state the proposed term of office, which may not exceed four years, and must be accompanied by relevant information on the candidate’s professional qualities, together with a list of the positions that the candidate holds. The proposed appointment is subject to the approval of the candidacy by the FSMA, if this approval has not been obtained previously.

The proposed appointments will be announced together with the other agenda items for the General Meeting in the notice convening the General Meeting that decides on the appointment.

Directors who step down are eligible for reappointment after a positive evaluation of their commitment and effectiveness by the Board of Directors, subject to the approval of the FSMA.

For the purpose of this reappointment by the General Meeting, a distinction must be made between independent directorships, for which a statutory maximum term of 12 years applies (three four-year directorships) and non-independent directorships, for which no maximum time limit applies and which in principle, therefore, subject to approval by the General Meeting at least every four years, can be renewed indefinitely. The appointments of the directors at the Ordinary General Meeting of 2015 were made for a term of three years.

If a directorship becomes vacant for any reason, the vacancy shall be filled as follows:

- if it concerns a director nominated by the holders of special shares, the Board of Directors has the right to fill the vacancy temporarily, pending the General Meeting;
- if it concerns a director nominated by holders of ordinary shares, then the remaining directors will immediately convene a General Meeting for the appointment of a new director, provided that no General Meeting takes place within six months of the notification of the Board of Directors that the directorship will become vacant.

New directors are always appointed on the nomination of the shareholders of the same class as provided for in Article 16 of the Articles of Association.

Each director appointed in this way by the General Meeting terminates the mandate of the director he or she replaces.

2.3 Executive and non-executive directors

At least half of the directors are non-executive directors. Apart from the Managing Directors, all other directors are non-executive directors. Specifically, this means that of the total of 11 directors on 31 December 2015, eight were non-executive directors and three executive directors.

2.4 Independent directors

All independent directors who are appointed must meet the independence criteria set out in Article 526 ter of the Companies Code.

Each independent director who ceases to comply with the independence requirements must immediately notify the Board of Directors of this.

The independent directors of the company as at the date of this Corporate Governance Charter are Brigitte Grouwels, Carol Riské and Paul Van Gorp.

2.5 Chairman

2.5.1 APPOINTMENT

The Board of Directors elects a chairman from among the directors nominated by the holders of the special shares. The Chairman of the Board of Directors as at 31 December 2015 was Mark Suykens.

2.5.2 PROFILE

The Chairman of the Board of Directors may not hold any executive responsibility and, therefore, cannot be appointed as Managing Director, nor can the Managing Director (including the CEO) serve as the Chairman of the Board of Directors. The chairmanship of the Board may be held on an interim basis by an executive director and, therefore, also by the Managing Director (including the CEO) (*Article 19 of the Articles of Association provides that if the Chairman is absent, the Board of Directors is chaired by the oldest director present who was nominated by the holders of special shares*).

2.5.3 TASKS

The Chairman of the Board heads the Board of Directors. He or she takes the necessary measures with a view to creating a climate of trust within the Board of Directors, which contributes to open discussion, constructive criticism and support for the decisions of the Board. The Chairman promotes effective interaction between the Board of Directors and the management board.

The Chairman of the Board chairs the General Meeting. If the Chairman is unable to attend, the Board of Directors is chaired by the oldest director present who was nominated by the holders of special shares. The Chairman establishes the agenda for the Board meetings, after consulting the management board, and ensures that the procedures relating to the preparation, deliberations, approval of proposals of the management board and implementation of decisions are followed correctly.

The Chairman ensures that the directors receive accurate, timely and clear information before the meetings and, where necessary, between meetings. With regard to the Board of Directors, all directors receive the same information.

2.6 Duties and responsibilities of the Board of Directors

The Company is headed by a collegiate Board of Directors which is responsible for pursuing the long term success of the Company and for ensuring that risks can be assessed and managed.

The Board of Directors decides on the Company's values and strategy, risks and policies and ensures that the necessary financial, personnel and operating resources are available to realise the objectives.

The Board of Directors ensures that its obligations to all shareholders are understood and met. The Board of Directors is accountable to the shareholders for the discharge of its responsibilities.

With regard to its supervisory duties, the Board of Directors supervises the performance of the management board, the auditor, the real estate expert and internal audit, in particular with regard to risk management and the integrity of the financial statements (*see section 4. "Audit, internal control and risk management systems", page 169 onwards*).

At the end of each financial year, the Board of Directors prepares an inventory and the financial statements.

The directors also draw up a report in which they account for their running of the Company. This report contains a commentary on the financial statements which includes an accurate overview of the progress and position of the Company, as well as the information required by the Companies Code.

The Board of Directors ensures that the financial statements, annual report and other documents referred to in the Companies Code are filed with the National Bank of Belgium within 30 days after the adoption of the financial statements.

The Board of Directors has the broadest powers to perform all acts that are necessary or useful for the realisation of the objects of the Company. The Board may perform all other actions that are not expressly reserved for the General Meeting by law or by the Articles of Association.

In particular, the Board of Directors is responsible for the following tasks:

- decisions regarding the investment programme in line with the initial investment programme (selection of construction sites);
- decisions to award contracting orders in line with the initial investment programme;
- decisions on lease contracts;
- implementation and any changes to the Agreement with the Government of Flanders (Belgian Official Gazette 17 January 1996) concerning the initial investment programme
- preparing financial statements, annual and half-yearly financial reports and interim statements;
- operating and financing strategy;
- analysis and approval of the business plan;
- analysis and approval of investment projects with private partners;
- decisions on participation in tendering procedures for public procurement contracts;
- assessment of the size, composition and functioning of the Board of Directors
- establishment of the principles regarding the size and the remuneration policy for the staff;

2.7 Fees

The mandate of directors is remunerated. The remuneration of directors is determined by the General Meeting. With regard to the Company's remuneration policy, see paragraph 5. "Remuneration".

2.8 Functioning of the Board of Directors

The Board of Directors convenes meetings as often as necessary for the performance of its duties. The Board normally meets every two months, and also whenever this is required in the interests of the Company.

The Board of Directors is convened by the Chairman or by two directors whenever the interests of the Company so require.

The notices convening meetings state the location, date, time and the agenda for the meeting and are sent at least two full days before the meeting, by letter, telegram, e-mail, fax or in some other written form.

Each director who attends a meeting of the Board of Directors or is represented at such meeting is considered to be regularly called up.

The Board of Directors can only validly deliberate and decide if at least a majority of the directors are present or represented and if at least three directors nominated by the holders of special shares are present or represented. If this quorum is not reached, a new Board of Directors may be convened with the same agenda, which will validly deliberate and decide if at least two directors are present or represented.

With respect to items not on the agenda, it may only deliberate with the consent of the entire Board of Directors and provided that all directors are present or represented.

Any director may authorise a fellow director by letter, telegram, fax, e-mail or in another written form to represent him or her at a meeting of the Board of Directors.

The Board of Directors may meet by conference call, video conference or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Any director may also provide his or her advice to the Chairman by letter, telegram, fax, e-mail or other written form.

When justified by an emergency and by corporate interest, a decision may be adopted by unanimous written consent of all directors. However, this procedure should not be used for the approval of the financial statements and the authorised capital.

Decision-making within the Board may not be dominated by a single individual or by a group of directors. Resolutions are carried by a simple majority of the votes cast.

However, changes in policy regarding the options laid down in the Company's investment budget and business plan require a majority of 70% of the votes cast by the members of the Board of Directors. Blank or invalid votes are not counted as votes cast. In the event of a tie of votes within the Board of Directors, the Chairman will cast the deciding vote.

In view of the limited number and simplicity of the procedures, rules and regulations governing the operation of the Board, no secretary is appointed. Any director can address any questions in this regard directly to the CEO of the Company.

The minutes of the meetings summarise the discussions, specify the decisions taken and record any reservations of certain directors.

All directors, executive and non-executive, and the latter regardless of whether or not they are independent, must make decisions on the basis of an independent view.

The directors should ensure that they receive detailed and accurate information and should study it thoroughly in order to be able to control the main aspects of the Company's business properly, in the present and the future. They should seek clarification whenever they deem it necessary.

Although they are part of the same collegiate body, both executive and non-executive directors each have a specific and complementary role on the Board. The executive directors provide the Board of Directors with all relevant business and financial information to enable it to fulfil its role effectively. The non-executive directors discuss the strategy and key policies proposed by the management board in a critical and constructive manner and help to develop these in more detail. Non-executive directors should scrutinise the performance of the management board in light of the agreed goals.

Directors must treat confidential information they have received in their capacity as directors with due care and may use it only in the context of their mandate.

2.9 Representation

The Company is legally represented by two directors in all its actions, including representation at law. The Board of Directors may delegate its powers to an agent, even if this is not a shareholder or director, for special and specific matters. Authorised representatives legally bind the Company within the limits of the powers granted, without prejudice to the responsibility of the Board of Directors in the event that they exceed their powers.

2.10 Induction of (new) directors

The Chairman should ensure that newly appointed directors receive an appropriate induction to ensure that they are quickly able to make contributions to the Board of Directors.

2.11 Evaluation

Led by the Chairman, the Board of Directors evaluates its size, composition and operation, as well as the interaction with the management board, every two to three years. Prior to the reappointment of directors, the individual contribution, commitment and effectiveness of each director is evaluated in accordance with the evaluation process.

The evaluation process has four objectives:

- assessing the functioning of the Board of Directors;
- checking that important items of business are thoroughly prepared and discussed;
- evaluating the actual contribution of each director, his or her attendance of meetings of the Board and his or her constructive involvement in discussions and decision-making;
- examining whether the current composition of the Board of Directors corresponds to the desirable composition.

The non-executive directors should regularly (preferably once a year) assess their interaction with the management board. They must meet for this purpose at least once a year, in the absence of the executive directors.

The contribution of each director is reviewed periodically - taking account of changing circumstances - in order to be able to adjust the composition of the Board of Directors.

The Board should act on the basis of the results of the evaluation by recognising its strengths and addressing its weaknesses. Where appropriate, this will mean that nominations are made for new members, proposals are made not to reappoint existing members or that measures are taken that are deemed to be conducive to the effective functioning of the Board of Directors.

The Board of Directors ensures that the necessary measures are taken to provide for orderly succession of the members of the Board of Directors. The Board also ensures that all appointments and reappointments of both executive and non-executive directors make it possible to maintain an appropriate balance of skills and experience on the Board.

2.12 Composition of the Board of Directors as at 31 December 2015



MARK SUYKENS

Chairman - Non-executive director

On the nomination of the special shareholders

° 04.01.1952

Association of Flemish Cities and Municipalities, Paviljoenstraat 9, 1030 Brussels

- Start of mandate: 28.01.2004, Chairman of the Board of Directors since 01.01.2006 (independent director until 16.09.2015).
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: CEO, Association of Flemish Cities and Municipalities (VVSG).
- As Chairman of the Board of Directors, Mark Suykens, a law graduate, heads the Board and oversees the interaction between the Board and the Managing Directors (management board). His experience and knowledge in the field of municipal and public welfare authorities are particularly important to his constructive contribution to the decision-making of the Board and, where appropriate, its communications with the public authorities.
- Offices held currently and during the previous five financial years: Director of Pinakes nv. He holds no other directorships of listed companies.



WILLY PINTENS

(Executive) Managing Director

On the nomination of the special shareholders

° 11.09.1946

Biezenmaat 10, 8301 Ramskapelle

- Start of mandate: since the formation of the Company on 30.10.1995 (at first as permanent representative of the Gemeentekrediet van België/Crédit Communal de Belgique, and from 16.05.2001 in a personal capacity), Managing Director since 08.04.1998, also serving as Chairman of the Board of Directors from 28.01.2004 - 01.01.2006.
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: retired.
- Willy Pintens, a Commercial Engineer and graduate in Commercial and Consular Sciences, has extensive professional experience at Belfius Bank in the areas of finance, investment in social profit and the public sector. As a director and Managing Director, his expertise gives him the necessary skills to contribute towards balanced and well-founded decision-making by the Board. Willy Pintens has been closely involved in the effective management and daily operations of the Company since its formation.
- In the past five years, he has held no other directorships.

**DIRK VAN DEN BROECK****(Executive) Managing Director****On the nomination of the ordinary shareholders**

° 11.09.1956

Leo de Bethunelaan 79, 9300 Aalst

- Start of mandate: as a non-executive director nominated by the special shareholders from the formation of the company on 30.10.1995, on the nomination of the ordinary shareholders from 18.05.2011 and as an (executive) Managing Director appointed by the Board of Directors from 01.07.2012.
 - Current mandate expires: after the Ordinary General Meeting in May 2018.
 - Current position: Company director.
 - Dirk Van den Broeck, a Law and Economics graduate, was a partner at Petercam until the end of 2010, a former member of several boards of directors of property companies and was involved in the launch of several real estate certificates. He is currently active as an independent consultant and director of real estate companies. His financial expertise in this field contributes to balanced and well-founded decision-making of the Board.
 - Other directorships held currently and during the previous five financial years: Director of Warehouses De Pauw Comm. VA (mandate expired in April 2015)*, Reconstruction Capital II Limited*, Meli NV, Patrimmonia Fund Europe nv and subsidiaries, Promotus bvba, Chairman of the Board of Terra Capital Partners* and Radiomatix nv, Independent Director of the Omega Preservation Fund.
- * Directorship of a listed company*

**PETER VAN HEUKELOM****(Executive) Managing Director****On the nomination of the special shareholders**

° 26.08.1955

Care Property Invest NV, Horstebaan 3, 2900 Schoten

- Start of mandate: director since 21.05.2003, for the period 17.09.2003 - 30.09.2009 Managing Director, Managing Director again since 01.04.2010.
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: CEO of the Company
- After graduating in Commercial Law and Financial Sciences, specialising in marketing, and post-graduate studies in Health Economics, Peter van Heukelom has continually enhanced his professional experience through courses in the field of finance/investment in social profit and the public sector. Prior to taking up his position as CEO of the Company in October 2009, he served in several positions, most recently as General Manager Social Profit and Public Sector at KBC Bank.
- He currently holds no directorships of listed or non-listed companies and has not done so during the past five years.



LODE DE VRIEZE

Non-executive director

On the nomination of the special shareholders

° 07.12.1957

Bank Degroef Petercam, Sint-Goedeleplein 19, 1000 Brussels

- Start of mandate: 18.05.2011.
- Mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: Director, Petercam Institutional Bonds.
- Lode de Vrieze holds a degree in Law and a Special Degree in Marketing. After working in various positions in the financial sector, he is currently a director of Bank Degroef Petercam.
- Other directorships held currently and during the previous five financial years: Director of Omega Preservation Fund. He holds no other directorships of listed companies.



BRIGITTE GROUWELS

Non-executive director - Independent director

On the nomination of the ordinary shareholders

° 30.05.1953

Bordiastraat 30, 1000 Brussels

- Start of mandate: 20.05.2015.
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: Representative, Parliament of the Brussels-Capital Region, Deputy Chairman of the Board of the Flemish Community Commission and Senator
- The political career of Ms Grouwels includes the following public functions:
- Member of the Parliament of the Brussels-Capital Region (1992-97)/ Member of the Flemish Parliament (1995-97) / Flemish Minister for Brussels Affairs and Equal Opportunities Policy (1997-99) / Party leader in the Parliament of the Brussels-Capital Region and member of the Flemish Parliament (1999 -2004) / State Secretary, Brussels-Capital Region (2004-2009), responsible for Equal Opportunities Policy, Public Administration and the Port of Brussels; member of Flemish Community Commission (VGC) for Welfare, Health and Family, Ethnic and Cultural Minorities and Civil Service Affairs/ Minister of the Brussels Regional Government (2009-2014) responsible for Public Works and Transport, Information Technology Policy, Port of Brussels; member of Flemish Community Commission for Welfare, Health and Family Affairs (for Dutch local service centres, child care, care of the disabled and other areas), Ethnic and Cultural Minorities and media policy; member of Joint Community Commission for Assistance to persons (bi-Community N/F rest homes, care of the disabled, etc.; guardianship of OCMWs and Public Hospitals).
- Other offices held currently and during the past five years: Brigitte Grouwels does not hold any other directorships of listed or non-listed companies.

**MYRIAM LINT****Non-executive director****On the nomination of the special shareholders**

° 22.07.1962

Belfius Bank nv, Grotesteenweg 454, 2600 Berchem

- Start of mandate: 12.01.2000 (initially as permanent representative of Belfius Bank (formerly Dexia Bank) and since 19.05.2004 in a personal capacity).
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: Senior Account Manager Distribution Public & Social Banking, Flanders, Belfius Bank
- Myriam Lint, a Graduate in Applied Economics, Public Economics and Public Administration, has gained valuable experience over the years at Belfius in the areas of finance, investments, contacts with public authorities and minister's offices, and as a director is therefore able to provide the necessary expertise to contribute to balanced and well-founded decision-making by the Board.
- Other directorships held currently and during the previous five financial years: Director of Finimmo nv, Domus Flandria nv. She holds no other directorships of listed companies.

**CAROLINE RISKE****Non-executive director - Independent director****On the nomination of the special shareholders**

° 11.05.1964

Vrijgeweide 7, 2980 Zoersel

- Start of mandate: 16.09.2015
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: CEO/Gerontologist bvba Carol Riské / bvba Senes, shareholder and manager of C. Consult.
- Caroline Riské is a qualified Hospital Nurse with a degree in Medical and Social Sciences (Catholic University of Leuven), a Master's degree in Gerontology (Benelux University) and a Post Graduate degree in Care Real Estate. She has attended various courses in subjects such as social legislation and psycho-gerontology and has gained experience in a variety of health care-related fields. With her expertise, she is able to make a valuable contribution to decision-making by the Board.
- She currently holds no directorships of listed or non-listed companies and has not done so during the past five years.
- The Board of Directors takes the view that she meets the independence criteria of imposed by Article 526 ter of the Companies Code.



KRISTIEN VAN DER HASSELT

Non-executive director

On the nomination of the special shareholders

° 10.08.1966

BNP Paribas Fortis sa/nv, Real Estate Origination Belgium - Warandeberg 3, 1000 Brussels

- Start of mandate: 18.11.2015
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: Senior Relationship Manager Real Estate Finance Group, Corporate Banking, BNP Paribas Fortis.
- Kristien van der Hasselt, who holds a teacher training qualification in mathematics, physics and economics, has held various positions at BNP Paribas Fortis since 1988. In her current position, she is responsible for structuring real estate financing for customers and prospects, ranging from balance sheet financing for e.g. RRECs to specific project financing, including in residential real estate, offices, retail, health care real estate and logistics. The Board of Directors takes the view that with her knowledge in this field, she can make a contribution to decision-making by the Board.



PAUL VAN GORP

Non-executive director - Independent director

On the nomination of the ordinary shareholders

° 18.10.1954

Dorp Nr. 2 Koningin Fabiola vzw, Bosuil 138, 2100 Deurne.

- Start of mandate: 18.05.2011.
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: Managing Director of Dorp Nr. 2 Koningin Fabiola vzw
- Paul Van Gorp graduated in Commercial and Financial Sciences and served as General Secretary of the Antwerp Public Social Welfare Centre (OCMW) in the period from 2000 to 2007, with responsibilities including the management of 17 nursing homes (2,400 beds), more than 2,000 assisted living flats and nine general hospitals. As managing director of a non-profit association, he is today active in employment, housing and care for people with disabilities.
- Other directorships held currently and during the previous five financial years: Director of VKA, Het Orgel in Vlaanderen vzw (social organisations). He holds no other directorships of listed companies.
- The Board of Directors takes the view that he meets the independence criteria imposed by Article 526 ter of the Companies Code.

**LODE VERSTRAETEN****Non-executive director****On the nomination of the special shareholders**

° 31.01.1966

KBC Bank nv, Corporate Center Brussels - Havenlaan 6, 1080 Brussels

- Start of mandate: 16.09.2015
- Current mandate expires: after the Ordinary General Meeting in May 2018.
- Current position: Senior Banker – Head of Public Sector & Institutionals, KBC Bank Corporate Banking, Center Region
- Lode Verstraeten holds a Master of Accountancy (EHSAL Management School) and a Master of Business Economics (financial) degree (Catholic University of Leuven). He has more than 27 years of professional experience at KBC Bank, the last 17 years in senior positions, and in this capacity has developed expertise in fields including real estate development and structuring of financing and investment solutions for the needs of the sector, ranging from economic and social infrastructure, public-private partnerships, urban development, real estate and social housing. As a director, this gives him the necessary skills to contribute towards balanced and well-founded decision-making by the Board.
- Other directorships held currently and during the previous five financial years: Director of Justinvest nv (mandate expired in 2013), Rabot Invest nv (mandate expired in 2013), Vastgoedruimte Noord nv (mandate expired in 2010), Kattendijkdok nv (mandate expired in 2010), Flexpark Prague sro (mandate expired in 2010). He holds no directorships of listed companies.

✚ The Belgian Corporate Governance Code 2009 is available at www.corporategovernancecommittee.be. The company uses this as a reference code and does everything possible to comply with the relevant standards at all times, taking the specific nature of the company into account.

Directors whose mandates expired in the course of 2015:

HUBERT DE PEUTER

Non-executive director

On the nomination of the special shareholders

° 18.03.1959

KBC Bank nv, Directie Vastgoed, Havenlaan 12, 1080 Brussels

- Start of mandate: 13.01.2010.
- The mandate expired on 16.09.2015.
- Current position: Head of Real Estate Investment and Securitisation, KBC Real Estate nv - Real Estate Directorate, Brussels.
- Hubert De Peuter holds degrees in Economics and Law as well as the 2010 "Board Effectiveness" certificate of the GUBERNA Institute. He has gained valuable financial expertise in his career at KBC Bank since 1998 in relation to real estate investment, is a member of the BEAMA Committee set up within Febelfin, which represented the sector in the realisation of the real estate Royal Decree.
- Other directorships held currently and during the previous five financial years: Director of Almafin Real Estate nv, Almafin Real Estate Services nv, Apicing nv, Apitri nv, Brussels North Distribution nv, Immo Genk-Zuid nv*, Immo-Antares nv*, Immo-Arenberg nv, Immo-Basilix nv*, Immobilière Distri-Land nv*, Immolease-Trust nv, Immo-Marcel Thiry nv*, Immo-Quinto nv, Immo-Zénobe Gramme nv*, KBC Rusthuisvastgoed nv (mandate expired), KBC Vastgoedinvesteringen nv, KBC Vastgoedportefeuille België nv, Mechelen City Center nv, Pericles INvest nv, Poelaert Invest nv, Weyveld Vastgoedmaatschappij nv, Immo Lux-Airport nv*, KBC Real Estate Luxembourg sa, Luxembourg North Distribution nv, KBC Verzekeringen Vastgoed Nederland 1 BV, FM-A Invest nv (mandate expired), Immo-Beaulieu nv*, Retail Estates nv*, Director of Dala Beheer BV (mandate expired), Dala XV BV (mandate expired), Double U Building BV, RHVG DK nv, RHVG QT nv, RHVG RB nv, RHVG SB nv, RHVG TB nv, Immo NamOtt nv, Immo VAC Gent nv.

* Directorship of listed company (apart from Retail Estates these are all publicly issued real estate certificates)
Mr De Peuter holds more than five directorships of listed real estate certificates. The Board of Directors recorded this on 13 January 2010 and has no objections to this, as the real estate certificates should be regarded more as a financing product than as operational companies. The Board of Directors also notes that this will not encumber his availability as a director of the Company in any way.

ISABELLE LEMAITRE**Non-executive director****On the nomination of the special shareholders**

° 15.07.1969

Belfius Bank nv, Pachecolaan 44, 1000 Brussels

- Start of mandate: 13.03.2013.
- The mandate expired on 16.09.2015.
- Current position: Head of Logistics & Security (Belfius Bank & Insurance).
- Isabelle Lemaitre, the holder of a mini-MBA (Vlerick) and a Master's in Business Economics, has held several positions at Belfius Bank since 1998, and with her expertise, made a valuable contribution to decision-making by the Board.
- Other directorships held currently and during the previous five financial years: Director of Belfius Immo (property development) SMDI (property development) (mandate expired) Arlinvest + Himba (property development) (mandate expired) Justinvest/Rabot Invest (property development) (mandate expired). She holds no other directorships of listed companies.

BNP PARIBAS FORTIS nv, WITH RUDY DEGRANDE AS PERMANENT REPRESENTATIVE**Non-executive director****On the nomination of the special shareholders**

° 19.08.1955

BNP Paribas Fortis nv, Corporate & Public Bank, Real Estate Finance,
Warandeborg 3, 1000 Brussels

- Start of mandate: permanent representative of Fortis Bank from 28.01.2004 to 18.05.2005 and again from 19.05.2010.
- The mandate expired on 20.05.2015
- Current position: Senior Relationship Manager Real Estate Finance Belgium, Corporate & Public Bank, BNP Paribas Fortis nv.
- Other directorships held currently and during the previous five financial years: Director of Immo Kolonel Bourgstraat nv* (mandate expired), Immo Beaulieu nv*, Immobilière Distriland nv*, Sowo Invest nv (PPP social housing), Prestibel Left Village nv, Certifimmo V nv, Finest nv, permanent representative of BNP Paribas Fortis nv as director of Domus Flandria nv.

* Directorship of listed company (publicly issued real estate certificates)

PIET VERVINCKT

Non-executive director

On the nomination of the special shareholders

° 09.09.1972

BNP Paribas Fortis nv, Corporate & Public Banking, Real Estate Origination Belgium,
Warandeborg 3, 1000 Brussels

- Start of mandate: 20.05.2015.
- The mandate expired on 18.11.2015.
- Current position: Senior Relationship Manager, Real Estate Finance, Corporate & Public Banking, BNP Paribas Fortis nv.
- Piet Vervinckt holds a Master's degree in Germanic Languages and a Postgraduate Degree in Business Administration. He can boast a wealth of professional experience built up since 2006 within BNP Paribas Fortis, focusing on the management and development of a customer portfolio consisting exclusively of Belgian and international real estate developers and investors. The main activity here is the structuring of real estate financing for customers and prospects, from balance-sheet funding for BEVAKs to project-related financing without recourse to project companies, and occasionally even equity participations in specific projects. Mr Vervinckt has also been a lecturer in the property finance module at the Catholic University of Leuven since November 2014 and is a member of the steering committee of the Ghent Real Estate Event.
- Other directorships held currently and during the previous five financial years: Director, Prestibel Left Village, Hexaten sa. He holds no other directorships of listed companies.

ALFONS BLONDEEL

Non-executive director - Independent director

On the nomination of the ordinary shareholders

° 21.05.1933

Muggelei 37, 2110 Wijnegem

- Start of mandate: 21.05.2003.
- The mandate expired on 20.05.2015.
- Current position: retired.
- Other directorships held currently and during the previous five financial years: Manager, MX Entertainment bvba.
- Mr Blondeel holds no directorships in listed companies.
- He meets the independence criteria imposed by Article 526 *ter* of the Companies Code.

There are no family ties between the members of the Board of Directors.

The Board of Directors wishes to thank the retiring directors Mr Alfons Blondeel, BNP Paribas Fortis and its permanent representative, Mr Rudy Degrande, Mr Hubert De Peuter, Ms Isabelle Lemaitre and Mr Piet Vervinckt warmly for their commitment and cooperation within the Board.

2.13 Statements concerning directors and executive management

The members of the Board of Directors of Care Property Invest declare on the basis of the information available to them that:

- for at least the past five years:
 - they have had no convictions in connection with fraud offences;
 - they have not been the subject of any officially and publicly expressed accusations and/or sanctions by any statutory or regulatory authority (including any recognised professional body) and have never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in relation to the management or conduct of affairs of any company;
 - they have not held any managerial position as a senior manager or a member of the administrative, management or supervisory bodies of any company at a time in which that company was declared bankrupt, placed in receivership or made subject to a mandatory liquidation order;
- at present, no employment contracts or service agreements have been concluded with the directors that provide for special payments upon termination of their employment contracts.

2.14 Report on activities

The main agenda items discussed by the Board in 2015 can be summarised as follows:

- Operational and financial reporting
- Reporting on the implementation of decisions taken
- Reporting of the effective managers
- Drafting of interim statements, annual report and half-yearly report
- Update of Corporate Governance Charter
- Analysis and approval of financial plan
- Analysis and approval of business plan
- Remuneration policy and bonus scheme
- Personnel
- Defining the principles for the conclusion of a management agreement with the CEO from the 2016 financial year
- Discussion of financial and investment strategy
- Decision to make a public offering of new shares in relation to a capital increase in cash with irrevocable allocation rights
- Decision to distribute an interim dividend
- Preparation of General Meetings
- Evaluation of the size, composition and functioning of the Board of Directors and its interaction with the management board
- Directorships
- Analysis and approval of investment projects
- Decision to participate in tenders for public contracts
- Monitoring the withholding tax exemption dossier

3. Management board

3.1 Samenstelling

The management board and the representation of the management board of the Company is entrusted by the Board of Directors to one or more directors who have the title of Managing Director. Membership of the management board is only open to natural persons (*Article 14 §1 and §3 of the RREC Law*).

In his capacity as an employee of the Company, the CEO⁶ serves as the Company's head of personnel, and is a member of the management board and one of the Managing Directors.

The Company is validly represented in the management board by one Managing Director. A Managing Director may transfer his or her powers for special and specific matters to an agent, even if the agent is not a shareholder or director.

The Managing Directors of the Company are Messrs. Willy Pintens, Dirk Van den Broeck and Peter Van Heukelom (who is also the CEO). They have the necessary professional reputation and appropriate expertise for the performance of their duties. For more information on the aforementioned persons, please see "2.12. Composition of the Board of Directors as at 31 December 2015".

3.2 Operation and tasks

The management board:

- is charged with the management of the Company;
- provides for the establishment of internal controls (i.e. systems to identify, assess, manage and monitor financial and other risks), without prejudice to the supervisory role of the Board of Directors;
- is responsible for the complete, timely, reliable and accurate preparation of the financial statements of the Company, in accordance with the accounting standards and policies of the Company;
- gives the Board of Directors a balanced and comprehensible assessment of the Company's financial situation;
- provides the Board of Directors in due time with all information necessary for the Board to carry out its duties;
- accounts to the Board of Directors for the fulfilment of its responsibilities.

⁶ As of 1 January 2016 the employment contract of Mr Peter Van Heukelom was terminated by mutual agreement and an agreement was entered into for the performance of the work on a self-employed basis.

In addition, the following special tasks are entrusted to the management board:

- approving invoices and payment orders;
- supervising the indexing of the ground rent;
- communications policy
- publication of interim statements, annual and half-yearly financial reports;
- proposals to the Board of Directors regarding staffing and remuneration policy;
- concluding and terminating employment contracts;
- preparing investment projects and signing lease contracts;
- contracting agreements with contractors, architects, safety coordinators and the Energy Performance and Indoor Climate (EPB) reporter;
- contracting and terminating insurance policies;
- treasury management;

The Managing Director(s), with the exception of the CEO, is (are) authorised for the following matters:

- general supervision of the performance of tasks of the management team/staff under the management of the CEO;

If a Managing Director has a conflict of interest, he/she does not take part in the deliberations and decision-making on that matter by the other Managing Director(s).

A Managing Director may transfer his or her powers for special and specific matters to an agent, even if the agent is not a shareholder or director.

As the head of staff, the **CEO** is responsible for the overall direction and supervision of staff, including the determination of the allocation of tasks and monitoring their attendance, dispatches and performance.

He/she prepares the decisions of the management board and draws up a report on each meeting. The Board of Directors determines the duties of the CEO and the detailed rules concerning decision-making within the management board.

In principle, the management board meets once a week and also whenever necessary.

3.3 Fees

The Board of Directors determines the compensation that Managing Directors receive for their actions in this capacity. They receive this compensation in addition to their remuneration as a director. With regard to the Company's remuneration policy (see "5.1. Remuneration Policy", pages 181 and onwards).

3.4 Evaluation

The Managing Directors are assessed by the Board of Directors, based on their performance and objectives. The objectives on which the assessments are based are determined by the Board of Directors.

3.5 Effective leadership

Pursuant to Article 14 §3 of the RREC Law, the effective management of the Company should be entrusted to at least two natural persons. The natural persons must possess the necessary professional integrity, autonomy and appropriate experience to perform this function. Persons participating in the Board or the running of the company without taking part in the actual management must have the necessary expertise and appropriate experience to carry out these duties.

In the past financial year, this task has been performed by Willy Pintens, Dirk Van den Broeck and Peter Van Heukelom. Their duties in connection with the effective leadership of the Company have already been explained above (see section 3.2. "Operation and tasks" on page 166).

	Start of mandate	End of mandate
Peter Van Heukelom	17.09.2003	16.05.2007
	17.03.2010	18.05.2011
	16.05.2007	30.09.2009
	18.05.2011	20.05.2015
	20.05.2015	18.05.2018
Willy Pintens	08.04.1998	16.05.2001
	28.01.2004	16.05.2007
	18.05.2011	16.05.2001
	28.01.2004	16.05.2007
	18.05.2011	20.05.2015
Dirk Van den Broeck	20.05.2015	18.05.2018
	01.07.2012	20.05.2015
	20.05.2015	18.05.2018

4. Audit and internal control and risk management systems

4.1 Powers of the Board concerning audits, nominations and remuneration: no establishment of committees

Because of the limited size of the company, and given the balanced composition of the Board and frequency of meetings, no committees are established with an advisory role in relation to the powers of the Board of Directors concerning audits, appointments and remuneration; instead, the Board undertakes these tasks itself, in plenary sessions.

Since Care Property Invest employed an average of 8.5 full-time equivalents (FTEs) as at 31 December 2015 and net revenue for the 2015 financial year amounted to €13.73 million, the Company is also exempt from the obligation to establish an audit committee and remuneration committee. The tasks assigned to the audit committee and the remuneration committee pursuant to Article 526 bis, §4, and Article 526 quater, §5 of the Companies Code are performed by the Board of Directors as a whole, with Brigitte Grouwels, Carol Riské and Paul van Gorp being regarded as non-executive and independent directors within the meaning of Article 526 of the Companies Code.

4.2 Internal control structures: audit and internal control and risk management systems

The management board is responsible for setting up a system of appropriate internal controls in accordance with Article 17 of the RREC Law. In addition, the management board is responsible for the overall supervision of this internal control system.

The management board is required to report to the Board of Directors on the internal control system.

These appropriate internal controls consist of three components, i.e. internal audit (internal audit procedures + internal audit function), risk management (risk management + risk manager) and compliance (integrity policy and compliance function); internal audit should not be seen solely as a stand-alone third pillar here, but also as playing a “transversal” role with respect to the two other pillars.

The internal control system aims to realise the following: business operations are conducted in an orderly manner, with due care and clearly delineated objectives; resources are used economically and efficiently; the risks are identified and are adequately controlled to protect the assets; financial and management information is honest and reliable; laws and regulations, as well as general policies, plans and internal regulations are observed.

An internal control system is set up within the Company, which is appropriate to the nature, scale and complexity of the business of the Company and its environment. Care Property Invest has a relatively limited size in terms of employees, which has an impact on the structure and operation of the system of internal controls within the Company. The design of the internal controls took account of the Committee of Sponsoring Organizations of the Threadway Commission (COSO) model, which is built around five components that are discussed below.

The guidelines relating to the Law of 6 April 2010 and the Belgian Corporate Governance Code were also taken into account.

The five control components considered were:

- the control environment;
- the risk management process;
- the control activities;
- information and communication;
- management.

A description of the main features of the internal control and risk management systems is presented below, with a particular focus on the financial reporting process.

4.2.1 FINANCIAL REPORTING

The Board of Directors supervises the integrity of financial information provided by the company, in particular by assessing the relevance and consistency of the accounting standards applied by the company, as provided for in Article 5 of the RREC Royal Decree.

This supervision involves assessment of the accuracy, completeness and consistency of the financial information. This supervision covers the regular information before it is disclosed.

The management board shall inform the Board of Directors of the methods used for recording significant and unusual transactions, the processing of which may be open to different approaches.

The Board of Directors should discuss significant financial reporting issues with both the management board and the external auditors.

4.2.2 CONTROL ENVIRONMENT

The company's governing body must define its own corporate culture and ethical rules. It determines the competencies required for each job and task. Please see section 2 (Board of Directors) and section 3 (management board) for a discussion of these functions.

4.2.3 INTERNAL AUDIT AND RISK MANAGEMENT

At least once a year the Board of Directors examines the internal control and risk management systems set up by the management board in order to ensure that the main risks (including the risks related to compliance with existing laws and regulations) are properly identified, managed and be notified to the Board of Directors. As a result of the adoption of the status of RREC, a risk manager, Mr Dirk Van den Broeck, was also appointed, in compliance with Article 17, §5 of the RREC Law.

The risk manager's responsibilities include drafting, developing, monitoring, updating and implementing the risk policy and risk management procedures (e.g. the whistleblowers' scheme, conflict of interest regulations and the procedures described in the Dealing Code).

On the basis of his position, the risk manager fulfils his role by analysing and evaluating each category of risks facing the Company, both at regular intervals and on an ad hoc basis. On this basis, concrete recommendations can be formulated for the management board or the Board of Directors (which bears final responsibility for the risk management of the company).

On 6 September 2006, the Board of Directors approved the internal rules on risk management (which were adjusted on 4 July 2007) and the staff regulations on dealing with suspicions of possible irregularities in financial reporting or other matters (the "whistleblowers' scheme").

The Board of Directors therefore investigates reports made under the specific regulations according to which staff members may express concerns regarding possible irregularities in financial reporting or other matters in confidence. If deemed necessary, arrangements will be made for an independent investigation and appropriate follow-up of these matters, in proportion to their alleged seriousness. Regulations are also made with regard to which staff members can inform the Chairman of the Board of Directors directly.

The Board has also developed a business continuity policy, including a business continuity plan.

As part of its supervisory tasks, the Board of Directors conducts six-monthly evaluations of the main risks that give rise to an entry in the half-yearly and annual financial reports. In addition to these six-monthly risk analyses by the Board of Directors, the risks are closely monitored and reported.

The Board of Directors also takes note of the risk analyses and findings of both the internal and external auditors.

It should be noted that at the level of the management board, the Board of Directors itself has set up a risk management and internal control system tailored to its operations and the environment in which it evolves.

4.2.4 CONTROL ACTIVITIES AND INTERNAL AUDIT PROCESS

The organisation is structured in such a way that all the important decisions concerning strategic, tactical, financial and operational matters are taken by several different people or are at least be subject to control by the management. This ensures maximum application of the "four eyes" principle.

With regard to the financial reporting process, it can be reported that controls are built in which should ensure the quality and accuracy of the reported information.

The internal audit function, within the meaning of Article 17 §3 of the RREC Law is fulfilled by an external consultant (known as an "external internal auditor"), MAZARS Bedrijfsrevisoren burg. CVBA, represented by Mr Anton Nuttens, Berchemstadionstraat 78, 2600 Antwerp. To this end an agreement "concerning outsourcing of the internal audit function" was contracted on 5 December 2011, for a term of three years. This agreement with the 'external' internal auditor has now been renewed for a period of 3 years. The fee paid in 2015 for this function amounted to €13,039.40, exclusive of VAT.

The internal auditor conducted a risk analysis for each risk area. A risk profile and risk score were determined for each of these areas. On the basis of this analysis, a plan was drawn up and comprehensive annual audits are conducted of each area, with recommendations being formulated. These recommendations are followed up regularly by MAZARS Bedrijfsrevisoren. Although the company has opted for an external internal auditor, it has also designated Mr Willy Pintens from among its own members to provide for follow-up of the recommendations of this internal external auditor and who will also control its work. In addition, the reports will be submitted to the Board of Directors and discussed. The Board of Directors follows the recommendations in its capacity as the audit committee.

The recommendations provide a guide for the Company to optimise its operations in relation to operational, financial and management matters, as well as risk management and compliance. The Board of Directors receives all internal audit reports or regular summaries of these.

The financial reporting function has already been the subject of an evaluation by the internal audit system, which yielded no significant findings. The finance team has expanded to further, in order to strengthen the level of internal control in the accounting process. The findings and any comments from internal and external auditors are also always taken into account. Please see the description above with regard to the supervision by the Board of Directors of the integrity of financial information provided by the company.

The Board assesses the effectiveness of the internal audit and in particular, makes recommendations regarding its operation. The Board also examines the extent to which its findings and recommendations are met.

4.2.5 INTEGRITY POLICY AND COMPLIANCE

The company also has a compliance officer, within the meaning of Article 17 §4 of the RREC Law.

The compliance officer shall ensure that the Company complies with the applicable laws, regulations and rules of conduct, in particular the rules relating to the integrity of the Company's activities, by monitoring of the various risks which the Company runs on the basis of its Articles of Association and activities.

The integrity policy of Care Property Invest forms an integral part of its corporate culture and places particular emphasis on honesty and integrity, adherence to ethical standards and the specific applicable regulations. In that regard, the Company or its directors and its employees must conduct themselves with integrity, i.e. in an honest, reliable and trustworthy manner.

The integrity policy specifically includes, but is not limited to the following fields of work:

- (i) rules on conflicts of interest,
- (ii) rules on incompatibility of mandates,
- (iii) the company's code of ethics and
- (iv) insider trading and abuse of power (insider trading and market manipulation),
- (v) rules on abuse of company property and bribery (*Article 492 bis of the Criminal Code*).

The Company has a compliance officer, within the meaning of Article 17 §4 of the RREC Law, who is responsible for ensuring compliance with the rules relating to the integrity of the business operations of the public RREC by the RREC itself, its directors, its effective leadership, employees and authorized representative(s) and for drafting and testing recommendations.

The compliance officer reports directly to the management board but also has the possibility within the Company to contact the (Chairman of the) Board of Directors directly.

The function of compliance officer is performed by the company lawyer, Filip van Zeebroeck.

4.2.6 INFORMATION AND COMMUNICATION

Communication is an important element of internal control and within Care Property Invest, is adjusted to the size of the organisation. General staff communication, internal memos, working meetings, e-mail and electronic calendars are used for communications. For the records, there is a system of central archive, stored both in physical form and electronically.

4.2.7 MANAGEMENT

Managing internal control within an organisation is a continuous process that should be evaluated on an ongoing basis and if necessary, adjusted. As indicated above, regular assessments are conducted at the level of the Board of Directors concerning the adequacy of internal control and risk management. Among other things, the findings and recommendations of the internal and external audit constitute an important source of information in this context.

4.3 External audit process

The audit of the financial situation, the financial statements and the regularity in terms of the Belgian Companies Code and the Articles of Association of the operations of the Company, shall be entrusted to one or more statutory auditors appointed by the auditors or firms of auditors approved by the FSMA in compliance with Article 52 of the Law of 22 March 1993 concerning the Articles of Association and supervision of credit institutions.

The Board of Directors formulates proposals for decision-making at the general meeting of shareholders regarding the selection, appointment and reappointment of the external auditors and the terms of their appointment.

The General Meeting determines the number of statutory auditors and their remuneration by simple majority. The statutory auditors are appointed for a renewable term of three years. On pain of compensation for damage, they may be dismissed by the general meeting only for statutory reasons during their mandate, provided that they comply with the procedure described in Article 136 of the Companies Code.

The General Meeting of 15 May 2013 reappointed the civil cooperative company with limited liability (CVBA) PwC Bedrijfsrevisoren, with registered offices at Woluwedal 18, 1932 Sint-Stevens-Woluwe, as its auditors, for a term of three years. This company designated Mr Damien Walgrave, auditor, as the representative authorized to represent it and charged with exercising the mandate in the name and on behalf of the CVBA PwC Bedrijfsrevisoren. The mandate expires after the general meeting of shareholders convened to adopt the financial statements as at 31 December 2015.

In 2015 the auditors received total fees of €95,162.90, exclusive of VAT, which can be analysed as follows:

remuneration of the auditors	€30,240.00
assurance engagement on financial plan	€3,690.00
capital increase	€43,132.90
payout of interim dividend	€3,800.00
subsidiaries	€11,300.00
dematerialisation shares	€3,000.00

The Board oversees the independence of the auditors, particularly in the light of the provisions of the Companies Code and the Royal Decree of 4 April 2003. The Board ensures that it receives a report from the auditors containing a description of all relationships between the independent auditor and the company.

The Board also determines the nature and scope of the non-audit services that were entrusted to the auditors. The Board shall determine and apply a formal policy specifying the types of non-audit services that:

- a) are excluded,
- b) are permissible after verification by the Board, and
- c) are permissible without control by the Board,

taking into account the specific requirements of the Companies Code.

The Board is kept informed of the auditors' working programme and is notified in good time of all matters revealed by the audit.

The Board of Directors assesses the effectiveness of the external audit process and ascertains the extent to which the management board complies with the recommendations made in the auditor's management letter.

The Board shall investigate the matters giving rise to the resignation of the auditors and make recommendations on all actions required in this regard.

The Board decides whether the accountant (employee of the company), the internal auditor and the external auditors shall attend meetings. The Board may conduct talks with any relevant person without a member of the management board being present.

In addition to maintaining an effective working relationship with the Management Board, the internal auditor and the statutory auditor should have guaranteed free access to the Board of Directors. They also have direct and unrestricted access to the Chairman of the Board of Directors.

The statutory auditors have a limited right of audit over all operations of the Company, either jointly or separately. They may inspect the books, correspondence, minutes and in general all documents of the Company at their location. Every six months, the Board of Directors shall hand them a statement summarizing the assets and liabilities of the Company.

The statutory auditors may be assisted by employees or other persons for whom they are responsible in the exercise of their mandate, at their own expense.

4.4 Real estate expert

The real estate expert Stadim CVBA, represented by Philippe Janssens, was appointed by an agreement dated 6 January 2014 for a period of three years with effect from 1 January 2014 for the valuation of the property portfolio. The fee is determined according to the nature of the property to be valued (nursing home or assisted-living accommodation), the number of units and the valuation method (full report on initial valuation or quarterly valuation). The fee is therefore independent of the fair value of the property.

The fee for the valuations of the property portfolio in the financial year 2015 amounts to €20,721.79 and is determined as follows:

assisted-living apartments	€75 per unit initial valuation at €1,250.00
residential care centres	€80 per unit €40 per unit above 40 residential units Initial valuation at 30% with a minimum of €1,500.00 Final valuation at 50% with a minimum of €1,000.00 projects in development stage at 75%

4.5 Remuneration and appointments

4.5.1 PROPOSED RESOLUTIONS FOR THE GENERAL MEETING ON APPOINTMENTS

The Board of Directors makes recommendations to the General Meeting on the appointment of directors and formulates a proposal for a resolution (see point “1.4. Appointment - Term of Office – Termination” on page 150).

The Board ensures that the appointment and re-appointment process proceeds objectively and professionally. More specifically,

- existing appointment procedures should be reviewed and if necessary proposals for adjustments should be formulated;
- the size and composition of the Board of Directors should be reviewed periodically and changes in this regard should be considered;
- if there are vacant directorships, candidates should be sought (taking into account the gender diversity required by Article 518bis of the Companies Code);
- proposals for appointment originating from shareholders should be investigated;
- succession issues should be considered thoroughly;
- decisions should be taken on the appointment and dismissal of directors.

4.5.2 PROPOSALS TO THE GENERAL MEETING ON THE REMUNERATION OF DIRECTORS

The Board of Directors makes proposals to the General Meeting of Shareholders on the remuneration of the directors.

The Board takes decisions on the additional remuneration of the Managing Directors who make up the Management Board.

The Board also takes decisions on the size of and the remuneration policy for the staff, including bonuses and long-term incentives, linked to shares, in the form of stock options or other financial instruments, or otherwise.

For a detailed discussion of the Company's remuneration policy, please see “5. Remuneration”.

4.6 Rules on the prevention of market abuse and insider trading

On 15 January 2006, the Board of Directors approved the “Rules on the prevention of market abuse” (the Dealing Code, last amended on 25 November 2014), to prevent unlawful insider trading by directors, shareholders, employees and certain third parties (“insiders”) or creating any impression of this.

The Company maintains a list of persons with access to inside information (the “insider list”) which is regularly updated.

On 6 September 2006, the Board of Directors approved a first amendment of its Corporate Governance Charter and the “Rules on the prevention of market abuse”, in response to the Royal Decree of 5 March 2006 concerning market abuse. This amendment relates to the obligations of persons with managerial responsibilities and persons closely related to them to report to the FSMA transactions in shares of the Company conducted on their own behalf.

The Dealing Code is primarily aimed at protecting the market as such. The Dealing Code is not intended to replace the applicable legislation prohibiting insider trading and the disclosure of price-sensitive information.

The Chairman of the Board of Directors and the compliance officer supervise compliance with the Dealing Code. The compliance officer also ensures that each new director and employee of the Company or third party regarded as an insider signs or has signed the Dealing Code.

The Dealing Code provides that any transaction in the securities of the Company by persons with managerial responsibilities and persons closely associated with them will be published on the Company's website at www.carepropertyinvest.be.

During the 2015 financial year, Messrs Willy Pintens and Mark Suykens, directors of the Company, each reported the acquisition of 2,000 shares of the Company in relation to the capital increase on 22 June 2015. 2,000 shares in the Company were awarded to Mr Peter Van Heukelom as a one-off bonus on 11 August 2015, on condition that these may not be sold within a term of two years.

The Dealing Code also imposes restrictions on transactions in Company securities during specific periods before the publication of the financial results ("closed periods") and during any other period considered sensitive ("prohibited periods").

The Dealing Code provides that insiders must notify the compliance officer of every intended transaction in securities of the Company in advance. For directors, this notification obligation applies to the Chairman of the Board of Directors.

If a director conducts a transaction in the securities of the Company and the Chairman of the Board of Directors is informed of this, the transaction is disclosed in compliance with the Dealing Code.

The Dealing Code sets out the statutory obligations of persons with managerial responsibilities and persons closely associated with them to notify the FMSA of transactions in securities of the Company on their own behalf.

The full Dealing Code is available on the Company's website at www.carepropertyinvest.be

4.7 Prevention of conflicts of interest

4.7.1 CONFLICTS OF INTEREST OF DIRECTORS

Each director should arrange his/her personal and business affairs so as to avoid direct or indirect conflicts of interest with the Company.

If a director has a direct or indirect financial interest that conflicts with a decision or transaction within the authority of the Board of Directors, he/she must act in accordance with the provisions of Article 523 of the Companies Code.

This means that all directors must notify the Board of Directors and the statutory auditor of any conflicts of interest when they arise and must abstain from voting on these matters. Any abstention due to a conflict of interest must be disclosed in accordance with the relevant provisions of the Companies Code and is therefore reported in the annual report.

The members of the Board of Directors must also comply with Articles 36 to 38 of the RREC Law, as described in more detail below.

In addition to these provisions of the Companies Code and the rules on conflicts of interest arising from the RREC Law, Care Property Invest requires each (managing) director to avoid conflicts of interest as far as possible.

If a conflict of interest (not covered by the statutory regulations on conflicts of interest) nevertheless arises in relation to a matter that falls within the competence of the Board of Directors, and on which it must take a decision, the director in question must notify his fellow-directors of this. They then decide whether the member concerned may or may not vote on the matter to which the conflict of interest relates and whether he/she may attend the discussions on this matter. It is explicitly made clear here that non-compliance with the above (additional) rules on conflicts of interest cannot affect the validity of decision-making by the Board of Directors.

During the 2015 financial year, no conflicts of interest arose other than those listed below.

On 11 March 2015, the Board of Directors took a decision to grant a bonus to the staff and a special bonus to Peter Van Heukelom.

Minutes: "6. Award of a bonus to the staff: 2014 financial year, on the basis of the evaluations as at 31-12-2014 and of a once-only special bonus to the CEO. (Annex 8, being a summary of the proposed bonuses to employees, was raised). Mr. Peter Van Heukelom, CEO, reported with regard to decision-making on the proposal to award the bonus amount for the 2014 financial year to the staff, of which, in his capacity as CEO, he is a member, that he had a direct financial interest, as referred to in Article 523 of Companies Code, and that he had already reported this to the statutory auditor. Mr Peter van Heukelom took no further part in the discussions and voting, and left the meeting during these, together with the Minutes Secretary (Mr Filip Van Zeebroeck).

The Board of Directors decided on 14.02.2007 to regulate the award of bonuses to staff in a structured manner and to add a variable form of remuneration to the fixed salary. The total bonus budget for 2014 (including all costs of social insurance, holiday allowances etc.) is set at 1.2% of the Company's net profit in 2014, as specified in the decision of the Board of Directors of 11.02.2011 concerning remuneration policy. The award of the bonus to the individual staff members will be made subject to a positive evaluation for the past financial year. The terms for this were developed by the Management Board on 29.08.2007. The evaluation is conducted by the managing directors and presented in an evaluation form countersigned by the staff member in question. The CEO does not participate in his/her own evaluation. One quarter of this bonus is paid in cash and three quarters via the group insurance. The Board of Directors also resolved to award a one-time special bonus to the CEO, amounting to 2,000 shares of the Company, for his exceptional performance in the 2014 financial year. ... The Board of Directors approved the bonus and the bonus allocations and also decided to pay the one-time special bonus to the CEO."

The meeting of the Board of Directors on 18 December 2015 took a decision on the principles for the conclusion of a management agreement with Peter Van Heukelom.

Minutes: "5. Management agreement with Peter Van Heukelom (Annex 6). The Board of Directors took note of the memorandum regarding the management agreement with Peter Van Heukelom. The Board of Directors unanimously resolved to adopt the principles in this document, including Mr Peter Van Heukelom's adoption of self-employed status, and instructed the Management Board to develop these principles in more detail."

Peter Van Heukelom has a direct financial interest of a proprietary nature, as referred to in Article 523 of the Companies Code, in decision-making on this agenda item. This was notified to the statutory auditor in advance.

4.7.2 CONFLICTS OF INTEREST RELATING TO TRANSACTIONS WITH AFFILIATED COMPANIES

Care Property Invest must also comply with the procedure of Article 524 of the Companies Code if it takes a decision or conducts a transaction relating to: (a) relations of the Company with an affiliated company, excluding its subsidiaries and (b) relations of a subsidiary of the Company with an affiliated company, with the exception of subsidiaries of that subsidiary.

To date, Care Property Invest has four subsidiaries: B. Turnhout nv, Croonenburg nv, M.S.T. bvba and Boeyendaalhof nv.

4.7.3 CONFLICTS OF INTEREST CONCERNING TRANSACTIONS WITH AFFILIATED PERSONS, THE DIRECTORS AND STAFF OF THE COMPANY

Transactions between the Company or an affiliated company and a member of the Board of Directors or member of staff must always be conducted on an arm's length basis, under the supervision of the Board of Directors.

The Company is managed solely in the corporate interest.

Pursuant to Article 37 of the RREC Law, the Company must notify the FSMA in advance if one of the persons referred to below acts as a counterparty in a transaction with the Company or with a company over which it has control, or if any benefits are gained through such a transaction by persons including those listed below:

- the persons who control the public RREC or hold participating interests in it;
- the promoters of the public RREC;
- the persons with whom the RREC or a promoter of the RREC are affiliated or with which the RREC or a promoter of the RREC have a participating interest relationship;
- the directors, managers, members of the management committee, the persons responsible for the daily management, the effective managers or agents of the RREC or the promoters of the RREC, or the persons who control the company or hold participating interests in the company.

In its notification of the FSMA, the RREC must show its interest in the planned transaction and that the transaction in question forms part of the normal activities of the RREC. If the FSMA finds that the information in the aforementioned notice is insufficient, incomplete, inconclusive or irrelevant, it shall notify the RREC accordingly. If no action is taken in response, the FSMA may publish its position.

These transactions must be conducted on an arm's length basis.

When a transaction that takes place in the circumstances described above relates to property as referred to in Article 47 § 1 of the RREC Law, the valuation of the expert is binding on the RREC (for determining the minimum price in the case of a transfer, or the maximum price in the case of an acquisition).

The transactions referred to above, as well as the information contained in the preceding notice to the FSMA, must be disclosed immediately and explained in the annual financial report and the statutory auditor's report.

Pursuant to Article 38 of the RREC Law, these provisions do not apply to:

- transactions relating to a sum of less than the lower of 1% of the Company's consolidated assets and €2,500,000;
- the acquisition of securities by the Company in connection with a public issue by a third-party issuer for which a promoter of the RREC or one of the persons referred to in Article 37 § 1 of the RREC Law act as intermediaries within the meaning of Article 2, 10° of the Law of 2 August 2002;
- the acquisition of or subscription to shares in the company issued pursuant to a decision of the General Meeting by the persons referred to in Article 37 § 1 of the RREC Law; and
- transactions relating to cash and cash equivalents of the Company or one of its subsidiaries, provided that the person acting as the counterparty has the status of intermediary within the meaning of Article 2, 10°, of the Law of 2 August 2002 and that these transactions are conducted on an arm's length basis.

The Company is not aware of any conflicts of interest.

5. Remuneratie

5.1 Remuneration policy

The mandate of directors is remunerated.

Nobody decides on his or her own remuneration.

Care Property Invest is not legally required to establish a remuneration committee. Consequently, the Board of Directors establishes the remuneration policy for non-executive and executive (managing) directors, based on the principle of a fixed annual amount, plus additional attendance-based remuneration. The remuneration of the directors is then submitted to and approved by the General Meeting and is disclosed in a transparent manner in the annual financial report.

Neither the executive nor the non-executive directors receive performance-based remuneration for the performance of their mandate, such as bonuses or long-term share-related incentive programmes, benefits in kind or benefits linked to pension plans.

Under Belgian law, each director's mandate may be terminated "ad nutum" (at any time) without any form of compensation.

The Board of Directors determines the remuneration of the Managing Directors, as members of the Management Board. The Managing Directors do not participate in the discussions or voting on this decision in the Board of Directors.

The Board of Directors pursues a policy of awarding **Managing Directors** the same additional remuneration for their duties as Managing Directors as that awarded to all directors by the General Meeting. The Managing Directors therefore receive two fees: a fee paid by the General Meeting for their service as directors, and a fee awarded by the Board of Directors as remuneration for their additional responsibilities as Managing Directors.

Since the 2014 financial year, all directors have received additional remuneration in the form of an attendance fee. The Managing Directors also receive a fee for each meeting of the Management Board. Managing Directors (other than the **CEO**) receive neither performance-related remuneration such as bonuses nor long-term share-related incentive programmes, benefits in kind or benefits associated with pension plans for the performance of their duties as managing directors, nor is there any provision for severance pay.

The CEO and other **staff** are affiliated to the Company via an employment contract⁷ and may be dismissed, subject to compliance with Belgian labour law. No provision is made for any other severance scheme. The remuneration of staff is determined by the Board of Directors (overall amounts) and the Management Board (specific remuneration of individual employees). The CEO/Managing Directors do not participate in Board discussions concerning their remuneration. If members of staff qualify for a bonus, the award of the bonus must be dependent on relevant and objective performance criteria. The staff are not present during the discussion of their evaluations.

⁷ The employment contract of Mr Peter Van Heukelom was terminated by agreement as of 1 January 2016 and agreement concerning performance of the work on a self-employed basis was contracted.

5.2 Remuneration report

5.2.1 DETERMINATION OF THE REMUNERATION OF NON-EXECUTIVE DIRECTORS AND EXECUTIVE (MANAGING) DIRECTORS

In accordance with the resolution of the General Meeting of 18 May 2011, a standard fixed fee of €7,000 per year is paid to all directors and in accordance with the decision of the Board of Directors of 18 May 2011, an additional amount of €7,000 per year is paid to the Managing Directors (as remuneration for their position as Managing Directors). The Managing Directors, with the exception of the CEO, also receive a fixed representation fee of €150 per month, and their travel expenses are reimbursed at the statutory rate. In accordance with the decision of the Ordinary General Meeting, from the 2014 financial year the higher fixed fee of all directors has been supplemented by an additional fee in the form of an attendance fee of €500 for each meeting of the Board of Directors.

At the same time, the Board of Directors approved an additional fee for the Managing Directors, in the form of an attendance allowance of €300 for each meeting of the Management Board.

The remuneration policy described above has been applied in the same manner since the 2014 financial year.

5.2.2 ATTENDANCE OF DIRECTORS AND (GROSS) REMUNERATION FOR THE 2015 FINANCIAL YEAR

The Board met on ten occasions in 2015, on 21 January, 11 March, 1 April, 20 May, 2 June, 24 June, 16 September, 18 November, 30 November and 18 December 2015. The Managing Directors met on 23 occasions. All fees constitute fixed remuneration and there is no provision for variable remuneration or for remuneration linked to shares, except for the CEO.

5.2.3 REMUNERATION OF THE CEO AND BONUSES FOR STAFF

The remuneration of the CEO consists of the following components: a fixed salary, a pension plan in the form of group insurance with a monthly fixed employer's contribution, a premium (*) and the other components of remuneration (hospitalisation insurance, representation fee, benefits in kind associated with the use of a company car, meals and eco-cheques). The employment of Mr Peter Van Heukelom was terminated by mutual agreement on 1 January 2016 and an agreement was contracted concerning performance of the work on a self-employed basis.

In his capacity as CEO, Mr Van Heukelom received the following remuneration during the 2015 financial year in addition to the aforementioned remuneration as a director and Managing Director:

ordinary remuneration	€244,459.68
insurance premiums (pension plan)	€20,400.00
award of shares in Care Property Invest	€23,083.33
premium (*)	€30,145.02
total remuneration, 2015 financial year	€318,088.03
benefits in addition to the statutory minimum (**)	€7,888.70

(*) Premium inclusive of employees' social insurance contributions: The Board of Directors may award annual bonuses to the staff (including the CEO).

(**) Hospitalisation insurance, meals and eco-cheques, company car (€4,300.54), mobile telephone, laptop and representation fee.

On 11 January 2012, the Board of Directors resolved to calculate the total budget for payment of bonuses to employees (including the CEO) on the basis of the company's results instead of revenue-related parameters. It was argued that an increase in a company's revenue does not necessarily lead to a higher profit, as uncontrolled stimulation of revenue growth can lead to abuses and risky behaviour. The total annual bonus budget (including all employer contributions and provisions for holiday allowance) for all employees combined (including the CEO) is therefore set at 1.2% of the company's net result* in the year preceding that of the payment of the bonus.

* Net result on a cash basis, i.e. not including (upward or downward) valuations of the fluctuations of derivative financial instruments, among other things.

The total bonus paid out in 2015 for the 2014 financial year amounted to €90,086.27 gross (including all social insurance and holiday allowance costs, etc.). The award to individual staff members is subject to a positive evaluation for the preceding working year. The details of this are set out in a separate document. The evaluation is conducted by the Managing Directors and recorded in an evaluation form which is countersigned by the staff member concerned. The CEO does not participate in his/her own evaluation. The distribution of the total bonus will be based on the gross monthly salaries and will possibly be awarded after a reduction in the event of a poorer evaluation. One quarter of the bonus is paid in cash and the remaining three quarters through the group insurance policy. There is no other form of variable remuneration or bonuses, apart from a one-off special bonus for the CEO, through the award of 2,000 shares. No provision is made for the Company to recover variable remuneration awarded to the CEO on the basis of any incorrect financial data.

6. Policies concerning staff

Care Property Invest has developed detailed policies on staff, including with regard to integrity, qualifications, training and assessment. The company has a detailed organisational chart with detailed job and task descriptions.

7. The shareholders and the General Meeting

The Company ensures the equal treatment of all shareholders. It makes all necessary facilities and information available to enable shareholders to exercise their rights.

The Company dedicates a specific section of its website to describing the rights of shareholders to attend and to vote at the General Meeting. This section also contains a timetable for the provision of regular information and General Meetings.

Like the Corporate Governance Charter, the Articles of Association are available at all times via the Company's website at www.carepropertyinvest.be and can also be delivered free of charge on request by letter, e-mail or fax.

7.1 Shareholder structure

The Company's share capital amounts to €78,442,491.65, represented by 13,184,720 shares: 13,034,720 ordinary shares listed on Euronext Brussels, and 150,000 special shares.

Amounts shown in euros.

Category	Number	Par value (in euros)	In relation to the number of special shares	In relation to the total number of shares
Special shares	150,000	892,425.00	100.00%	1.14%
Belfius Bank NV/SA	80,000	475,960.00	53.33%	0.61%
Fortis NV/SA	30,000	178,485.00	20.00%	0.23%
KBC Bank NV/sA	30,000	178,485.00	20.00%	0.23%
Bank Degroef Petercam NV/SA	10,000	59,495.00	6.67%	0.07%
Ordinary shares	13,034,720	77,550,066.65		98.86%
Total	13,184,720	78,442,491.65		100.00%

In accordance with Article 37(1) of the Articles of Association, each share affords the right to cast one vote. Shareholders without voting rights and, where applicable, warrant holders and holders of bonds may attend the General Meeting, but only in an advisory capacity. There are no legal restrictions or restrictions pursuant to the Articles of Association on the exercise of voting rights.

The special shares carry the same rights as those of the ordinary shareholders and in addition, the rights as provided for in Articles 12 (transfer of shares), 16 (composition of the Board of Directors), 17 (premature vacancies), 18 (chairmanship), 19 (meetings of the Board of Directors), 20 (deliberations of the Board of Directors), 31 (General Meetings) and 35 (officers of the General Meeting) of the Articles of Association.

In accordance with the conditions, terms and modalities laid down in Articles 6 to 13 of the Law of 2 May 2007 and the Royal Decree of 14 February 2008 (the "Transparency Law"), every natural person or legal entity is required to notify the company and the FSMA of the number and the percentage of the existing voting rights that he/she/it holds, directly or indirectly, if the number of voting rights reaches, exceeds or falls below 5%, 10%, 15%, 20% etc., in tranches of 5% of the total existing voting rights, subject to the conditions laid down by the Transparency Law. This notification is also required pursuant to Article 15 of the Articles of Association if the voting rights attached to the voting securities held directly or indirectly reach, exceed or fall below the limit of 3% or more of the total existing voting rights. Care Property Invest is not currently aware of the existence of shareholders whose shareholdings exceed or fall below the statutory thresholds or the thresholds according to the Articles of Association.

In accordance with Article 15, §1 of the Law of 2 May 2007, the Company will disclose the total capital, the total number of voting securities and voting rights and the number of voting securities and voting rights by category no later than the end of each calendar month in which one of these amounts increases or diminishes.

7.2 Existing shareholders' agreements

There is a verbal agreement among the holders of special shares, on the appointment of directors, *inter alia*, to vote for the candidate on whose nomination they reached a common consensus. This nomination will take account of the most balanced possible representation of the special shareholders on the Board of Directors and with the possibility of nominating one or two candidates from outside organisations or institutions whose representation is regarded by the special shareholders as opportune and in the interests of the Company.

7.3 General Meetings

The General Meetings are used, inter alia, to communicate with shareholders and to encourage their involvement. Shareholders who are unable to attend may vote by proxy. The deed of proxy will be sent to shareholders at their earliest request by regular mail, fax or e-mail, or can be downloaded from the Company's website.

Without prejudice to the statutory convocation formalities, as described in more detail below under the heading "Convocation", the agenda and the reports referred to therein will be made available to the shareholders via the website, and will be sent to shareholders at their earliest request by regular mail, fax or e-mail. This information remains accessible on the Company's website for a period of five years from the date of the General Meeting to which it relates.

7.3.1 PLACE AND DATE

The General Meeting is held on the third Wednesday of the month of May at 11 a.m. If that day is a statutory public holiday, the meeting is held on the next working day.

An Extraordinary General Meeting may be convened whenever the interests of the Company require it, and must always be convened in the following cases:

- whenever shareholders representing one fifth of the subscribed capital so request;
- whenever holders of special shares jointly representing one fifth of the capital represented by the special shares so request.

Such requests must be sent by registered mail to the Company's registered office and must precisely describe the matters to be discussed and decided on by the General Meeting. The request should be addressed to the Board of Directors and the statutory auditor, who must jointly convene a meeting within three weeks of receipt of the request. In the convening notice, other items may be added to the agenda items stipulated by the shareholders.

The Board of Directors may, at any General Meeting, during the session, postpone the decision regarding the approval of the financial statements for up to five weeks. This postponement does not affect the other decisions taken, unless otherwise decided by the General Meeting in this regard. The next meeting has the right to determine the final financial statements. The Board of Directors also has the right to defer any other General Meeting or any other item on the agenda of the Annual General Meeting by five weeks, unless the meeting is convened at the request of one or more shareholders representing at least one fifth of the capital, or one fifth of the capital represented by the special shares, or by the statutory auditor(s).

Unless otherwise stated in the convening notice, the General Meeting will be held at the registered office of the Company.

7.3.2 CONVENING OF MEETINGS

The Board of Directors or the auditor(s) convene(s) the General Meeting. The notices convening the meeting must state:

- the location, date and time of the General Meeting, the agenda, stating the matters to be discussed and the proposed resolutions, a clear and precise description of the formalities that shareholders must observe in order to be admitted to the General Meeting and to exercise their voting rights, in particular the period within which the shareholder must state his/her intention to attend the meeting, as well as information on rights to place matters on the agenda and put questions and the procedure for voting by proxy;
- the registration date and the notification that only persons who are shareholders on that date are entitled to participate in, and vote at, the General Meeting;
- where and how the documents prescribed by the Companies Code can be viewed;
- the website at which the following information is made available:
 - the notice convening the General Meeting and the agenda for the meeting;
 - the total number of shares and voting rights on the date of the notice;
 - the documents to be submitted to the General Meeting;
 - a proposal for a resolution on each matter included in the agenda for the General Meeting, or if the matter discussed requires no resolution, comments by the Board of Directors;
- the forms to be used for voting by proxy, unless such forms are sent directly to each shareholder.

If these forms cannot be made available on the website for technical reasons, the Company must state on its website how these forms can be obtained on paper.

The General Meeting must be convened by means of notices published at least thirty days prior to the meeting in (a) the Belgian Official Gazette, (b) media that can reasonably be expected to ensure effective dissemination of the information to the public in the European Economic Area and that are quickly accessible in a non-discriminatory manner and (c) a national newspaper. In the case of an Ordinary General Meeting to be held in the municipality, at the location, date and time indicated in the deed of incorporation, with an agenda limited to the handling of the financial statements, the annual report and the statutory auditors' report, the vote on the discharge to be granted to the directors and the statutory auditors, and to voting on the items mentioned in Article 554(3) and 554(4) of the Companies Code, the Company is exempt from the requirement to publish the notice in a national newspaper. Publication under (a) and (b) is required, however. If a second notice is necessary because the required quorum was not reached at the first meeting, the date of the second meeting was mentioned in the first notice convening the meeting and no new items have been placed on the agenda, the notice convening the second meeting must be issued at least seventeen days before the General Meeting.

Each year, an Annual General Meeting is convened, the agenda for which at least includes the following points: the discussion of the annual report and the report of the statutory auditor(s), discussion and approval of the financial statements and the appropriation of the net profit, the discharge to the directors and the statutory auditor(s) and, where applicable, the appointment of directors and the statutory auditor(s).

The regularity of the convening of meetings cannot be disputed if all shareholders are present or duly represented.

7.3.3 ADMISSION

A shareholder may participate in the General Meeting and exercise voting rights on the basis of the book-keeping records of his/her shares on the registration date, either by inclusion in the Company's register of shares in the Company's name or by inclusion in the accounts of a recognised account holder or a clearing institution, irrespective of the number of shares held by the shareholder on the date of the General Meeting. The registration date is deemed to be the fourteenth day before the General Meeting, at midnight (Belgian time).

Holders of dematerialised shares wishing to attend the General Meeting must submit a certificate issued by Euroclear or a recognised account-holder at Euroclear, showing the number of dematerialised shares registered in the shareholder's name in its accounts as at the registration date with which the shareholder has indicated that he/she wishes to attend the General Meeting. The certificate must be submitted to the Company's registered office no later than the sixth day prior to the date of the General Meeting.

The owners of registered shares who wish to participate in the meeting, must inform the Company by ordinary mail, fax or e-mail no later than six days before the date of the meeting of their intention to participate in the meeting.

The Board of Directors maintains a register of all shareholders that have expressed a desire to attend the General Meeting, which contains their names and addresses or registered office, the number of shares they held on the registration date and with which they indicated that they wished to attend the General Meeting, as well as a description of the documents showing that the shareholder held the relevant shares on the registration date.

In accordance with the Articles of Association and the applicable legislation, bearer shares that were not converted into dematerialised shares or registered shares by 31 December 2013 were automatically converted into dematerialised shares and booked on a securities account in the name of the Company (without, however, the Company thereby attaining the status of the owner of the shares). The exercise of the rights attached to these shares (including the right to attend the General Meeting and the entitlement to dividends) will be suspended until a person who has been able to demonstrate the lawful capacity of a right-holder applies for and is granted the registration of the shares in his/her name in the register of registered shares or in a securities account.

These shares were sold on 22 September 2015 and the proceeds of the sale in the amount of €273,123.20 were deposited in an account at the Deposit and Consignation Office of the Belgian Treasury, after deduction of expenses. The owners of these shares can contact the Company to obtain the countervalue of the shares, net of legal penalties.

7.3.4 REPRESENTATION

Each shareholder may appoint a proxy to represent him/her at the General Meeting in accordance with the relevant provisions of the Companies Code. The proxy may not be a shareholder.

A shareholder of the Company may appoint only one person as a proxy for each General Meeting. By derogation from this provision, (i) shareholders may appoint separate proxies for each form of shares that they own, as well as for each of their securities accounts if they hold shares in Care Property Invest on more than one securities account and (ii) a person qualified as a shareholder who, however, acts in a professional capacity on behalf of other natural persons or legal entities, may appoint each of those other natural persons or legal entities or a third party designated by them as a proxy.

A person who acts as a proxy may hold a proxy of more than one shareholder. Where a proxy holds deeds of proxy from several shareholders, he or she may vote differently for one shareholder than for another shareholder.

The appointment of a proxy by a shareholder takes place in writing or via an electronic form which must be signed by the shareholder, where appropriate with an advanced electronic signature within the meaning of Article 4, § 4 of the Law of 9 July 2001 establishing certain rules relating to the legal framework for electronic signatures and certification services, or with an electronic signature that complies with the requirements of Article 1322 of the Civil Code.

The notification of the deed of proxy to the Company must be in writing. This notification may also be made electronically at the address indicated in the notice.

The Company must receive the deeds of proxy by the sixth day before the date of the General Meeting at the latest.

Without prejudice to the possibility, pursuant to Article 549(2) of the Companies Code, of deviating from the instructions in certain circumstances, the proxy must cast his/her vote in accordance with any instructions of the shareholder who appointed him/her. The proxy must keep a record of the voting instructions for at least one year and confirm that he or she has complied with the voting instructions at the request of the shareholder.

In the event of a potential conflict of interest, as defined in Article 547bis, §4 of the Companies Code, between the shareholder and the proxy he/she has appointed, the proxy must disclose the specific facts that are relevant for the shareholders in the assessment of whether there is any risk that the proxy might pursue any interest other than the interest of the shareholder. In addition, the proxy may only vote on behalf of the shareholder, provided that he or she has received specific voting instructions for each item on the agenda.

For the purposes of these conflict of interest rules, a conflict of interest exists when the proxy:

1. is the company itself or an entity controlled by the company, or a shareholder that controls the Company, or another entity controlled by such a shareholder;
2. is a member of the Board of Directors or the management bodies of the Company, of a shareholder that controls the Company, or of a controlled entity referred to in 1°;
3. is an employee or statutory auditor of the Company, of the shareholder that controls the Company or of a controlled entity referred to in 1°;
4. has a parental relationship with a natural person as referred to in 1° to 3°, or is the spouse or legal partner of such a person or a relative of such person.

7.3.5 DELIBERATIONS

An attendance list which displays the names of the shareholders and the number of shares they represent at the meeting, must be signed by each of the shareholders or by their proxy before the meeting is opened.

The General Meeting may not deliberate on matters that are not included in the agenda unless all shareholders are in attendance or represented at the meeting and they unanimously resolve to expand the agenda. The required approval is deemed to have been given if no objection is recorded in the minutes of the meeting.

The foregoing does not affect the possibility for one or more shareholders (jointly) holding at least 3% of the share capital, subject to compliance with the relevant provisions of the Companies Code, to place matters to be discussed on the agenda for the General Meeting at any time up to the twenty-second day before the date of the meeting, or to submit proposed resolutions regarding matters for discussion that are included or are to be included on the agenda.

This does not apply if a General Meeting is convened by a new convening notice because the required quorum was not reached with the first notice, provided that the first notice complied with the legal requirements, the date of the second meeting was mentioned in the first convening notice and no new items are placed on the agenda.

Shareholders wishing to make use of this possibility must prove on the date on which they submit an item or proposed resolution, that they are in possession of the requisite share of the capital, either on the basis of a certificate of registration of the relevant shares in the Company's register of shares or a certificate issued by the recognised account holder or the clearing institution confirming that the relevant number of dematerialised shares is registered in an account in their name.

The aforementioned requests must be made in writing and as appropriate, accompanied by the text of the items to be discussed and the corresponding proposed resolutions, or the text of the proposed resolutions to be placed on the agenda. A postal or e-mail address must be given, to which the Company can send the acknowledgement of receipt of such requests.

The Company must receive the deeds of proxy by the twenty-second day before the date of the General Meeting at the latest. They can be sent to the Company electronically at the address shown in the notice convening the meeting. The Company must confirm receipt of such requests within a period of forty-eight hours from the time of such receipt.

As soon as possible after their receipt, the topics to be discussed and the proposed resolutions that would be added to the agenda, as appropriate, must be posted on the Company's website and in addition, no later than the fifteenth day before the date of the General Meeting, an agenda must be circulated to which the additional items to be discussed and any accompanying proposed resolutions, and/or only the proposed resolutions formulated, have been added.

At the same time, the Company must make the forms that can be used for voting by proxy, plus the additional matters to be discussed and the attendant proposed resolutions that might be placed on the agenda, and/or solely the proposed resolutions formulated, available to its shareholders on its website.

Deeds of proxy which have already been notified to the Company prior to the publication of a revised agenda remain valid for the items for discussion on the agenda to which they apply, on the proviso that the proxy may derogate from any instructions of the principal at the meeting in relation to items on the agenda for which new proposed resolutions have been submitted, may differ from the instructions of the principal if following such instructions could harm the interests of the principal. The proxy must inform the principal accordingly. The authorisation must state whether the proxy is authorised to vote on the new items to be discussed included in the agenda, or whether he/she should abstain.

The topics to be discussed and any proposed resolutions to be placed on the agenda will be discussed only if the aforementioned share of the capital has been registered in accordance with Article 536, §2 of the Companies Code (*see above under "7.3.3. Admission"*).

The Board of Directors must answer the questions raised during the meeting or in writing regarding their report or regarding the agenda items, provided that sharing the details or facts is not potentially detrimental to the Company's business interests or to confidentiality undertakings that have been given by the Company or its directors.

The statutory auditors must answer the questions raised during the meeting or in writing regarding their report, provided that sharing the details or facts is not potentially detrimental to the Company's business interests or to confidentiality undertakings that have been given by the Company, its directors or the statutory auditors. The statutory auditors are entitled to address the General Meeting regarding the performance of their assignment.

If different questions concern the same subject, the Board of Directors and the auditor(s) may give a single answer to these.

Once the notice convening the meeting is published, the shareholders may submit the aforementioned questions in writing and these will be answered during the meeting, as appropriate, by the directors or the statutory auditors, provided that the said shareholders comply with the formalities for admission to the meeting (*see above under "7.3.3. Admission"*). These questions can be addressed to the Company electronically via the address shown in the notice convening the meeting. The Company must receive written questions no later than the sixth day prior to the meeting.

In the absence of mandatory statutory requirements or requirements stipulated in the articles of association to the contrary, decisions are taken by simple majority of the votes cast. Blank and invalid votes are not counted as votes cast. In the event of a tied vote the proposal is rejected.

Voting takes place by show of hands or by roll call, unless the General Meeting decides otherwise by a simple majority of the votes cast.

The Extraordinary General Meeting must be held in the presence of a notary who will prepare an authentic official record. The General Meeting may only validly deliberate and decide on an amendment of the Articles of Association if those attending the meeting represent at least half of the share capital. If the said quorum is not reached, a new meeting must be convened, in accordance with Article 558 of the Companies Code; the second meeting may conduct discussions and take valid decisions, irrespective of the part of the capital present or represented.

Moreover, an amendment of the Articles of Association is only adopted if it was previously approved by the Financial Services and Markets Authority (FSMA) and if it supported by three quarters of the votes attached to the present or represented shares (or any other special majority stipulated in the Companies Code).

In the case of an amendment of the Articles of Association or a decision for which the law imposes the same majority requirement as for an amendment of the Articles of Association and where the rights and obligations of a certain class of shareholders are affected, the statutory majority requirements must be complied with for each class of shareholders separately.

The General Meeting is presented with the annual report and the report of the statutory auditor(s) and decides by a simple majority on the approval of the financial statements.

After approval of the financial statements, the General Meeting decides by a simple majority, by separate vote, regarding the discharge granted to the directors and the statutory auditor(s). This discharge is only valid if the balance sheet does not contain omissions or false statements concealing the true state of the Company and, for acts contrary to the Articles of Association, only if they were specifically indicated in the convening notice.

The annual and half-yearly financial reports, the annual and half-yearly financial statements, the auditor's report and the Company's Articles of Association are available at the Company's registered office and may be viewed on the Company's website, for information purposes.

The resolution proposed by the Board of Directors on the appropriation of profit, in accordance with Article 13 of the RREC Royal Decree, is carried by a simple majority of the votes cast at the General Meeting.

The regularly constituted General Meeting represents the totality of the shareholders. The resolutions of the General Meeting are binding on all shareholders, even on those absent from the meeting or those who voted against them.

Minutes are drawn up of every General Meeting. The minutes of the General Meeting are signed by the officers and by shareholders who request to do so.

The results of votes and the minutes of the General Meeting must be posted as soon as possible, and in any event within fifteen days of the meeting, on the Company's website at (www.carepropertyinvest.be). More specifically, for each decision carried at the General Meeting, the minutes record the number of shares for which valid votes were cast, the percentage of the authorised capital represented by those shares, the total number of votes in favour of and against each resolution and the number of abstentions, if any.

The Board of Directors strives to ensure that the controlling shareholders make well-considered use of their position and that they respect the rights and interests of the minority shareholders.

The Board of Directors wishes to motivate investors, and in particular institutional investors, to play an important role in carefully evaluating the Company's corporate governance. The Board of Directors strives to ensure that the institutional and other investors attach importance to all relevant factors drawn to their attention.

The Board of Directors strives to ensure that investors carefully consider the explanations given for derogations from the Belgian Corporate Governance Code, and make reasoned judgements in all cases. The Board of Directors will enter into a dialogue with investors if, taking into account the size and complexity of the Company and the nature of the risks and challenges they will face, they do not accept the position of the Company.

8. The powers of the governing body, in particular as regards the power to issue or buy back shares

The Company may buy back its own fully paid-up shares and hold these in pledge pursuant to a decision of the General Meeting in accordance with the provisions of Articles 620 to 630 of the Companies Code. The same meeting may determine the conditions of sale of these shares.

Following the approval of the RREC status by the Extraordinary General Meeting of 25 November 2014, with shareholders being given the opportunity to exercise their withdrawal rights, the Company bought back 17,030 shares at a market value of €16.05 per share. The total amount of €273,331.50 was recorded as a reserve with the Company's equity.

The Company awarded 2,000 shares to the CEO as part of the payment of a bonus. The extraordinary general meeting of 18 November 2015 granted its approval, within the meaning of Article 622 §2, 2° of the Companies Code, to sell the remaining 15,030 treasury shares within a period of two years on an arm's length basis, with the minimum price being the average share price during the last 30 days before the sale. To date, the shares are still owned by the Company.

Otherwise the general meeting has granted no approval to acquire shares. The Board of Directors can issue shares within the context of the authorised capital. To date, the remaining authorised capital amounts to €49.93 million.

9. Measures concerning insider trading and market manipulation (market abuse)⁸

On 15 February 2006, the Board of Directors approved the "Rules on the prevention of market abuse" (the Dealing Code, last amended on 25 November 2014), to prevent unlawful insider trading by directors, shareholders, employees and certain third parties ("insiders") or creating any impression of this.

The company maintains a list of insiders, which is regularly updated.

On 6 September 2006, the Board of Directors approved a first amendment of its Corporate Governance Charter and the "Rules on the prevention of market abuse", in response to the Royal Decree of 5 March 2006 concerning market abuse. This amendment relates to the obligations of persons with managerial responsibilities and persons closely related to them to report to the FSMA transactions in shares of the Company conducted on their own behalf. These prohibitions and monitoring of compliance with the rules are primarily aimed at protecting the market as such.

⁸ As defined in the Law of 2 August 2002 on the supervision of the financial sector and financial services, as repeatedly amended.

Each transaction in the securities of the Company by persons with managerial responsibilities and persons closely associated with them will be published on the Company's website at www.carepropertyinvest.be and the annual report will contain an overview of these transactions by those persons. To date there have been no such transactions to report.

The Dealing Code also imposes restrictions on transactions in the Company's securities during specific periods before the publication of the financial results ("closed periods") and during any other period considered sensitive ("prohibited periods").

The Board of Directors arranges for the appointment of a compliance officer with responsibilities and obligations including those conferred on him/her by the Dealing Code. Among other things, the compliance officer monitors compliance with this Dealing Code by Insiders. The compliance officer also ensures that each new director and employee of the company or any third party who qualifies as an Insider signs or has signed the Dealing Code⁸

The Dealing Code provides that an Insider must notify the compliance officer of his/her intentions before conducting any transaction in the securities of the Company. For directors and the compliance officer, this notification obligation applies with respect to the Chairman of the Board of Directors.

If a director conducts a transaction in the securities of the Company and the Chairman of the Board of Directors is informed of this, the transaction is disclosed in compliance with the Dealing Code.

The Dealing Code sets out the statutory obligations of persons discharging managerial responsibilities and persons closely associated with them to notify the FSMA of transactions in securities of the company on their own behalf.

The full Dealing Code is available on the company's website at www.carepropertyinvest.be.

Date of last amendment of the Corporate Governance Charter: 9 March 2016.

⁹ Mr Filip Van Zeebroeck was appointed as compliance officer on 25 November 2014, on the commencement of RREC status.



Free translation. The Dutch version will prevail.

More information is always available at:
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