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# Corporate Governance Charter

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The Belgian Corporate Governance Code 2009 is available at [www.corporategovernancecommittee.be](http://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.

# Corporate Governance Charter

## 1. Introduction

Care Property Invest complies with general and sector-specific legislation, the provisions of its own Articles of Association and the Belgian Corporate Governance Code of 12 March 2009 (hereafter referred to as the Code 2009) as a reference code. The Royal Decree of 6 June 2010 set out that the Code 2009 is the only code applicable. The text of the Code 2009 is available from the Belgian Official Gazette website and from [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

The Board of Directors of Care Property Invest adopted the first version of the Corporate Governance Charter (hereafter referred to as the Charter) on 7 December 2005. The Charter is updated from time to time. The Board of Directors adopted an updated version of this Charter on 27 June 2018 (in response to the decisions made at the Extraordinary General Meeting on 16 May 2018).

It reflects the principles, rules and agreements that govern how the Company is managed and controlled, and the corporate structure on which the Company's corporate government is based. The Board of Directors of Care Property Invest subscribes to these principles based on transparency and accountability. This enhances the shareholders' and investors' trust in the Company and therefore benefits all stakeholders. The Board of Directors guarantees frequent updating of the Charter. The Charter also contains the rules and Code of Conduct for prevention of market abuse and insider trading (hereafter referred to as the Dealing Code).

An up-to-date version of the Corporate Governance Charter, the Dealing Code, the coordinated Articles of Association and the annual report are always available from the Company's website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)).

The Board of Directors does its utmost to fulfil the principles of corporate governance, always in consideration of the Company's specific character, applying the Code 2009 in accordance with the 'comply or explain' principle. The scope and specific deviations are explained in the Corporate Governance Declaration, which is part of the annual consolidated governance report.

The Charter is subject to and does not affect the Company's Articles of Association and the relevant provisions of Belgian legislation, the Companies Code and RREC legislation. It is prepared in accordance with Section 96 paragraph 2, sub 1 of the Companies Code (as amended by the Act of 6 April 2010 to strengthen corporate governance in listed companies) and the Belgian Corporate Governance Code 2009 as set out in the Royal Decree of 6 June 2010 on the designation of the Corporate Governance Code applying to listed companies and any other applicable regulations that Care Property Invest is required to comply with.

Any summaries or descriptions in this Charter of statutory and legal provisions, corporate structures or contractual relations are clarifications only, and may not be regarded as legal or tax advice relating to the interpretation or enforcement of such provisions or relations.

The Charter should be considered in conjunction with the Company's Articles of Association, the annual report and any other information provided by the Company on its website from time to time. More actual information on each financial year relating to the pertinent changes and events of the past financial year is set out in the Corporate Governance Declaration, which is a separate section in the annual report.

## 2. Corporate Profile

Care Property Invest is a public limited liability company, with its registered office at 2900 Schoten, Horstebaan 3 in Belgium, hereafter referred to as Care Property Invest or the Company. The Company was founded on 30 October 1995 with the name "Serviceflats Invest nv".

Since 25 November 2014, Care Property Invest has held the status of a public regulated real estate company (public RREC) under Belgian law.

Care Property Invest helps healthcare businesses to realise projects based on high-quality and socially responsible property tailored to the end users, based on a solid organisation. For its shareholders, it always aims for stable long-term returns on investment.

The Company raises its financial resources, in Belgium or elsewhere, through a public offering of shares, and thus makes a public demand on the savings system within the meaning of Article 438(1) of the Companies Code. The Company's shares have been admitted for trading on a regulated market, Euronext Brussels – Industry Classification Benchmark – 8673 Residential REITs, ISIN code: BE0974273055. Since 19 December 2016, Care Property Invest is listed in the Euronext Brussels BEL Mid-Index. The LEI number of Care Property Invest is: 54930096UUTCOUNCQDU64.

The Company is subject to the relevant provisions of Belgian legislation, the Companies Code and any regulations applicable to property companies at any time. In particular, the Company is subject to the provisions of the Act of 12 May 2014 concerning regulated real estate companies as modified by the Act of 22 October 2017 (the "RREC Act") and the Royal Decree of 13 July 2014 with respect to regulated real estate companies as modified by the Royal Decree of 23 April 2018 (B.G. 17 May 2018) (the "RREC RD"). Hereafter referred to as "RREC legislation".

The Company is also subject to Article 2.7.6.0.1 of the Flemish Tax Code (VCF) in respect of exemption from inheritance rights pertaining to the social rights in companies incorporated within the framework of the realisation and/or financing of investment programmes for service flats, as amended from time to time.

## 3. Board of Directors

### 3.1 Terms of reference

The profile, members, tasks and responsibilities and the performance of the Board of Directors are set out in the provisions of the internal rules in this Charter, such without affecting the provisions of the Company's Articles of Association.

### 3.2 Profile

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 Act. Article 4 of the RREC Act 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 Act. Subject to acceptance by the FSMA, the appropriate competences 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.

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

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.

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.

### **3.3 Appointments – Term of office – Termination**

The Board ensures that the appointment and re-appointment process proceeds objectively and professionally. They are assisted by the Nomination and Remuneration Committee.

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 seats in the Board, candidates should be recruited (taking into account the gender diversity required by Article 518*bis* of the Companies Code);
- proposals for appointment originating from shareholders should be investigated;
- succession issues should be considered thoroughly;
- decisions should be made on the appointment and dismissal of directors.

The members of the Board of Directors are appointed by the General Meeting, which also determines their remuneration. The Board of Directors propose a list of prospective board members to the General Meeting. The names on this list are backed by a recommendation of the Nomination and Remuneration Committee. 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.

Before considering the candidate, 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 Committee 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 section "3.4.4 Independent directors" on page 12).

The appointment proposal must state the proposed term of office, which may not exceed four years. Relevant information on the candidate's professional qualities, together with a list of the main positions that the candidate holds and other mandates that the candidate fulfils will be available on the website of the Company. The proposed appointment is subject to the approval of the candidacy by the FSMA, if this approval has not been obtained previously.

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 terms of office) 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.

If a directorship becomes vacant for any reason, the Board of Directors shall foresee - in anticipation of the next gathering of the General Meeting - in the temporary replacement, backed by a proposal of the Nomination and Remuneration Committee.

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

### **3.4 Composition of the Board of Directors**

#### **3.4.1 NUMBER OF DIRECTORS**

The Board of Directors has a variable number of members. In accordance with Article 16 of the Articles of Association, the minimum number of directors is five. In accordance with Article 13 of the RREC Act, the Board of Directors includes at least three independent members within the meaning of Article 526<sup>ter</sup> of the Companies Code.

In accordance with Article 14 §1 of the RREC Act, the directors may only be natural persons.

Pursuant to Article 518<sup>bis</sup>, §1 of the Companies Code, introduced by the Act 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. Care Property Invest will continue to strive to maintain gender diversity when appointment proposals are considered. The Board of Directors, assisted by the Nomination and Remuneration Committee, will in any event ensure that diversity in general is a factor 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, upon recommendation of the Nomination and Remuneration Committee.

#### **3.4.2 CHAIRMAN**

The Board of Directors elects a chairman from among its directors.

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).

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 Committee.

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.

The Chairman establishes the agenda for the Board meetings, after consulting the Management Committee and if need be the Nomination and Remuneration Committee, and ensures that the procedures relating to the preparation, deliberations, approval of proposals of the Management Committee or the Nomination and Remuneration Committee 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.

### 3.4.3 EXECUTIVE AND NON-EXECUTIVE DIRECTORS

At least half of the directors are non-executive directors. The Board of Directors appoints three directors as executive directors (Managing Directors).

The Board of Directors entrusts the effective leadership of the Company to a Management Committee appointed in the context of Section 524*bis* of the Companies Code (also refer to section "4. Management Committee" on page 16). The Management Committee consists of three directors (managing directors), one of which also holds the position of CEO ("Chief Executive Officer" or "General Manager"); one is the CFO ("Chief Financial Officer") and one is the COO ("Chief Operating Officer"). The latter two are both appointed as effective leaders.

The Board of Directors has also formed a Nomination and Remuneration Committee that has to assist and advise the Board concerning its policy on nominations and remuneration. This committee prepares the decisions of the Board of Directors. The Board of Directors is the only one with decision-making authority.

The role, composition, responsibilities and performance of the Management Committee and Nomination and Remuneration Committee are recorded in the terms of this Charter, that form the internal rules of these committees.

#### 3.4.4 INDEPENDENT DIRECTORS

At least three directors must meet the independence criteria set out in Article 526ter of the Companies Code. Each independent director who ceases to comply with the independence requirements must immediately notify the Board of Directors of this.

### 3.5 The role 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 is authorised to determine the Company's general policy.

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 decides on the appointment and structure of its committees and determines its authorisation and obligations.

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 execution of its responsibilities.

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.

With regard to its supervisory duties, the Board of Directors supervises the performance of its committees, the auditor, the real estate expert and the internal audit, in particular with regard to risk management and the integrity of the financial statements.

### 3.6 Duties and responsibilities of the Board of Directors

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 roles and responsibilities:

- setting out the long-term values, core policy themes, standards and objectives of the Company, taking into consideration corporate social responsibility, gender diversity and diversity in general;
- determining the operating and financing strategy of the Company;
- identifying and understanding the key risks of the Company; determining the risk level acceptable to the Company; supervising the Company's financial position;
- evaluating and approving the business plan and financial plans prepared by the Management Committee;
- assessment of the size, composition and performance of the Board of Directors, based on recommendations of the Nomination and Remuneration Committee;

- deciding on the structure of the Management Committee and the Nominations and Remuneration Committee and determining the responsibilities and powers of these committees;
- approval of the management agreements and determining the remuneration of the members of the Management Committee, assessing their performance and realisation of their pre-agreed targets and goals, based on the recommendations of the Nomination and Remuneration Committee;
- approval of a reference framework for the governance structure and the administrative, accounting, financial and technical organisation, including internal controls and risk management, integrity policy and compliance, as prepared by the Management Committee;
- assessing the implementation of the afore-mentioned framework;
- analysis and approval of investment projects prepared by the Management Committee;
- preparing the annual financial statements, annual and half-yearly financial reports and interim statements;
- implementing the necessary measures to ensure integrity and on-time disclosure and publication of annual financial statements in accordance with the applicable legislation, and of other financial information and non-financial information that is disclosed to existing and potential shareholders;
- ensuring that a Corporate Governance Declaration, including a description of all relevant events that occurred during the financial year in the context of corporate governance is set out in the annual report;
- supervising the inclusion of a description of the internal controls and risk management systems of the Company in the Corporate Governance Declaration as prepared by the Management Committee;
- at the proposal of the Management Committee, preparing the General Meetings of Shareholders, and the proposals for decisions to be made during such Meetings;
- being informed of the reporting and comments of external auditors; adequate enquiries into relevant comments or provisos; assessing the performance of the statutory auditor and the other persons responsible for internal controls;
- proposing appointments and reappointments of the statutory auditor and his/her remuneration;
- performance of the tasks assigned to the audit committee pursuant to Article 526*bis*, §4 of the Companies Code by the Board of Directors as a whole;
- encouraging through appropriate measures effective dialogue with both existing and potential shareholders based on mutual understanding for objectives and expectations;
- in the context of the initial investment programme of the Company: implementation and any changes to the Agreement with the Government of Flanders (BS 01/17/96);
- in general, processing all subjects under its statutory authorisation;
- convocation of the General Meeting of Shareholders, at own initiative or at the initiative of the shareholders, subject to the required quorum.

## **3.7 Performance of the Board of Directors**

### **3.7.1 FREQUENCY AND CONVOCATION OF MEETINGS**

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, 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.

### 3.7.2 DELIBERATIONS AND VOTING

The Board of Directors can only validly deliberate and decide if at least a majority of the directors 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, 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, 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. Blank or invalid votes are not counted as votes cast. In the event of a tied vote within the Board of Directors, the Chairman will cast the deciding vote.

### 3.7.3 MINUTES

The decisions made by the Board of Directors are recorded in minutes after each meeting. The Minutes are distributed to all Directors, together with the invitation to the next meeting, at which the Minutes will be adopted and signed.

The minutes of the meetings summarise the discussions, specify the decisions taken and record any reservations of certain directors. These are filed at the registered office of the Company.

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.

### 3.7.4 INTEGRITY AND COMMITMENT OF THE 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 Committee in a critical and constructive manner and help to develop these in more detail. Non-executive directors should scrutinise the performance of the Management Committee 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.

### 3.7.5 REPRESENTATION

In accordance with Article 28 of the Articles of Association, the Board of Directors appointed a Management Committee to which the Board of Directors may transfer certain mandates under its supervision, subject to the determination of the general policy of the Company or of all acts which pursuant to other statutory provisions are reserved for the Board of Directors.

The Company is lawfully represented by two directors acting jointly in all its actions, including representation in legal matters, or by two members of the Management Committee, acting jointly; or by a Managing Director acting alone within the context of the Company's daily management.

A Managing Director 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.

## 3.8 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 and he/she is herein assisted by the Nomination and Remuneration Committee. For directors that become member of a committee of the Board or Directors the initial induction entails a description of the specific role and tasks of this committee, as well as all other information connected to the specific role of the committee involved.

## 3.9 Evaluation

Led by the Chairman, the Board of Directors evaluates its size, composition and operation, as well as the interaction with the Management Committee, 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 Committee. They must meet for this purpose at least once a year, in the absence of the Management Committee members.

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.

The Board of Directors will herein be assisted by the Nomination and Remuneration Committee and if necessary by external experts.

### **3.10 Remuneration**

The mandate of directors is remunerated. The remuneration of directors is determined by the General Meeting.

The Company prepares a Remuneration report in accordance with section 96 § 3 of the Companies Code and the Code 2009, which will form a specific component of the Corporate Governance Declaration. The Company's Ordinary General Meeting of shareholders will decide on adopting the Remuneration report in a separate vote. As of the financial year 2018 the annual remuneration report is prepared by the Nomination and Remuneration Committee.

## **4. Management Committee**

Pursuant to Article 14 §3 of the RREC Act, 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.

As per 1 July 2016, the Board of Directors appointed a Management Committee in accordance with Section 524*bis* of the Companies Code and in accordance with Article 28 of the most recent coordinated Articles of Association.

The Management Committee took over the powers and the performance of the daily management as per 1 July 2016 from the daily management, which was abolished as an internal corporate body.

In addition to the Articles of Association, the tasks, members and performance of the Management Committee are determined by the Board of Directors and set out in the provisions of this Charter. Jointly, these form the Management Committee's internal rules.

#### **4.1 The role of the Management Committee**

The role of the Management Committee mainly consists of:

- Implementing the decisions made by the Board of Directors;
- Performance of the daily management of the Company and reporting to the Board of Directors accordingly;
- A suitable governance structure and implementing and maintaining an administrative, accounting, financial and technical organisation that enables the Company to perform its activities and organise suitable controls, such in accordance with the RREC Act, based on a reference framework as approved by the Board of Directors;
- Supervision of the financial reporting process in accordance with the applicable standards for annual financial statements, the accounting standards and the valuation rules of the Company;
- Proposing a balanced and comprehensible assessment of the Company's financial situation, the budget and the business plan to the Board of Directors;
- Implementing general management of the property assets insofar not already inherent in the items above.

#### **4.2 The powers of the Management Committee**

The powers of the Management Committee include at least the following elements:

- Analysis, definition and setting out proposals of the Company's general policy and strategy, and presenting this to the Board of Directors for discussion and adoption (including the general policy themes relating to financial management, risk management, preparing the business and the budget);
- Studying investment and disposal projects in accordance with the general strategy determined by the Board of Directors and preparing recommendations to the Board of Directors relating to property projects;
- Detailing, preparing and presenting proposals to the Board of Directors or its committees, if any, relating to all issues that fall within their responsibility;
- All financial and non-financial communication, including publication of the Company's mandatory disclosures (including the non-compounded and consolidated annual financial statements, the annual and half-year financial reports and interim statements) and other key financial and non-financial information, based on mandatory or voluntary disclosure;
- Operational management of the Company; daily operations that includes the following aspects, not limited to the listed items:
  - \* Implementing the decisions made and policies issued by the Board of Directors;
  - \* The commercial, operational and technical management of the property assets;
  - \* Managing the financial liabilities;
  - \* Preparing financing themes relating to investment projects;
  - \* The introduction and continued implementation of a suitable internal control in accordance with the RREC Act (including an independent internal audit function, a risk management function and a risk policy, and an independent compliance functions including integrity policy, based on the reference framework as adopted by the Board of Directors and any committees, without prejudice to the statutory requirements to persons tasked with the internal controls as set out in the RREC Act;

\* Organisation and management of the supporting functions, including:

- . Human resources, including recruitment, training and remuneration of the Company's personnel;
  - . Internal and external (if relevant) communication;
  - . Management of the information systems (IT);
  - . Legal and tax issues.
- Providing all the information in due course that the Board of Directors requires for the performance of its obligations.

Article 26 of the Articles of Association provides that in all its actions, including legal representation, the Company shall be validly represented by two members of the Management Committee who act jointly.

### **4.3 Members of the Management Committee**

The members of the Management Committee are appointed by the Board of Directors.

The Management Committee has at least 3 and a maximum of 5 members, including all executive directors, and has the following members:

- an appointed managing director (executive director) performing the role of CEO (Chief Executive Officer or general manager) who also serves as the daily management of the Company and chairs the Management Committee;
- an appointed managing director (executive director) who also performs the risk management function/ function of risk manager;
- an appointed managing director (executive director) also performing the internal audit function (more specifically internal supervision of the external internal auditor);
- a CFO (Chief Financial Officer), appointed as an Executive Officer and also performs the Compliance function; and
- a COO (Chief Operating Officer), appointed as an Executive Officer.

If one of the positions is (temporarily) not filled, the Management Committee will consist of the remaining members set out above. If the position of CEO / Managing Director is not filled, the Board of Directors will select a person to temporarily chair the Management Committee.

The mandate of the members of the Management Committee is in principle not for a defined term of office, with the proviso that the mandate of the Managing Directors (excepting that of the CEO / General Manager) coincides with the term of their mandate within the Board of Directors.

### **4.4 Responsibilities of the Chairman of the Management Committee**

The Chairman of the Management Committee has the following powers:

- To chair the meetings of the Management Committee and to ensure adequate performance;
- To prepare the agenda, ensuring efficient completion of the meetings with suitable reporting;
- To provide support and advice to the other members of the Management Committee in the performance of their individual operational responsibilities;

- To ensure permanent communication and dialogue with the Chairman of the Board of Directors in an open and positive climate, discussing all issues required for good harmony between the Management Committee and the Board of Directors.
- To report to the Board of Directors on the main initiatives and decisions that the Management Committee made in performing its duties.

#### **4.5 Additional responsibilities of the effective leaders within the Management Committee**

- In addition to his/her responsibilities as the Chairman of the Management Committee, the managing director, who is also the CEO, has a general and coordinating role, performing the daily management of the Company. As the head of staff, the CEO is responsible for the overall direction and supervision of the team, including the determination of the allocation of tasks and monitoring their attendance, dispatches and performance.
- The other managing directors provide general supervision of daily operations and are responsible for the internal audit function and the risk manager tasks.
- The CFO was appointed as the Company's Compliance Officer.

The Management Committee and its members perform their powers in accordance with this Charter, the Company's Articles of Association, the decisions of the Board of Directors and the Management Committee, the specific or general guidelines of the Board of Directors, the provisions of the Companies Code, and all other applicable legal, administrative or regulatory rules.

If a member of the Management Committee has a conflict of interest, he/she does not take part in the deliberations and decision-making on that matter by the other members of the Management Committee.

### **4.6 Performance**

#### **4.6.1 PLANNING, AGENDA, PARTICIPATION IN THE MEETINGS OF THE MANAGEMENT COMMITTEE**

The Management Committee meets after convocation by the CEO; in principle every 2 weeks on a fixed day, or on the date convened during the previous meeting. The CEO or at least 2 members may convene the Management Committee at any time if deemed necessary.

The Management Committee may admit employees, consultants or other persons to the meeting as required. Such persons do not have any voting rights. At his/her request, the Chairman of the Board of Directors may participate in the meetings of the Management Committee.

The CEO prepares the agenda of the Management Committee in consultation with the other members, preparing a report of each meeting. Any member may add items to the agenda.

#### **4.6.2 DELIBERATIONS**

All meetings are chaired by the CEO, or in his absence, by the oldest managing director present.

The Management Committee is a council-like body. The deliberations are valid only if at least the majority of the members of the Management Committee, of which at least two are also managing directors, is either present or represented.

If a member is absent, this member may appoint another member by letter, fax or email as his/her representative on a certain meeting of the Management Committee. However, each member may represent only one other member. Meetings may also take place through digital platforms, such as teleconferencing or video conferencing. All decisions are made by majority of vote. In the event of a tied vote, the Chairman casts the deciding vote.

In the event of extremely urgent issues, the Management Committee's decisions may be made with unanimous approval in writing from all members.

#### 4.6.3 MINUTES OF THE MEETINGS

The CEO prepares minutes of each meeting. The minutes show the final position of the Management Committee relating to the relevant agenda items. After distribution to the members, the minutes must be adopted and signed during the next meeting of the Management Committee.

A copy of the signed minutes will be filed for the members of the Management Committee and the statutory auditor. These are filed at the registered office of the Company.

#### 4.6.4 REPORT ON ACTIVITIES

On every meeting of the Board of Directors, the Chairman of the Management Committee and/or the other members of the Management Committee will report to the Board of Directors on the relevant aspects of operational management.

The CEO frequently provides the Chairman of the Board of Directors all key information relating to the issues listed below, reporting accordingly on every meeting of the Board of Directors:

- Any developments affecting the Company's activities and changes to its strategic context;
- The outlook and financial results of the Company and an evaluation of its financial situation;
- The key current or potential disputes that the Company is confronted with;
- The framework of internal controls and evaluation of the risks (annual report);
- In general, the issues (and following up on issues) that are part of the Board of Directors' authorisation.

#### 4.6.5 PROPOSALS FOR DECISION-MAKING BY THE BOARD OF DIRECTORS

The Management Committee analyses, discusses and provides the details of the case files that are presented to the Board of Directors.

The members of the Management Committee inform the Board of Directors regarding the status and progress of issues and case files that fall within the scope of the Board of Directors' authorisation.

The documentation to support a proposal that the Board of Directors must decide on consists of a case file containing all information deemed useful and important for the required insight of the relevant directors held available for the Board of Directors.

#### **4.7 Determining the objectives and evaluation of the members of the Management Committee**

On an annual basis, the Board of Directors determines, upon proposal of the Nomination and Remuneration Committee, the objectives for the Management Committee for the coming year, evaluating their performance in the past year.

This evaluation is used, among others, to fully or partially determine the variable portion of their annual remuneration.

#### **4.8 Remuneration of the members of the Management Committee**

The Board of Directors determines the remuneration of the Managing Directors, and the other members of the Management Committee upon proposal of the Nomination and Remuneration Committee.

#### **4.9 Conflicts of interest**

The members of the Management Committee observe the Care Property Invest policies relating to integrity and ethical conduct. In all other respects, they observe the relevant provisions of the Companies Code and RREC Legislation. In the event of any potential conflict of interest, the members must immediately inform the CEO and the other members of the Management Committee in accordance with Section 524ter of the Companies Code.

## 5. Nomination and Remuneration Committee

On 14 February 2018, the Board of Directors decided on appointing a Nomination and Remuneration Committee. In terms of members, the committee fulfils all requirements set out in Article 526<sup>quater</sup> of the Companies Code.

### 5.1 The role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is an advisory body within the Board of Directors and will assist and advise it. It will make proposals to the Board of Directors with regard to the composition and evaluation of the Board of Directors and its interaction with the Management Committee, the remuneration policy, the individual remuneration of the directors and the members of the Management Committee, including variable remuneration and long-term performance premiums, that may or may not be linked to shares, in the form of stock options or other financial instruments, and of severance payments, and where applicable, the resulting proposals to be submitted by the Board of Directors to the shareholders.

In its role as Remuneration Committee, it will prepare the remuneration report as from the financial year 2018, which will be added by the Board of Directors to the statement referred to in Article 96, § 2 of the Companies Code.

### 5.2 The responsibilities of the Chairman of the Nomination and Remuneration Committee

The chairman of the Nomination and Remuneration Committee convenes the meetings of the committee and decides on the agenda. He leads the performances of the committee and sees to it that its members come to an agreement, after a critical and constructive discussion of the agenda items. The chairman takes the necessary actions to ensure a climate of trust within the committee and sees to it that it works efficiently.

With that in mind, the chairman sees to it among other things that each new member is integrated smoothly, with personal contacts and with the communication of useful information concerning the functioning of this committee as included in this Charter (completed with minutes of previous meetings, etc.), so that this new member will quickly be able to cooperate efficiently. Lastly, the chairman is the privileged conversation partner of the Board of Directors for every matter that the committee has authority over.

### 5.3 The responsibilities and powers of the Nomination and Remuneration Committee

In view of the execution of its task, the Nomination and Remuneration Committee fulfils the following functions and responsibilities:

#### 5.3.1 CONCERNING THE NOMINATION AND THE RENEWALS OF MANDATES

The committee assists the Board of Directors for the layout of:

- profiles of the directors, of members of committees of the Board of Directors, of the CEO and other members of the Management Committee;

- procedures for the nomination and renewal of mandates - and their implementation - for the directors, members of committees of the Board of Directors, the CEO and other members of the Management Committee of the Company (selection criteria, profile, ...);

- procedures for periodical evaluations - and their implementation - concerning the Board of Directors, the directors, the committees of the Board of Directors and its members, the CEO and the other members of the Management Committee.

The committee can delegate the assignment to look for candidates for the function of members of the Management Committee to the CEO. He/she will report back to the committee about the result of his/her assignment and the recruitment conditions as well as present the draft contract that would be signed with this candidate. The committee shall subsequently inform the Board, with an accompanying recommendation.

The committee advises the Board about the number of directors it considers necessary, without this number ever going under the legal minimum.

The Board of Directors can at any time (and in particular due to the resignation or death of a director or when the mandate of a director comes to an end and should be replaced) request the committee to set up a procedure to search for candidate-directors or directors who are candidate for a function as member of a committee. The Board of Directors shall in such case determine the required characteristics and competences for the open mandate.

Under the guidance of its Chairman, the committee guides the process to search for candidate-directors/candidate-members of the committee, with the help of consultants if necessary, and investigates the candidacies that were presented to the Board of Directors, the CEO or any other party concerned, as well as spontaneous candidacies.

This investigation is carried out based on the most recent evaluation of the functioning of the Board/the committee involved (demonstrating among others the existing and necessary competences, knowledge and experience in the board/committee involved), the general selection criteria for the directors, that were established by the Board of Directors (and that are determined in the Corporate Governance Charter of the Company and in the internal regulation of the Board of Directors) and possible extraordinary criteria that are used while searching for one or more new directors or one or more members of a committee.

The committee has a conversation with the potential candidates, investigates their curriculum vitae and references, assesses them, takes knowledge of the other mandates that they exercise (either in listed companies, associations, npos or not) and introduces the candidates that are eligible, together with a recommendation, to the Board of Directors.

When it concerns a renewal of director mandates, the committee will base themselves on the most recent evaluation of the performance of the Board and will verify if the profile of the candidates for the renewal meets the selection criteria of the Board. The committee will subsequently make a recommendation to the Board.

After the Board has taken a decision, it will present the appointment - or the renewal of the mandates - of the directors at the next General Meeting of shareholders.

The committee also manages the process for the re-election or the succession of the Chairman of the Board of Directors.

The committee supervises the implementation of proper plans for the succession of directors. It sees to the appointments or renewals of director mandates so as to make it possible to guarantee the continuity of the functioning of the Board and to maintain the balance in the competences and experiences in the Board of Directors and the committees that it formed.

### 5.3.2 CONCERNING THE REMUNERATION

The committee assists the Board of Directors with propositions:

- concerning the policy for the remuneration of non-executive directors, the members of the committees of the Board, the CEO and other members of the Management Committee, and regarding the possible periodical revisions of this policy;

- concerning the possible remuneration of non-executive directors, members of the committees of the Board, the CEO and other members of the Management Committee, including the variable remuneration, the diverse advantages and the performance bonus on the long term, that may or may not be linked to shares, the severance payments and, when applicable, concerning the propositions that may come out of this and have to be presented by the Board to the shareholders;

- concerning the provision of the performance objectives of the CEO and other effective members of the Management Committee and the assessment of the performance towards the objectives.

The committee will be kept in the loop of the modalities for the remuneration of the parties involved.

The committee will compose an annual remuneration report that the Board will include in the annual Corporate Governance Declaration, and it will clarify the report during the annual General Meeting of shareholders.

### 5.3.3 IN ADDITION THE BOARD OF DIRECTORS ORDERS THE COMMITTEE TO:

- speak out about the propositions that the CEO makes annually about the global budget and the raise (indexation aside) of the fixed wages of the employees of the Company, as well as the global budget and the variable compensations that these employees get granted;

- be in synergy with the CEO, and at the same time keep the Board of Directors informed about the important decisions that were taken in this respect globally and not individually.

### 5.3.4 APPROVAL OF CONTRACTS

The committee will make propositions to the Board of Directors linked to the approval of contracts that were concluded with the CEO and other members of the Management Committee, and with the approval of every modification that have to be made to these contracts when applicable.

The committee has the authority to, on the expenses of the Company, rely on the services of consultancy firms to assist in the exercise of under Article 5.3 mentioned tasks, after having notified the Chairman of the Board of Directors.

## **5.4 The composition of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of at least three non-executive directors, of which a majority is independent according to article 526<sup>ter</sup> of the Companies Code. The members of the Nomination and Remuneration Committee are appointed by the Board of Directors. The Chairman of the Nomination and Remuneration Committee is appointed by the Board of Directors within the members of the Nomination and Remuneration Committee. The Chairman of the committee can also be Chairman of the Board of Directors. Their mandate as member of the Nomination and Remuneration Committee has the same duration as their mandate as director. The Nomination and Remuneration Committee has the necessary expertise on the topic of remuneration policy.

A managing director is appointed to participate at meetings of the Nomination and Remuneration Committee as representative of the Management Committee with an advisory vote.

## **5.5 The performance of the Nomination and Remuneration Committee**

### **5.5.1 PLANNING, AGENDA AND PARTICIPATION TO MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee shall meet at least twice a year and every time it finds this necessary to fulfil its duties properly. The Chairman of the Nomination and Remuneration Committee draws up, in consultation with the managing director who participates with advisory vote to the meetings as representative of the Management Committee, the agenda of every meeting of the Nomination and Remuneration Committee. The committee reports regularly to the Board of Directors about the exercise of its tasks. The Nomination and Remuneration Committee evaluates at least every three years its efficiency, its functioning and its synergy with the Board of Directors, revises its internal regulations and recommends subsequently, when applicable, the necessary modifications to the Board of Directors.

### **5.5.2 DELIBERATIONS**

In order to deliberate legitimately, the majority of the members of the committee have to be present. A member of the committee cannot be represented by someone else. The advisories and recommendations are taken by majority. In the event of a tied vote, the Chairman of the Nomination and Remuneration Committee will cast the deciding vote.

If the Chairman of the Board of Directors was also appointed as the Chairman of the Nomination and Remuneration Committee, he is not allowed to attend when the committee decides or pronounces the remuneration or renewal of his or her mandate at the Board of Directors (in the capacity of chairman or director). He/she can be involved in the debate, without chairing the committee, when deciding on his/her successor.

A Managing Director participates in the meeting with an advisory vote. The CEO participates with advisory vote in the meetings of the committee when it treats the appointment or remuneration of other members of the Management Committee of the Company.

### 5.5.3 MINUTES OF THE MEETINGS

The minutes show a summary of the discussions and specify the advisories and recommendations with indication of any reservations made by the members of the committee. They are presented in draft form to the members of the committee and thereafter formally approved and signed during the next meeting of the committee. The original will be kept in the archives of the Company. The Chairman of the committee is responsible for handing over a copy to the members of the committee.

### 5.5.4 ACTIVITY REPORTS

After every meeting of the Nomination and Remuneration Committee, the Chairman of the committee (or, in his or her absence, a member of the committee appointed for this purpose) reports back to the Board of Directors at the next meeting about the exercise of its tasks and shares, in particular, the advisories and recommendations of the committee, so that the Board can discuss it.

## **5.6 Remuneration of the members of the Nomination and Remuneration Committee**

The Board of Directors determines the remuneration of the members of the Nomination and Remuneration Committee.

## 6. Audit and internal control and risk management systems

### 6.1 Powers of the Board concerning audits, nominations and remuneration: no appointment of committees

Because of the limited size of the Company, and given the balanced composition of the Board and frequency of meetings, until the financial year 2017 no committees were established with an advisory role in relation to the powers of the Board of Directors concerning audits, appointments and remuneration; instead, the Board undertook these tasks itself, in plenary sessions. The Company is exempt from the obligation to appoint an Audit Committee and a 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 were performed by the Board of Directors as a whole, including the directors that can be classed as non-executive and independent directors within the meaning of Article 526*ter* of the Companies Code.

The Board of Directors has decided after closing the financial year 2017 to modify this arrangement and founded on 14 February 2018 a Nomination and Remuneration Committee in accordance with article 526*quater* of the Companies Code. The existing arrangement for the tasks of the Audit Committee remains unchanged.

### 6.2 Internal control structures: audit and internal control and risk management systems

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

The Management Committee is required to report to the Board of Directors on the internal control system.

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

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 Organisations of the Threadway Commission (COSO) model, which is built around five components that are discussed below.

The guidelines relating to the Act 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.

#### 6.2.1 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 Committee 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 Committee and the external auditors. Since 1 July 2016, the Company has a CFO, who serves as the additional and first point of contact of the Board of Directors relating to discussing financial reporting.

#### 6.2.2 CONTROL ENVIRONMENT

The Company's governing body has defined its own corporate culture and ethical rules, subscribing to the principles set out in its integrity policy.

Throughout the Company's organisation, the Company continuously highlights integrity, the ethical values and expertise of the personnel, the management style and its philosophy, the organisational culture in general, the policy relating to delegation of authorisations and responsibilities and the human resources policy. The integrity policy is attached to the Corporate Governance Charter.

### 6.2.3 INTERNAL AUDIT AND RISK MANAGEMENT

In order to prepare the Corporate Governance Declaration that is part of the annual report, at least once a year the Board of Directors examines the internal control and risk management systems set up by the Management Committee 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, i.e. one of the managing directors, was appointed, in compliance with Article 17, §5 of the RREC Act.

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 Committee or the Board of Directors (which bears final responsibility for the risk management of the Company).

The Board of Directors annually adopts the risk policy, ensuring correct analysis and estimates of the existing risks as prepared by the risk manager prior to inclusion in the annual report. The Company has staff regulations on dealing with suspicions of possible irregularities in financial reporting or other matters (the "whistle-blowers' 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 Company also has detailed policies on staff, including with regard to integrity, qualifications, training and assessment, and applies 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 such periodical assessments, the Board of Directors closely monitors the risks during its frequent meetings, also ensuring awareness of the risk analyses and findings of both the internal and external auditors.

#### 6.2.4 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 Act, is fulfilled by an external consultant (also referred to as an "external internal auditor"). This auditor is appointed based on an contract 'relating to outsourcing the internal audit function' with a 3-year term. The Company has a person authorised for checking the external internal audit function. This person is responsible for compliance and implementation of the internal audit.

The internal auditor conducts a risk analysis for each risk area. A risk profile and risk score are determined for each of these areas. On the basis of this analysis, a plan is prepared and comprehensive annual audits are conducted of each area, with recommendations being formulated. These recommendations are followed up regularly by the external internal auditor. Although the Company has opted for an external internal auditor, it has also designated a managing director from among its own members to ensure implementation of the recommendations of this internal external auditor and who will also check the auditor's 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 financial reporting function is also subject of frequent evaluation by the internal auditor. 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 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 a periodical summary. The person authorised for checking the external internal auditor reports to the Board of Directors and serves as the point of contact to the Board of Directors relating to the internal audit.

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.

### 6.2.5 INTEGRITY POLICY AND COMPLIANCE

The integrity policy of Care Property Invest forms an inseparable 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. In this context, the Company applies an integrity policy.

The Company has a Compliance Officer, within the meaning of Article 17 §4 of the RREC Act, 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 leaders, employees and authorised representative(s) and for drafting and testing recommendations.

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 Compliance function is performed by the Company's CFO.

The Compliance Officer reports directly to the Board of Directors, but also has the right within the Company to directly contact the Chairman of the Board of Directors.

The Compliance function is set out in the Charter of the Compliance function in further detail.

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 ethical code
- (iv) insider trading and market abuse,
- (v) rules on abuse of company property and bribery (Article 492*bis* of the Criminal Code).

### 6.2.6 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.

### 6.2.7 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.

### **6.3 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 amongst the registered auditors or audit companies approved by the FSMA in compliance with Article 52 of the Act 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 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 Committee 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 Committee being present.

In addition to maintaining an effective working relationship with the Management Committee, 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 an unlimited 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 summarising 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.

#### **6.4 Real estate expert**

The Company appoints a real estate expert to value the property portfolio based on a contract of limited duration.

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.

#### **6.5 Rules on the prevention of market abuse and insider trading<sup>(1)</sup>**

On 15 January 2006, the Board of Directors approved the "Rules on the prevention of market abuse" (the Dealing Code), to prevent any actual or perceived unlawful insider trading by directors, shareholders, employees and certain third parties ("insiders"). On 6 September 2006, the details of the Dealing Code were harmonised with the Royal Decree of 5 March 2006 relating to 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. On 26 October 2016, the Board of Directors approved an updated version in accordance with the Regulation EU 596/2014 of the European Parliament and the European Commission of 16 April 2014 relating to market abuse, abbreviated as MAR, effective as from 3 July 2016, and the circular from FSMA of 18 May 2016 setting out practical instructions and FSMA guidelines relating to market abuse regulations. The Company's integrity policy also contains rules and guidelines relating to insider trading.

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(1) As set out in the Act of 2 August 2002 on the supervision of the financial sector and financial services, as repeatedly amended.

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 Board of Directors appointed a compliance officer with responsibilities and obligations including those conferred on him/her by the Dealing Code.

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 Company maintains lists of persons with access to insider trading information (the "Insider Lists"). In accordance with Section 18 of the MAR Regulation (EU 596/2014), effective as from 3 July 2016, the Company will apply the form templates attached as document A to the Circular FSMA-2016-08 of 18 May 2016. The initial permanent list contains the details of all persons with frequent access to insider trading information. A second series of lists will be prepared based on specific insider trading information, containing the details of persons with occasional access to insider trading information for each project. The lists are continually updated and disclosed to FSMA at its request.

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](http://www.carepropertyinvest.be). The annual report will contain an overview of such transactions.

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.

Any infringements on the provisions of the Dealing Code may result in administrative fines or criminal law proceedings.

The Company's Dealing Code is an integral part of this Corporate Governance Charter (see attachment 'Dealing Code') and may be (separately) consulted on the Company's website.

## **6.6 Prevention of conflicts of interest**

Relating to the rules governing conflict of interest, the Company is subject to legislation (Sections 523 and 524 of the Companies Code and the sections 36 through 38 of the RREC Act of 12 May 2014, the rules in its Articles of Association and the provisions of the Corporate Governance Charter. The Board of Directors ensures that the Company is managed exclusively in the interests of the Company and in accordance with the provisions of the RREC legislation. The Company's integrity policy also contains rules and guidelines relating to conflict of interest for members of the Company's internal bodies and employees.

### **6.6.1 CONFLICTS OF INTEREST RELATING TO DIRECTORS / MEMBERS OF THE MANAGEMENT COMMITTEE**

Each director should arrange his/her personal and business affairs so as to avoid any 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 Act.

In addition to the provisions of the Companies Code and the rules on conflict of interest arising from the RREC Act, Care Property Invest requires of each (managing) director or member of the Management Committee to avoid conflict of interest as much 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 or the Management Committee, 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.

#### 6.6.2 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 making a decision or regarding 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.

#### 6.6.3 CONFLICTS OF INTEREST CONCERNING TRANSACTIONS WITH AFFILIATED PERSONS, THE EFFECTIVE LEADERS AND STAFF OF THE COMPANY

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

Pursuant to Article 37 of the RREC Act, 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 senior 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 Act, 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 Act act as intermediaries within the meaning of Article 2, 10° of the Act 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 Act; 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 Act of 2 August 2002 and that these transactions are conducted on an arm's length basis.

## 7. Remuneration policy

### 7.1 General

Care Property Invest is not legally required to establish a remuneration committee, but to concede as much as possible to the principles of the Corporate Governance Code 2009, the Board of Directors decided on 14 February 2018 to found a Nomination and Remuneration Committee.

The Board of Directors determines the remuneration policy of the non-executive and executive (managing) directors, as well as the other members of the Management Committee. Nobody decides on his or her own remuneration.

The remuneration of directors is presented to and then adopted by the General Meeting.

When determining the remuneration level of the managing directors and the other members of the Management Committee, they do not participate in the deliberations and voting in the Board of Directors.

The Company prepares a Remuneration report as set out in Section 96 paragraph 3 of the Companies Code and in accordance with the Code 2009. The remuneration report is included as a specific component in the Corporate Governance Declaration, which is part of the annual report.

The amounts paid out as remuneration are annually disclosed in the Remuneration report in a transparent way. The Company's General Meeting of Shareholders decides on adopting the Remuneration report in a separate vote.

As of financial year 2018 the Board of Directors is assisted in this matter by the Nomination and Remuneration Committee which has now been set up.

## **7.2 Remuneration of the directors**

The performance of the Board's mandate is based on remuneration on a fixed, annual basis and an additional attendance allowance. This does not grant entitlement to performance-based remuneration, 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.

## **7.3 Remuneration of the executive directors excepting the CEO**

The executive (managing) directors with the exception of the managing director with the CEO position, receive the same remuneration for the performance of their mandate of managing director as the remuneration allocated to all directors by the General Meeting of Shareholders.

The managing directors, with the exception of the CEO, therefore receive two remunerations: one allowance allocated by the General Meeting of Shareholders for their position as a director, and an allowance allocated by the Board of Directors as an allowance for their additional tasks as a member of the Management Committee. This allowance is increased with an attendance allowance for each meeting of the Management Committee and a fixed monthly representation allowance. Transportation expenses are reimbursed based on the statutory rate.

As from the financial year 2018, the members of the Nomination and Remuneration Committee also receive an additional remuneration in the form of attendance fees for each meeting of the committee.

The directors do not receive any performance-based remuneration, such as bonuses or long-term share-related incentive programmes, benefits in kind or benefits linked to pension plans, nor is there any provision for severance pay.

## **7.4 Remuneration of the CEO, CFO and COO as members of the Management Committee**

The Board of Directors determines the remuneration of the CEO, CFO and COO for the performance of their mandate. The managing director who is also the CEO receives a remuneration based on the specific conditions set out in the specific management contract (non-temporary). The CEO does not receive a separate allowance for the performance of his/her mandate as a director or as a managing director. Since 1 July 2016, both the CFO and COO receive remuneration in accordance with their management contracts. In order to align the interests of the CEO, CFO and the COO as effective leaders to those of the Company and its shareholders, a suitable part of the remuneration package is linked to the realisation of the targets and objectives as defined by the Board of Directors.

## 8. 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.

Care Property Invest 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](http://www.carepropertyinvest.be) and can also be delivered free of charge on request by letter, e-mail or fax.

### 8.1 Capital and Shareholder structure

#### 8.1.1 CAPITAL

The authorised share capital and the current number of shares are shown on the Company's website. In accordance with Article 38 of the Articles of Association, each share affords the right to cast one vote.

#### 8.1.2 CAPITAL INCREASE

Each capital increase must be in accordance with the provisions of the Companies Code, the Articles of Association and the RREC Act.

#### 8.1.3 AUTHORISED CAPITAL

The Board of Directors is authorised to increase the fully paid-up authorised share capital, on dates and at conditions at its discretion, in one or more tranches, up to one hundred fourteen million nine hundred sixty-one thousand two hundred sixty-six euros and thirty-six cents (€ 114,961,266.36).

This authorisation is valid for a period of five years from the publication of the decision of the Extraordinary General Meeting of 16 May 2018 in the Attachments of the Belgian Official Gazette. It is renewable.

An update of the still available balance of authorised capital will be mentioned annually in the Annual Financial Report of the Company, available on the website, and complemented with press releases in the current financial year if any.

#### 8.1.4 STRUCTURE OF SHAREHOLDERSHIP

The structure of the Company's shareholdership is available from the Company's website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)).

The shares may be registered or dematerialised, at the option of the shareholder.

In accordance with the conditions, terms and modalities laid down in Articles 6 to 13 of the Act 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 will post on its website the notifications of shareholders whose participation exceeds or falls below the legal and/or statutory limits and it will also include this information in the annual financial report.

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

#### 8.1.5 ACQUISITION AND DISPOSAL OF 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).

In response to the decision of the Extraordinary General Meeting of 16 May 2018, the Board is allowed to acquire, hold in pledge and sell own shares with a maximum of twenty per cent (20%) of the total issued shares, to a unit price not lower than ninety per cent (90%) of the average rate of the last thirty (30) days of the listing of the share on the regulated market of Euronext Brussels, nor higher than hundred and ten per cent (110%) of the average rate of the last thirty (30) days of the listing of the share on the regulated market of Euronext Brussels, or a maximum raise or decrease of ten per cent (10%) in comparison with the above mentioned rate.

This approbation is granted for a renewable period of five (5) years, counting from publication in the attachment of the Belgian Official Gazette of the decision of the Extraordinary General Meeting of 16 May 2018.

The Board of Directors is permitted, in particular, to acquire, hold in pledge and sell the own shares of the Company without prior decision of the General Meeting when this acquirement or sale is necessary to avoid serious or threatening damage to the Company for a duration of five (5) years, counting from publication in the Belgian Official Gazette of the decision of the Extraordinary General Meeting of 16 May 2018.

The Company can sell its own shares, in or out of stock market, with respect to the conditions set by the Board of Directors, without prior permission of the General Meeting, provided they respect the applicable market regulations.

The Board of Directors is allowed to sell own listed shares in accordance with Article 4 of the Companies Code and in accordance with Article 622, §2, paragraph 2, 1° of the Companies Code.

The permissions that are mentioned above are also applicable to the acquisition and sale of shares of the Company by one or multiple direct subsidiaries, in terms of the legal regulations concerning the acquisition of shares of the parent company by its subsidiaries.

## **8.2 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 at least five years from the date of the General Meeting to which it relates. The annual and half-year reports disclosed during the five-year period prior to 1 October 2016 will remain available on the website for a period of at least ten years after publication.

### **8.2.1. PLACE AND DATE**

The General Meeting is held on the last Wednesday of the month of May at 11 a.m.

An Extraordinary General Meeting may be convened whenever the interests of the Company require it and must be convened whenever the shareholders who represent one fifth of the subscribed capital ask it.

This request 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 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.

### 8.2.2 CONVOCAATION

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, a 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.

### 8.2.3 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 participate in the General Meeting must provide a certificate issued by Euroclear or a certified account holder at Euroclear showing the number of dematerialised shares registered in the shareholder's name on his accounts on the Date of Registration, with which the shareholder indicated that he wishes to participate in the General Meeting. Holders of dematerialised shares must deposit the abovementioned certificate at the Company's office, at the latest six days before the date of the 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.

### 8.2.4 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 does not have to 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 Act 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 to deviate from the instructions in certain circumstances in accordance with Article 549, second paragraph of the Companies Code, the proxy holder shall cast votes in accordance with any instructions of the shareholder who appointed him or 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 case of a potential conflict of interest, as defined in Article 547*bis*, §4 of the Companies Code, between the shareholder and the proxy holder he or she has designated, the proxy holder must disclose the specific facts that are relevant for the shareholders in order to assess whether there is any risk that the proxy holder might pursue another interest 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.

### 8.2.5 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 authorised 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 "8.2.3 Admission" on page 43).

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 "8.2.3 Admission" on page 43). 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 a quorum is not reached, then a new convening notice is required in accordance with Article 558 of the Companies Code; the second meeting shall deliberate and decide validly, irrespective of the present or represented portion of the capital.

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).

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](http://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.

**Date of last amendment of the Corporate Governance Charter: 27 June 2018.**

Appendix 1: Dealing Code

Appendix 2: Integrity Policy

The present document is also made available in Dutch and French. However, in case of discrepancies between language versions, the Dutch version always prevails.



More information:

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