

## CHARTER OF THE EXECUTIVE COMMITTEE

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## **INTRODUCTION**

The Executive Committee was set up in pursuance of Article 14 of the Articles of Association. The Executive Committee is a decision-making body founded on the principle of collective responsibility and operation.

The Executive Committee periodically reviews its charter and, where applicable, submits proposed modifications that it deems desirable for the approval of the Board of Directors.

The Executive Committee's Charter was adopted by the Board of directors on March 24, 2005. A modified version of the charter was adopted by the Board of Directors the latest on November 10, 2016. Moreover, the Secretary General is authorised to make any formal changes that he deems necessary at any time.

This Charter complies with the Belgian Corporate Governance Code of March 12, 2009. If the Company does not comply with one or more of the provisions of this Code, it will explain the reasons in the Corporate Governance Declaration.

### **I. ROLE**

The Executive Committee's role is to:

- Suggest the Company's strategy to the Board of Directors;
- Execute this strategy, including the decisions to acquire or dispose of the rights in rem on properties or the shares of property companies or to pledge them.
- Carry out the day-to-day management of the company and to report on it to the Board of Directors.

### **II. RESPONSIBILITIES**

The management powers of the Executive Committee include in particular the following:

1. Under the direction of the CEO, the analysis, definition and proposal of the Company's general policy and strategy to submit to the Board (including the general policies concerning financial management, risk management, and preparation of the Business Plan and the budget);
2. Examination of investment and disinvestment projects and formulation of recommendations to the Board of Directors for the conclusion of contracts involving
  - an amount exceeding €50 M;
  - an amount below €50 M concerning:
    - an acquisition outside the defined strategy;
    - or an operational company (with staff);
    - or implying a partnership;
    - or any transaction that the Executive Committee considers necessary to submit to the decision of the Board of Directors by its nature, the risks involved or the interveners.

3. Submission to the Board of Directors of an exhaustive, punctual, reliable and accurate preparation of financial statements, in conformity with financial and accounting standards and with the company's policies as well as a clear and objective evaluation of the company's financial position;
4. The drawing up, preparation and presentation of proposals to the Board of Directors or to its delegated committees in any matter within their remit;
5. The negotiation and conclusion of any investment or disinvestment agreement relating to a sum below €50 M, notwithstanding what is stated under point 2;
6. The operational management of Cofinimmo. This responsibility encompasses among other things the following aspects (without this list being exhaustive):
  - Implementation of the decisions and policies of the Board of Directors;
  - The commercial, operational and technical management of the property pool
  - Financial and non-financial communication;
  - Management of the financial debt;
  - Drawing up financing schedules related to the investment projects;
  - The organisation and management of support functions such as:
    - Human resources, including staff recruitment, training and remuneration;
    - Legal and tax matters (including disputes);
    - Reporting on finances and property;
    - Monitoring of management and the internal audit; establishing internal controls (systems of identification, assessment, management and monitoring of financial and other risks), based on the reference framework approved by the Board of Directors, without prejudice to the supervisory role of the Board of Directors;
    - Internal and external communication;
    - Information technology.
7. Providing the Board of Directors in good time with all the information necessary to the execution of its responsibilities.

### **III. COMPOSITION**

The Executive Committee comprises a minimum of three members, at least two of whom are Directors.

The members of the Executive Committee are appointed by the Board of Directors on the proposal of the Chairman of the Board of Directors and the Appointments, Remuneration and Corporate Governance Committee.

### **IV. THE CHAIRMAN OF THE EXECUTIVE COMMITTEE & THE CEO**

The responsibilities of the Chairman of the Executive Committee & the CEO are as follows:

- To oversee, direct and organise the smooth functioning of the Executive Committee;

- To promote a corporate culture characterised by strict ethical standards, complete individual integrity and a great sense of responsibility;
- Communicating Cofinimmo's values and, through his behaviour, inspiring the conduct of Cofinimmo's staff;
- Giving direction, support and advice to the other members of the Executive Committee in fulfilling their operational and individual responsibilities.
- Setting the objectives of the members of the Executive Committee, evaluating their performance and formulating proposals for their remuneration to the Appointments, Remuneration and Corporate Governance Committee;
- Acting as the Cofinimmo's spokesperson to the outside world;
- Maintaining permanent open and positive communication and dialogue with the Chairman of the Board;
- Reporting to the Board of Directors on the main initiatives and decisions taken by the Executive Committee in the exercise of its functions;
- With the Chairman of the Board of Directors and the Secretary General, preparing the Agenda of the Board of Directors and examining with them all questions in all areas with a view to obtaining the information and guidance necessary to harmonious relations between the Executive Committee and the Board of Directors.

## **V. OPERATION**

### **1. Planning, agenda and participation in Executive Committee meetings**

The Executive Committee meets when convened by its Chairman, in principle every week on Monday or, failing that, on the date fixed at the previous meeting. It can, if needs be, be convened at any other time by the Chairman or if at least two members express a wish for it to be convened.

The Executive Committee deliberates on the basis of dossiers containing all the information necessary for decisions to be made and of which every member has previously received a copy.

The Executive Committee may invite to its meetings anyone whose presence it deems useful.

### **2. Deliberation**

The Executive Committee operates as a collegiate body and its decisions are taken on the basis of consensus among its members, who have collective responsibility for these decisions. Where appropriate, the Chairman of the Executive Committee may, at his own initiative or at the request of two other members, submit the question debated to a vote. The decision shall then be taken by a majority of the votes of all the members present. In the event of equality of votes, the Chairman has the casting vote.

### **3. Minutes of meetings**

A Secretary is responsible for the secretarial work the Executive Committee and for preparing the minutes of meetings. These minutes set out the different points of view expressed at the meeting as well as the final position adopted by the Executive Committee.

Dossiers relating to the agenda are held centrally and distributed by the Secretary of the Executive Committee.

The minutes signed by the Chairman of the Executive Committee are held at the disposal of the Executive Committee members at the general secretariat. A copy of the minutes is forwarded to the Chairman of the Board of Directors for information purposes. The Secretary-General keeps a record of the decisions of the Executive Committee.

#### **4. Report on activities**

At each meeting of the Board, the CEO or the other members of the Executive Committee report to the Board on important aspects of the day-to-day management. The CEO provides to the Chairman of the Board of Directors, on an ongoing basis, all significant information relating to any of the matters listed below, and reports on these matters to the Board at each of its meetings:

- Developments affecting the company's activities and any changes in the strategic context;
- The Company's financial forecasts and results as well as an assessment of its financial position;
- The main current or potential disputes;
- Regular follow-up of all questions falling within the province of the Board.

#### **VI. SETTING THE OBJECTIVES AND ASSESSING PERFORMANCE**

Each year, the Board of Directors, acting on a proposal by the Appointments, Remuneration and Corporate Governance Committee, sets the objectives of the members of the Executive Committee for the coming financial year and assesses their performance for the past year. This assessment serves among other things to decide on the award, wholly or in part, of the variable portion of their annual remuneration.

#### **VII. REMUNERATION OF MEMBERS OF THE EXECUTIVE COMMITTEE**

The Board of Directors decides on the remuneration of the Executive Committee members, on the basis of recommendations made by the Appointments, Remuneration and Corporate Governance Committee. The Chairman of the Board of Directors makes proposals to the latter Committee drawn up in conformity with Cofinimmo's remuneration policy (see Appendix I).

On April 28, 2006 the General Meeting, approved upon recommendation by the Board of Directors the basic principles of a stock option plan on existing shares (the "2006 Stock Option Plan" of Cofinimmo) (see Appendix III).

The Board of Directors of February 6, 2014 determined to spread the Variable Remuneration over a period of three years and for half of the variable remuneration, the amount that will be permanently allocated, will depend on the change in the market price of the Cofinimmo's Ordinary Share.

For the general terms and conditions of the "Phantom Stock Unit Plan" see Appendix IV

## VIII. REPRESENTATION OF THE COMPANY

The company is validly represented in all acts by two Directors.

Article 17 of the Articles says that the company is represented in all its acts , including those involving a public official or ministerial officer, either by two Directors or, within the limits of the powers conferred to the Steering Committee, by two members of the said Committee acting jointly or, within the limits of their powers of day-to-day management, by those persons to whom such powers are delegates, acting jointly: two of them may be

- Jean-Edouard Carbonnelle, Managing Director, Chairman of the Executive Committee;
- Xavier Denis, Director, Member of the Executive Committee;
- Françoise Roels, Director, Member of the Executive Committee;
- Jérôme Descamps, Director, Member of the Executive Committee.

A specific delegation of powers has been drafted by the Executive Committee via a notary deed dated 23.02.2015 and published in The Belgian National Gazette (Moniteur Belge) of 17.03.2015 under number 45579 and 45580 for leases, works, loans, credits and security rights, information and communication technologies, human resources, fiscal management, hedging transactions, transfers of funds, and insurance operations.

