

## **TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE OF BEFIMMO SA<sup>1</sup>**

### Introduction

In accordance with article 15.3. of the Articles of Associations of Befimmo, the Board of Directors (hereinafter also referred to as the "Board") has delegated specific management powers to the Executive Committee.

In accordance with Article 14 of the Act of 12 May 2014 regarding Regulated Real Estate Companies ("Sociétés Immobilières Réglementées" - "SIR" or "BE-REIT"), the actual management of the Company is entrusted by the Board of Directors to the members of the Executive Committee, who are also referred to as "Executive Officers".

The Executive Committee periodically reviews its Terms of Reference and, as applicable, submits proposals to the Board of Directors to approve the adaptations that it deems desirable.

The present Terms of Reference were adopted by the Board of Directors on 28 January 2020.

### Article 1 – Composition of the Executive Committee

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

At present, the members of the Executive Committee are:

- the Chief Executive Officer (the "CEO")
- the Chief Financial Officer (the "CFO")
- the Chief Operating Officer (the "COO")
- the General Counsel & Secretary General (the "SGC")

### Article 2 - Missions of the Executive Committee

The Executive Committee is entrusted with the following tasks :

- Analysing, drawing up and proposing, under the guidance of the Executive Director, the policy and general strategy of the Company to be submitted to the Board of Directors (including general policies covering financial management, risk management, establishing of the budget, etc.);
- Drawing up, preparing and presenting proposals to the Board of Directors or its specialised Committees regarding all matters falling within their areas of competence;
- Submitting to the Board of Directors the drafts of exhaustive, specific, reliable and precise financial statements and other financial and non-financial information, in accordance with the accounting and regulatory standards and the policies of the Company, as well as an objective assessment of the financial situation of the Company;

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<sup>1</sup> This document was drafted in French, in case of inconsistencies between the French version and its translations, the French version will prevail.

- Drawing up files on investment and disinvestment projects and making the related recommendations to the Board of Directors, concerning valuations in excess of 50 million euro;
- Drawing up files on lease contracts, as lessor or lessee, or contracts relating to rights in rem (usufruct, emphyteusis, etc.) of all movable and immovable property, as well as any modification, extension or termination thereof, concerning valuations in excess of 50 million euro<sup>2</sup> ;
- Negotiating and concluding of all real-estate investment and disinvestment agreements concerning valuations in excess of 50 million euro;
- Negotiating and concluding on lease contracts, as lessor or lessee, or contracts relating to rights in rem (usufruct, emphyteusis, etc.) of all movable and immovable property, as well as any modification, extension or termination thereof, concerning valuations in excess of 50 million euro<sup>2</sup>;
- Responding to calls for applications, with no ceiling on the amount<sup>3</sup>;
- In a general way, submitting tenders (private and public) and deciding on all agreements or other deeds binding on the Company for amounts, over the whole duration of the contract or commitment, of less than 50 million euro ;
- Decisions with regard to civil or taxation proceedings, or procedures of a judicial or administrative kind<sup>4</sup> (including decisions to settle a dispute or a proceeding on an amicable settlement) where the amount at stake or the financial risk is less than 5 million euro, it being understood, however, that decisions with regard to criminal proceedings or involving the risk of a loss of reputation fall within the competence of the Board of Directors with no threshold limits;
- Managing financial debt and implementing the hedging policy, in accordance with the financial policy or the budget (for example, the conclusion of a financing contract or hedging instrument) except for capital increases and public bond issues ;
- Acquisition or transfer of any securities involving an amount equal to or less than 1 million euro, it being understood that the acquisition or transfer of derivative or structured products used in the framework of the hedging policy are not subject to this limit, for as long as they remain within the framework of the hedging policy or budget
- Deciding on liquidity investments of less than 6 months;
- The day-to-day management of Befimmo SA, involving in particular (but not exclusively) the following aspects:
  - The commercial, operational and technical management of the property portfolio;

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<sup>2</sup> This amount is calculated as follows: [annual rent/fee] x [number of years of the agreement] without updating or indexation.

<sup>3</sup> The answers to calls for applications are not subject to a ceiling, as they do not constitute a commitment, unlike answers to calls for tenders.

<sup>4</sup> In particular, lodging of claims, complaints, legal proceedings such as summons, seizure, application to set aside, appeal, withdrawal of proceedings,

- The drawing up of financing models linked to the investment projects;
  - Acts concerning the tax management of the Company: dealing with information requests from the tax authorities, signing of all documents or declarations for the attention of the local, federal or foreign tax administrations;
  - Communication with the administrative, supervisory or market authorities (preliminary investigation and management of certification procedures, miscellaneous reports, updating of data, etc.).
- Organisation and management of support functions, such as:
- Human resources, including recruitment, training and remuneration of employees, except the decisions, deeds and agreements concerning the Executive members of the Executive Committee;
  - Legal and tax matters;
  - Financial, administrative and legal management of subsidiaries;
  - Management control and internal auditing: setting up of internal controls (identification, assessment, management and follow-up systems for risk, finance and other areas) based on the reference framework approved by the Board of Directors, without prejudice to the monitoring role of the Board of Directors ;
  - Reporting to the Board of Directors, to the FSMA (Financial Services and Markets Authority) and to the auditors on the internal control system;
  - Internal and external communications (excluding the communications reserved to the Board of directors);
  - Information technology.

The Executive Committee will of its own initiative submit to the Board of Directors any transaction, even one falling within its area of delegation, which the Committee considers it should submit to it, because of its nature, the risks incurred or the parties involved.

Where an operation consists of several sections or transactions, the thresholds given above apply to the operation as a whole and not to each section or transaction taken individually.

The Company's Executive Committee exercises its duties without prejudice to the powers of the Board of Directors.

### Article 3 – Activity report

At each meeting of the Board of Directors, and at least quarterly, the Executive Director and the other members of the Executive Committee will report to the Board of Directors on the important aspects of operational management. They will supply the Board of Directors with all significant information concerning at least the following matters:

- Developments affecting the activities of the Company and changes in its strategic situation;
- The financial outlook and results of the Company and an assessment of its financial situation;
- The main decisions of the Executive Committee;
- Major current or potential disputes;
- Regular follow-up on all questions falling within the competence of the Board of Directors.

## Article 4- Mode of operation

- The Executive Committee operates on a collegial basis : its decisions are taken on the basis of the consensus of its members who are collegially responsible. If a consensus cannot be reached, the point or file concerned is put on the agenda of the meeting of the Board of Directors for deliberation and decision.
- The members of the Executive Committee will take the necessary measures to develop a climate of confidence and close cooperation between them, by contributing to open discussions and the constructive expression of divergences of opinion.
- The Executive Committee will meet as often as is necessary, under the chairmanship of the Executive Director, and in principle, once a week. As the need may arise, it can be convened at any time by the Chairperson or if two members at least of the Management Committee express such a wish.
- The Executive Committee deliberates on the basis of files containing all the information necessary to take decisions, each member having received copies of such files beforehand.
- The Executive Committee may invite any person to its meetings whose presence it considers useful.
- The files for the meetings of the Executive Committee are centralised and distributed by the General Counsel & Secretary General, who is also responsible for drawing up the minutes. The minutes summarise the discussions and give the decisions taken by the Executive Committee. They are approved by the members of the Committee and a copy is filed by Befimmo SA in its records. The Executive Director, the General Counsel & Secretary General or another member of the Committee is authorised to certify copies of, or extracts from, the minutes of the deliberations.

## Article 5 – Observance of the rules of corporate governance

The members of the Executive Committee undertake to comply with the regulations applicable to Befimmo SA and, in particular, the legislation on Regulated Real-Estate Companies, the provisions of the Belgian Code of Corporate Governance, the Articles of Association of Befimmo SA, the Corporate Governance Charter of Befimmo SA, the Code of Ethics of Befimmo SA, the rules for preventing market abuse, as well as the present Terms of Reference.

## Article 6 – Conflicts of interests and functions

The members of the Executive Committee will act in the interest of the Company. They will organise their personal and professional affairs in such a way as to avoid any conflict of interests, direct or indirect, with the Company.

They will inform the Executive Committee of potential conflicts of interest and, where necessary, abstain from discussing and voting on the point concerned, in accordance with the procedures for the prevention of conflicts of interests provided for by the Code of Companies and Associations, the BE-REIT (Regulated Real Estate Companies) legislation and in the Governance Charter of Befimmo SA.

In addition, the point or file concerned by the conflict of interest is put on the agenda of the meeting of the Board of Directors for deliberation and decision.

#### Article 7 – Operations concerning securities of the Company

With regard to operations concerning securities of the Company, the members of the Executive Committee are subject to the rules for the prevention of market abuse set out in the Dealing Code of Befimmo SA.

In particular, they must inform the Compliance Officer prior to any operation and comply with the publicity procedures provided for by the applicable legislation.

#### Article 8 – Determination of objectives, assessment of performance and remuneration

The remuneration of the members of the Executive Committee is fixed, in accordance with the Remuneration Policy of Befimmo SA (which is an integral part of the Governance Charter), by the Board of Directors on the proposal of the Appointment and Remuneration Committee and after consultation with the Executive Director with regard to the remuneration of members of the Executive Committee apart from himself/herself.

Every year, the Board of Directors, on the proposal of the Appointment and Remuneration Committee, establishes the objectives of the members of the Executive Committee for the year(s) to come and assesses their performance for the past year, in accordance with the Remuneration Policy of Befimmo SA. This assessment is used, in particular, to decide on the allocation, in whole or in part, of the variable part of their annual remuneration.

The payment of the variable remuneration of the members of the Executive Committee is spread out over a period of three years and the final allocation of the deferred part of the variable remuneration is subject to middle-term and long-term, predetermined and objectively measurable performance criteria.

#### Article 9 – Representation of the Company

Pursuant to article 21.1. of the Articles of Associations, the Company is validly represented in all acts, including those in which a public officer or notary intervene, and before a court of law, by:

- two directors acting jointly, or
- within the limits of the day-to-day management, one or more managing directors of this management, each acting individually.

In addition, the Board of Directors has, pursuant to Article 21.2. of the Articles of Association, delegated certain powers of representation to the members of the Executive Committee, acting jointly two by two.