

**BEFIMMO**

Public Limited Liability Company  
Public Real Estate Investment Trust

Registered office  
Chaussée de Wavre 1945  
1160 Brussels

R.P.M. Brussels  
TVA BE 455.835.167

**BLUE TOWER LOUISE SA**

Limited Liability Company

Registered office  
Chaussée de Wavre 1945  
1160 Brussels

R.P.M. Brussels  
TVA BE 847.459.702

**DRAFT TERMS OF MERGER BY ABSORPTION OF BLUE TOWER LOUISE SA BY  
BEFIMMO SA**

In accordance with article 693 of the Company Code, the board of directors of Befimmo, the acquiring company, and the board of directors of Blue Tower Louise SA, the acquired company, have prepared these draft terms of merger with a view to a transaction deemed to be a merger by absorption.

The board of directors of Befimmo and the board of directors of Blue Tower Louise SA have resolved to start a process of merger by absorption of Blue Tower Louise SA by Befimmo.

As acquired company, Blue Tower Louise SA shall transfer all of its assets and liabilities, both rights and obligations, to Befimmo.

**I. COMPANIES INVOLVED IN THE PROPOSED MERGER (ARTICLE 693, ALINEA 2, 1° OF THE COMPANY CODE)**

**A. Legal form, name and registered office**

**I. The acquiring company**

Befimmo, a public limited liability company, Public Real Estate Investment Trust under Belgian law (sicafi), having its registered office at 1160 Brussels, Chaussée de Wavre, 1945 (hereinafter "Befimmo").

Befimmo has been incorporated in the form of a limited liability company ("société anonyme"/"naamloze vennootschap") under the corporate name "WOLUWE GARDEN D" under the terms of a deed drawn up by notary public Gilberte RAUCQ, residing in Brussels on August 30, 1995, published in the appendixes to the Belgian Official Gazette under reference 950913-24.



The articles of association have been modified for the last time on December 20, 2012 by deed passed in front of public notary Damien Hisette, residing in Brussels, published to the appendixes to the Belgian Gazette of January 18, 2013 under reference 13010864.

Befimmo is registered with the Banque-Carrefour des Entreprises under the number 0455.835.167 and under the VAT number BE 455.835.167.

The capital of the company is set at 277,794,918.53 EUR, represented by 19,120,709 shares without nominal value, fully paid-up.

Befimmo has the status of public real estate investment trust under Belgian law (sicafi) and is governed by the law of 3 August 2012 concerning certain form of collective management of investments portfolios and by the Royal Decree of 7 December 2010 concerning sicafi, containing certain tax provisions derogating from the general law.

It is referred to hereunder as the "acquiring company" or "Befimmo".

The acquiring company is represented by two directors pursuant to a proxy given by the board of directors on June 13, 2013.

## 1 The acquired company

Blue Tower Louise, a limited liability company, having its registered office at 1160 Brussels, Chaussée de Wavre 1945 (hereinafter « BTL SA »).

BTL SA has been incorporated by deed passed in front of public notary Louis Philippe Marcelis, residing in Brussels, on July 12, 2012, published in the appendixes to the Belgian Gazette on July 26, 2012, under reference 12131653.

The articles of association have been amended for the last time on August 23, 2012, by deed passed in front of notary public Louis-Philippe Marcelis, residing in Bruxelles, published in the appendixes to the Belgian Gazette of October 1, 2012, under reference 12162181.

BTL SA is registered with the Banque-Carrefour des Entreprises under number 0847.459.702 and under the VAT Number BE 847.459.702.

The capital of BTL SA is set at 37,838,034.55 EUR and is represented by 9,190,000 shares without nominal value, fully paid-up, held as follows:

- Befimmo : 2,297,500 shares
- Fedimmo : 6,892,500 shares

It is referred to hereunder as the « acquired company » or « BTL SA ».

The acquired company is represented by two directors pursuant to a proxy given by the board of directors on June 17, 2013.

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## **B. Corporate purpose**

**I. Befimmo has, pursuant to the article 4 of its articles of association, the following corporate purpose:**

*« The primary purpose of the company is the collective investment of funds collected from the public, in the category "real estate" as mentioned in article 7, first subparagraph, 5° of the law of 3 August 2012.*

*Real estate means:*

- immovable goods as defined by articles 517 and following of the Civil Code as well as real rights on immovable goods;*
- shares with voting rights issued by real-estate companies exclusively or jointly controlled by the sicafi;*
- option rights on immovable goods;*
- Shares of public or institutional sicafi's subject to, in the latter case, joint or exclusive control performed on such sicafi's;*
- shares of foreign collective real estate investment trusts registered on the list referred to in article 149 of the aforementioned law of 3 August 2012;*
- shares of collective real estate investment trusts established in another country of the European Economic Area and not registered on the list referred to in article 149 of the law of 3 August 2012, insofar as they are subject to control similar to that applicable to public sicafi's;*
- real estate certificates specified in article 5, paragraph 4 of the law of 16 June 2006 on public offers of investment vehicles and listing of investment vehicles on regulated markets;*
- rights stemming from leasing agreements for one or more assets under real-estate leasing contracts of the sicafi or granting other similar rights;*
- as well as all other goods, shares or rights defined as immovable goods by the existing royal decrees, applicable to the collective investment undertakings that opted to invest in immovable goods.*

*The company may, however, as ancillary or temporary activity, make investments in movable goods, according to the provisions set forth in article 5.2 of the articles of association and own unallocated liquid assets. These investments and the holding of liquid assets must be the subject of a special decision of the board of directors who will justify the investment's ancillary or temporary character. The holding of movable goods must be compatible with the pursuit, in the short or medium term, of the investment policy described above. In addition, such securities shall be tradable on a regulated market operating regularly, recognised, and open to the public. The liquid assets can be held in all currencies under the form of deposits on a current account or a deposit account or of any instrument of the money market that can be mobilised easily.*

*The company may acquire movable and immovable goods for the purpose of its direct operations. It may be interested, through mergers or otherwise, in all companies having a similar object. Article 559 of the Code of Company Law is applicable by virtue of article 21, § 4, of the law of 3 August 2012.*

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*It may take all necessary measures and conduct all transactions, namely those mentioned in article 5 of the articles of association, deemed useful for the realisation and enhancement of its purpose within the legal and regulatory provisions that regulate it.*

*It may be interested, by means of a merger or other, in any venture with an identical purpose.*

*Article 559 of the Code of Company Law is applicable by virtue of article 21, § 4, of the law of 3 August 2012. ».*

**1** BTL SA has, pursuant to article the 3 of its articles of association, the following corporate purpose:

*1. The purpose of the company is, in its own name and on its own behalf, in accordance with the provisions of the German Act on investment companies; the acquisition, the exchange, the sale, the construction, the transformation, the development, the financial lease, the sub-leasing, the management and the granting of long-term lease rights, the vertical and horizontal division, the allotment and in particular of the building built and/or to be built on and with the land in Ixelles (B-1050 Brussels), avenue Louise 326, registered or having been registered ninth division, section G, numbers 178/D/3 (part), the possession of this building and these transactions are to be carried out in accordance with the German Act on investment companies (Investmentgesetz), as long as Morgan Stanley Real Estate Investment GmbH has to apply the provisions of the German Act on investment companies (Investmentgesetz), on behalf of the Real Estate Fund on behalf of which the shareholding is held (indirectly) by Morgan Stanley Real Estate Investment GmbH, taking into account the general and particular contract Conditions (Allgemeine and Besondere Vertragsbedingungen) applicable to the real estate fund on behalf of which the shareholding in the company is held (indirectly) by the company under German law "Morgan Stanley Real Estate Investment GmbH" (hereinafter MSREI)*

*2. The company may acquire the assets which are necessary to the management of its real properties. It may also carry out any transactions related directly or indirectly to its corporate purpose.*

*3. However, the company may not:*

*- make loans*

*- enter into commitments resulting from security and guarantee agreements*

*- moreover it may not operate any transaction that, in virtue of both the current applicable provisions of the German Act on investment companies (Investmentgesetz), as long as MSREI has to apply the provisions of the German Act on investment companies (Investmentgesetz) on behalf of the Investment Fund on behalf of which the shareholding is held (indirectly) by MSREI and the general and particular contract Conditions (Allgemeine and Besondere Vertragsbedingungen), are not authorized for a company in which an investment company holds a shareholding on behalf of the real estate fund MSREI.*

*4. Pursuant to the Section 68 of the German investment Act (Investmentgesetz), the company may only hold three "real estate assets" within the meaning of the Section 67, paragraph 1 and 2, sentence 1 of the German investment Act (Investmentgesetz) and provided that the total value of all of the real properties and property rights held by the company do not exceed, taking into account the share value held in the company, fifteen percent (15 %) of the value of the real estate investment fund on behalf of which the shareholding is held (indirectly) by MSREI. Pursuant to the German investment Act (Investmentgesetz), the company may only invest in real properties located in the State on which territory the Company has its registered office as long as MSREI has to apply the provisions of the German investment Act (Investmentgesetz) on behalf of the Real Estate Fund on behalf of which the shareholding is held (indirectly) by MSREI".*

*bc*  **4**

BTL SA intends to amend its articles of association, in particular the clause relating to the corporate purpose, with a view to delete the provisions referring to German law, Morgan Stanley Real Estate Investment GmbH, and to the Depositary Bank (the latter have accepted these amendments respectively by letters dated April 17, 2013 and April 18, 2013). Furthermore, these provisions have lapsed since Befimmo and Fedimmo acquired all the shares of BTL SA.

Following these amendments, the corporate purpose of BTL should be drafted as follows:

« Purpose

*The purpose of the company is to operate, both in Belgium and abroad, on its own behalf or on behalf of thirds, any real estate transactions in the broadest meaning, including the brokerage, the management of parking as manager of parking, the management of assets, the leasing or the operating of real properties, flats, garages, parking, service station, shops, businesses, investment property, dwelling houses or business premises, the leasing and in particular the research, the study and the achievement of real estate projects, the construction, the acquisition, the management, the assignment and the renting of real properties.*

*Real estate project means, in particular, any transaction related to a real property including:*

- 1. The purchase, the sale, the exchange of real estate assets, constitution or assignment of property rights, the leasing or the hiring of any real properties or right in rem;*
- 2. the construction, the renovation, the transformation or the demolition of a real property or the study related to such transactions;*
- 3. any financial, commercial, promotional or legal structures related to real property as well as right in rem.*

*In particular, it may buy, sell, lease or hire, any assets, built or not, allocate or accept any personal or in rem right relating to these assets, divide these assets into lots perform any promotional transactions, give any advice and technical assistance regarding real estate.*

*It may also lend to any companies and grant any kind of real or personal securities, in order to guarantee its own commitments or in order to guarantee the commitments of third parties (including companies which are linked to the company), and in particular to charge all or part of these assets that it holds on its own account with mortgage, pledge or pledge on goodwill ("gage sur fonds de commerce / pand op handelszaak"). However, as long as the company will be part of the group of the public sicafi Befimmo SA, the company shall comply with the limitations which are applicable to public sicafi and their subsidiaries with regard to the granting of loans and securities as provided for in the Royal Decree of 7 December 2010 concerning sicafi.*

*It may be interested, through mergers or otherwise, in all companies having a similar object.*

*It may carry out any function of director.*

*It may, in the broadest meaning, perform any civil, commercial, industrial, financial or other acts related directly or indirectly to the realisation of its corporate purpose or which are likely to contribute to such realisation, and may, in this framework, be interested, through any way, in all firms or companies ».*



## **II. DESCRIPTION OF THE MERGER**

The proposed merger is a merger by absorption. As a consequence of the merger, the acquiring company will absorb the acquired company.

Pursuant to article 682 of the Company Code, the merger will involve *ipso jure* the following effects:

- all the assets and liabilities of the acquired company will be transferred to the acquired company ;
- the shareholders of the acquired company other than the acquiring company will become *ipso jure* shareholders of the acquiring company ;
- the acquired company will cease to exist, as a result of a dissolution without winding-up.

If the extraordinary general meeting of both Befimmo and BTL SA approve the draft terms of merger, BTL SA will cease to exist and the shareholders of BTL SA other than Befimmo (i.e. Fedimmo) will become *ipso jure* shareholders of Befimmo.

## **III. THE SHARE EXCHANGE RATE AND THE BALANCING CASH ADJUSTMENT (ARTICLE 693, PARAGRAPH 2, 2° OF THE COMPANY CODE)**

Pursuant to article 13, §§ 2 and 3 of the Royal Decree of 7 December 2010, the share exchange rate is based on:

- (i) a net asset value which is no older than four months before the filing of the draft terms of merger or, at the public sicafi's choice, before the date of the merger decision and ;
- (ii) the average of the closing prices for the last thirty calendar days preceding this date.

The issue value, used for the calculation of the issue price, may not be less than the lowest value referred to in (i) and (ii) hereinabove.

The board of directors of both Befimmo SA and BTL SA has chosen to calculate the share exchange rate on the basis of the net asset value of Befimmo on March 31, 2013 which is no older than four months before the filing of the draft terms of merger, in accordance with the Royal Decree of 7 December 2010.

The board believes that this value is the most stable reference and therefore, the method consisting in comparing the adjusted intrinsic value of BTL SA seems to be the most adequate method in particular with regard to the particularities of the sector of activities of Befimmo.



The average of the closing prices of the Befimmo shares for the last thirty calendar days preceding the date of this draft terms of merger is less than the net asset value.

The consolidated net asset value of Befimmo, determined on the basis of IFRS, amounts to 1,023.3 millions EUR on March 31, 2013. The consolidated net asset value of Befimmo on March 31, 2013 has been published on May 16, 2013 and amounts to 55.36 EUR per share on the basis of the 18.483.338 shares in circulation on March 31, 2013.

On April 18, 2013, the adjusted net asset value of BTL SA amounts to 39,020,274.01 EUR. This value is based on the BGAAP accounting net asset of the company, adjusted to reflect the reassessment of the building to its fair value according to the valuation of an independent expert realized on April 18, 2013.

This adjustment was necessary to ensure the comparability of the reference values in the framework of the adopted calculation method of the share exchange rate.

On the basis of the 9,190,000 existing shares, the intrinsic value per share of BTL SA amounts to 4.25 EUR per share.

Consequently, the board of directors of Befimmo and the board of directors of BTL SA propose the following share exchange rate, based on the unrounded intrinsic values per share: 13.03877 ordinary shares of the acquired company for one share of the acquiring company.

A balancing cash adjustment amounting to 51.17 EUR will be allocated by Befimmo to Fedimmo.

The board of directors of both Befimmo and BTL SA believe that, by fixing the above-mentioned share exchange rate, they meet the rights and the interests of the shareholders of BTL SA and Befimmo in a balanced way.

Pursuant to article 703, § 2 of the Company Code, no new shares will be issued in exchange of the 2,297,500 BTL SA shares held by Befimmo (for a total amount of 9,190,000 BTL SA shares).

The general meeting of Befimmo will be proposed to issue 528,615 new ordinary shares, without nominal value, to the sole profit of the other shareholder of BTL SA, Fedimmo, in exchange of the BTL SA shares held by this company (i.e. 6,892,500 BTL SA shares).

Therefore, on the basis of the data on March 31, 2013, the merger will involve the following consequences:

1. The capital of Befimmo will be increased by 7,679,974.67 EUR to reach 285,474,893.20 EUR and 528,615 new shares will be issued in exchange of the 6,892,500 BTL SA shares held by Fedimmo.
2. Each share will be entitled to 1/19,649,324 of the benefit instead of 1/19,120,709 on March 31, 2013.



3. The transaction will involve an increase of the number of shares by 528,615, the voting rights of the shares existing as at the date hereof, taking into account the placement of all the treasury shares, will be reduced to 97.31% of the entirety of shares after the merger.
4. The consolidated net assets of Befimmo will reach, after the placement of the newly issued shares, 1,052,538,739.53 EUR and the net asset value would be 55.36 EUR, instead of respectively 1,023,273,534.02 EUR and 55.36 EUR before the transaction.

#### **IV. DETAILS OF THE DELIVERY AND OF THE ALLOTMENT TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY (ARTICLE 693, PARAGRAPHE 2, 3° OF THE COMPANY CODE)**

The new shares issued by Befimmo following the merger will be ordinary registered shares.

The Befimmo shares that are allotted to Fedimmo will be transferred as follows.

Within eight (8) days of the publication of the decision text in the appendices to the Belgian State Gazette, the board of directors of Befimmo will register in its register of registered shares the following details:

- the identity of the shareholder of the acquired company to the profit of which the shares have been issued;
- the amount of shares of the acquiring company the shareholder of the acquired company is entitled to;
- the decision date of the merger by absorption.

This registration is signed by both the acquiring company and the new shareholder or by their proxies.

The board of directors of the acquiring company takes care of the cancellation of the register of the acquired company by mentioning "cancelled" on each page of the register and by mentioning "exchange(d) for 528,615 shares of the SICAFI Befimmo incorporated as a limited liability company, having its registered office at 1160 Brussels, chaussée de Wavre 1945", and adding the date of the merger by absorption.

#### **V. THE DATE AS FROM WHICH THE NEW SHARES GRANT THE RIGHT TO SHARE IN THE EARNINGS (ARTICLE 693, § 2, 4° OF THE COMPANIES ACT)**

The new shares will share in the entire results of the financial year 2013.





**VI. APPLICATION OF RETROACTIVITY PRINCIPLES (ARTICLE 693, PARAGRAPHE 2, 5° OF THE COMPANY CODE)**

The boards of directors of both Befimmo and BTL SA propose that the assets and liabilities of BTL SA will be transferred to the acquiring company with effect on the date of the completion of the merger. Consequently, all the transactions of the acquired company will be treated for accounting purposes as being those of the acquiring company as from the following day at 0h00.

**VII. RIGHT ENSURED BY THE ACQUIRING COMPANY TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY (ARTICLE 693, PARAGRAPHE 2, 6° OF THE COMPANY CODE)**

The new ordinary shares issued by Befimmo to the benefit of Fedimmo, will enjoy the same rights as the existing Befimmo ordinary shares.

As from their issue, these shares will be governed by the articles of association of Befimmo.

The acquired company has not issued other securities than the shares that will be exchanged against new shares of the acquiring company.

**VIII. SPECIAL BENEFITS CONFERRED TO AUDITORS (ARTICLE 693, PARAGRAPHE 2, 7° OF THE COMPANY CODE)**

Deloitte, auditor, SC s.f.d. SCRL represented by M. Rik Neckerbroeck and Mme Kathleen De Brabander, auditors, acting jointly, has been assigned to draft the report mentioned in article 695 of the Company Code for both the acquiring and acquired company.

The specific remuneration given for this assignment amounts to 10,140 EUR for Befimmo and 10,140 EUR for BTL SA (i.e., a total amount of 20,280 EUR).



**IX. SPECIAL BENEFITS CONFERRED TO MEMBERS OF THE ACQUIRED COMPANY  
(ARTICLE 693, PARAGRAPHE 2, 8° OF THE COMPANY CODE)**

No special benefits are conferred to the directors of the acquiring company or the acquired company.

**X. AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE ACQUIRING COMPANY**

The merger will be submitted to the approval of the extraordinary general meeting of Befimmo and BTL SA.

If the merger is approved, the general meeting of Befimmo will be proposed to increase its capital by issuing new ordinary shares.

**XI. MATERIAL CHANGE IN THE ASSETS AND LIABILITIES OF BEFIMMO AFTER THE DATE OF THE DRAFT TERMS OF MERGER**

The board of directors of Befimmo considers increasing the capital by a contribution in kind within the authorised capital on or around July 10, 2013.

If this transaction is achieved before the merger, it will involve the following consequences on the assets of Befimmo:

1. The capital of Befimmo will be increased by 29,595,059.86 EUR, to reach 307,389,978.39 EUR and 2,037,037 new shares will be issued.
2. Each share will be entitled to 1/21,157,746 of the benefit (increased as a result of the transaction) instead of 1/19,120,709 before the transaction.
3. Each share will be entitled to 1/21,157,746 of the voting rights (instead of 1/19,120,709 before the transaction).
4. On the basis of the situation on March 31, 2013, the consolidated net assets of Befimmo would reach 1,133,073,534.02 EUR and the net asset value would be 55.22 EUR, instead of respectively 1,023,273,534.02 EUR and 55.36 EUR before the transaction.

In consequence, on the basis of the data on March 31, 2013 and the capital increase by contribution in kind described above, the merger will have the following effects:



1. The capital of Befimmo will be increased by 7,679,974.67 EUR to reach 315,069,953.06 EUR and 528,615 new shares will be issued in exchange of the 6,892,500 BTL SA shares held by Fedimmo.
2. Each share will be entitled to 1/21,686,361 of the benefit instead of 1/21,157,746 currently.
3. The transaction will involve an increase of the number of shares by 528,615, the voting rights of the shares existing as at the date hereof, taking into account the placement of all the treasury shares, will be reduced to 97.56 % of the entirety of the shares after the merger.
4. After the placement of the newly issued shares, the consolidated net assets of Befimmo would reach 1,162,338,739.53 EUR and the net asset value would be 55.22 EUR, instead of respectively 1,133,073,534.02 EUR and 55.22 EUR before the transaction.

This capital increase by contribution in kind of Befimmo shall not modify the share exchange rate.

## **XII. APPLICATION OF ARTICLE 18, § 2, OF THE LAW OF 16 JUNE 2006 ON THE PUBLIC OFFERING OF SECURITIES AND THE ADMISSION OF SECURITIES TO TRADING ON A REGULATED MARKET**

The admission of the shares issued within the framework of the proposed merger benefits from the exemption provided for in article 18, § 2, a), of the Law of 16 June 2006 on the public offering of securities and the admission of securities to trading on a regulated market, according to which a prospectus must not be published for the admission to trading of "*shares representing, over a twelve months period, less than 10% of the number of shares of the same class already admitted to trading on a regulated market*".

Further to the proposed merger, Befimmo shall issue 528,615 new shares while the number of Befimmo shares previously admitted to trading amounts to 21,157,746, assuming that the proposed contribution referred to in point XI<sup>1</sup> is achieved before the merger; therefore, the threshold of 10% shall not be exceeded (the shares issued within the framework of this contribution must not be included in the numerator to calculate the 10% threshold).

Draft terms of merger adopted by the board of directors of Befimmo and the board of directors of BTL SA on June 13, 2013, and June 17, 2013, and signed on June 18, 2013, in Brussels, in four (4) originals.

Each board of directors recognized having received two originals of the draft terms of merger, duly signed by or in the name of all board of directors, of which one is meant to be filed

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<sup>1</sup> If the contribution is not realized at the time of the merger, the number of shares already admitted to trading will amount to 19,120,709, i.e. the number of existing shares at the time of the draft terms of merger. In both assumptions, the number of shares issued within the framework of the merger shall not exceed the 10% threshold, as provided for in article 18, § 2, of the Law of 16 June 2006.



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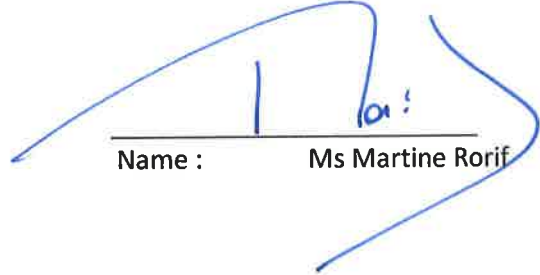
with the clerk of the commercial court of Brussels and the other one to be kept at the registered office of each company.

**For Befimmo**



Name : SPRL Alain Devos,  
represented by its  
permanent  
representative, Mr  
Alain Devos  
Capacity : Chairman of the Board  
of Directors

**For Blue Tower Louise SA**



Name : Ms Martine Rorif  
Capacity : Director



Name : SPRLU BDB  
Management,  
represented by its  
permanent  
representative, Mr  
Benoît De Blic  
Capacity : Managing director



Name : SPRLU BDB  
Management,  
represented by its  
permanent  
representative, Mr  
Benoît De Blic  
Capacity : Managing director