

**Befimmo**  
Limited Liability Company  
Public regulated real estate company  
Cantersteen 47 – 1000 Brussels  
0455.835.167 (RPM Brussels)  
(the « Company »)

**Special Report of the Board of Directors prepared in accordance with article 7:154 of the Code of Companies and Associations and relating to the proposed amendment of the Company's corporate purpose**

*This report was originally prepared in French and in Dutch, neither language taking preference over the other; this English version is an unofficial translation.*

**1. Introduction –**

It is intended to propose to the general meeting to amend the corporate purpose of the Company in the context of the adoption by the Company of the status of a specialised real estate investment fund (“*fonds d’investissement immobilier spécialisé*” / “*gespecialiseerd vastgoedbeleggingsfonds*”) (“FIIS/GVBF”) as governed by the Law of 19 April 2014 on alternative undertakings for collective investment and their managers (the “AIF Law”) and the Royal Decree of 9 November 2016 on specialised real estate investment funds (the “FIIS/GVBF RD”). The change of corporate purpose would be decided subject to i.a. the condition precedent of the registration of the Company on the list of FIIS/GVBF held by the Federal Public Service Finance (“FPS Finance”).

The Company is currently registered as a public regulated real estate company (“BE-REIT”) in accordance with the Law of 12 May 2014 on regulated real estate companies (the “BE-REIT Law”).

In principle, the promoters of a BE-REIT, i.e. the persons who exclusively or jointly control the BE-REIT or who exclusively or jointly control the company manager of the BE-REIT which has adopted the form of a limited partnership with shares, are obliged to ensure that at least 30% of the securities conferring voting rights of the BE-REIT are in the hands of the public on a continuous and permanent basis as from one year after the registration (art. 2, 13° and art. 23, § 3, first indent of the BE-REIT Law).

However, the promoter is authorised to make acquisitions of securities conferring voting rights which have the effect of reducing the proportion of these securities in public hands to below 30%, if (a) the acquisitions follow the acceptance by the holders of the securities concerned of a public takeover bid and, where applicable, a squeeze-out offer immediately following the above-mentioned public takeover bid in accordance with the Law of 1 April 2007 on public takeover bids (the “Takeover Law”) and the Royal Decree of 27 April 2007 on public takeover bids (the “Takeover Decree”), (b) as a result of the acquisitions, the promoter holds all of the voting securities of the BE-REIT and (c) the BE-REIT renounces to its registration within one month of the expiry of the squeeze-out offer which allowed the promoter to acquire all of the voting securities (art. 23, § 6 of the BE-REIT Law).

Alexandrite Monnet Belgian Bidco, an institutional real estate investment trust under Belgian law with FIIS/GVBF status, having its registered office at Square de Meeûs 35, 1000 Brussels, registered with the Crossroads Bank for Enterprises and the Brussels Register of Legal Entities under number 0780. 685.989 (“BidCo FIIS”) launched a voluntary and conditional takeover bid in cash for all the shares of the Company in accordance with the Takeover Act and the Takeover Decree, announced on 25 February 2022, which, after reopening, was closed on 30 September 2022 and for which the price was paid on 21 October 2022.

As a result of this offer, BidCo FIIS currently directly and indirectly holds more than 95% of the Company's shares (including treasury shares held by the Company) and has therefore launched a simplified squeeze-out offer in accordance with article 7:82 of the Code of Companies and Associations ("CCA") and articles 42 and 43 of the Takeover Decree, the acceptance period of which commenced on October 25, 2022 and will in principle close on January 3, 2023. Following this acceptance period, BidCo FIIS will become the sole shareholder of the Company, whose shares will be delisted from Euronext Brussels. The Board of Directors of the Company intends to apply Article 23, § 6 of the BE-REIT Law mentioned above. In this context, it is therefore envisaged that the Company, acting upon the intervention of its Board of Directors, renounces to its registration as BE-REIT and opts for the status of FIIS/GVBF pursuant to article 281, paragraph 2, a) of the AIF Law.

The renunciation of the registration as a BE-REIT and the adoption of the FIIS/GVBF-status implies the amendment of the Articles of Association of the Company and in particular its corporate purpose.

As article 12, § 1 of the BE-REIT Law is not applicable in this case, the draft amendment to the Articles of Association of the Company has not been submitted to the Financial Services and Markets Authority (the "FSMA") since the amendment of the Articles of Association will only enter into force when the Company will no longer be a BE-REIT.

For the avoidance of doubt, it is clarified that the overall amendment of the Articles of Association of the Company, including the amendment of the corporate purpose, is submitted to the shareholders subject to the conditions precedent of (i) the renunciation by the Board of Directors of the registration of the Company as a BE-REIT in accordance with Article 23, § 6 of the BE-REIT Law at such time as it shall determine and (ii) the registration of the Company on the list of FIIS/GVBF held by the FPS Finance. These conditions precedent can only be fulfilled after the delisting of the Company's shares from Euronext Brussels and after BidCo FIIS has become its sole shareholder. The relationship between the remaining shareholders of the Company other than BidCo FIIS will therefore still be governed by the existing Articles of Association and under the regulations of the BE-REIT Law, until the moment of transfer of ownership of the remaining shares to BidCo FIIS, and these shareholders will therefore not be impacted by the proposed amendment of the Articles of Association, which is aimed at the situation after the final closing of the simplified squeeze-out offer for the Company.

## **2. Envisaged amendment –**

Currently, Article 4 of the Company's Articles of Association states:

### *“ Article 4: Object*

#### *4.1. The company has as exclusive object:*

- (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the BE-REIT regulation, and;*
- (b) within the limits set out by the BE-REIT regulation, hold real estate assets listed in article 2, 5°, i) to xi) of the BE-REIT law.*

*By real estate is meant:*

- i. real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;*
- ii. shares with voting rights issued by real estate companies whose more than 25% of the capital is held directly or indirectly by the company;*
- iii. option rights on real estate;*
- iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case that more than 25% of the capital is held directly or indirectly by the company;*
- v. the rights arising from contracts giving one or more goods in finance-lease to the company or providing other similar rights of use;*

- vi. shares in public and institutional real estate investment companies;
- vii. shares in foreign real estate funds included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers;
- viii. shares in real estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real estate investment companies;
- ix. shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted, or not, to trading on a regulated market and are subject, or not, to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar activity; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or "REITs");
- x. real estate certificates referred to in article 4, 7° of the Act of 11 July 2018;
- xi. shares of FIIS/GVBF.

Real estate assets referred to in article 4.1., (b), subparagraph 2, (vi), (vii), (viii), (ix) and (xi) above that constitute shares in alternative investment funds within the meaning of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on management of alternative investment funds and amending Directives 2003/41/EC and 2009/65/EC and the Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and (EU) N° 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European supervisory authority (European Securities and Markets Authority) amending decision n° 716/2009/EC and repealing Commission Decision 2009/77/EC cannot be qualified as voting shares issued by real estate companies regardless of the amount of the shareholding held directly or indirectly by the company.

- (c) enter into, in the long term, where appropriate in collaboration with third parties, directly or through a company in which it holds a shareholding in accordance with the regulation, with a public contracting authority or adhere to one or many:
  - (i) DBF contracts ("Design, Build, Finance"),
  - (ii) DB (F) M contracts ("Design, Build, (Finance) and Maintain");
  - (iii) DBF(M)O contracts ("Design, Build, Finance, (Maintain) and Operate"); and / or
  - (iv) contracts for public works concessions relating to buildings and / or other real estate infrastructures and to services relating thereto, and on the basis of which:
    - the company is responsible for the provision, maintenance and / or operation for a public entity and / or citizens as end-users, in order to satisfy a social need and / or to allow the offer of a public service; and
    - the company, without necessarily having rights in rem, can assume, in whole or in part, the financing risks, the availability risks, the demand risks and / or the operational risks, as well as the risk of building;
- (d) ensure in the long-term, as the case may be in collaboration with third parties, directly or through a company in which it has a shareholding in accordance with the BE-REIT regulation, the development, establishment, management, and operation, with the possibility of outsourcing these activities:
  - (i) storage installations and facilities for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuels, and energy in general, including assets related to such infrastructures;
  - (ii) installations for the transport, distribution, storage or purification of water, including assets related to such infrastructures;

- (iii) facilities for the generation, storage and transport of renewable energy or not, including assets related to such infrastructures; or*
- (iv) incinerators and landfills, including assets related to these infrastructures.*
- (e) initially hold less than 25% in the capital of a company in which the activities referred to in this article 4.1, (c) are carried out, provided that such shareholding is converted by transfer of shares, within a period of two years, or any other longer period required by the public entity with which the contract is entered into, and after the end of the phase of constitution of the PPP project (within the meaning of the BE-REIT regulation), in a participation which is in accordance with the BE-REIT regulation.*

*In the context of the making available of real estate, the company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.*

- 4.2. On an ancillary or temporary basis, the company may make investments in securities which are not real estate within the meaning of the BE-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in a way to ensure an adequate risk diversification. The company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.*

*The company may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of the activities of the company referred to in article 4 of the BE-REIT law and with the exclusion of any transaction of a speculative nature.*

- 4.3. The company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).*
- 4.4. The company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related object and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its object as well as all acts that are useful or necessary for the realisation of its object.”*

The corporate purpose as described reflects the activity of a BE-REIT. In the context of the Company's renunciation of its registration as a BE-REIT and the Company's adoption of the FIIS/GVBF-status, the Board of Directors proposes, in the context of a more global overhaul of the Company's Articles of Association, to replace this provision as follows:

#### *“Article 3 – Corporate purpose of the Company*

*The Company's exclusive corporate purpose, both in Belgium and abroad, is the investment in real estate assets referred to in article 2, 4° of the FIIS/GVBF RD and without prejudice to the provisions of Article 7, § 1 of the FIIS/GVBF RD, namely:*

- 1. real estate, as defined in articles 517 and following of the Old Civil Code (or articles 3:47 and following of the Civil Code), located in Belgium and held directly by the Company, as well as the rights in rem over such real estate;*
- 2. real estate, as defined in articles 517 and following of the Old Civil Code (or articles 3:47 and following of the Civil Code), located abroad and held directly or indirectly by the Company, as well as rights in rem over such real estate;*
- 3. shares or units with voting rights issued by foreign real estate companies holding real estate located abroad;*

4. *shares of public regulated real estate companies, as defined in article 2, 2° of the law of 12 May 2014 on regulated real estate companies;*
5. *shares of institutional regulated real estate companies, as defined in article 2, 3° of the law of 12 May 2014 on regulated real estate companies;*
6. *shares or units of FIIS/GVBF;*
7. *shares or units of Belgian alternative collective investment undertakings investing in the investment category provided for in article 183, first indent, 3° of the Law of 19 April 2014;*
8. *shares or units of foreign alternative collective investment undertakings investing in an investment category similar to that of article 183, first indent, 3° of the Law of 19 April 2014, as defined by the law applicable in its country of origin;*
9. *shares or units issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) whose shares are admitted or not to trading on a regulated market and are subject or not to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of shares in the capital of entities with a similar activity; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders;*
10. *option rights on real estate;*
11. *real estate certificates referred to in article 4, 7° of the law of 11 July 2018;*
12. *rights arising from contracts giving one or more assets to the Company under finance-lease or conferring other similar rights of use;*
13. *concessions granted by a person governed by public law;*
14. *loans granted and securities or guarantees provided by the Company for the benefit of its subsidiaries;*

*and any real estate asset that would be added to the list of real estate assets in article 2, 4° of the FIIS/GVBF RD.*

*Real estate development activity may be carried out within the limits set by the FIIS/GVBF RD.*

*Within the limits set by the Law of 19 April 2014 and by the FIIS/GVBF RD, (i) the Company may grant loans of any nature, amount and duration, (ii) the Company may also give security for both its own commitments and the commitments of its subsidiaries, inter alia, by mortgaging or pledging its assets, including pledging its business.*

*The Company may finance-lease one or more properties or take one or more properties on a finance-lease. In addition, the Company may only finance-lease out one or more properties within the limits provided for by the FIIS/GVBF RD. Similarly, the Company may, as lessee, enter into real estate finance-leases within the limits provided for by the FIIS/GVBF RD.*

*The Company may, within the limits provided for by the FIIS/GVBF RD, on an ancillary or temporary basis, hold unrestricted cash and make investments in transferable securities which do not constitute real estate assets within the meaning of article 2, 4° of the FIIS/GVBF RD.*

*The Company may enter into transactions in hedging instruments, exclusively for the purpose of hedging interest rate and currency risks in the context of the financing and management of the Company's real estate and excluding any transactions of a speculative nature.*

*Subject to the foregoing and the specific rules applicable to the FIIS/GVBF, the Company may take all measures and carry out any operation that it deems useful for the achievement and development of its corporate purpose and may generally carry out any commercial, financial or securities operations directly or indirectly related to its corporate purpose, or which are likely to facilitate the achievement thereof."*

Furthermore, in accordance with Article 7, § 2 of the FIIS/GVBF RD, a FIIS/GVBF fund must adopt an investment policy, which must be described in the Articles of Association. In this context, the Board of Directors proposes to insert an article on the Company's investment policy in the context of the above-mentioned more comprehensive overhaul of the Company's Articles of Association, worded as follows:

*"Article 4 – Investment policy*

*The Company invests its assets in real estate (including, but not limited to, office buildings, meeting spaces and coworking spaces) as defined in article 2, 4° of the FIIS/GVBF RD, in accordance with the provisions of the FIIS/GVBF RD and the Law of 19 April 2014.*

*There is no obligation on the Company to diversify its investments and no restraint in terms of debt ratio."*

**3. Justification of the amendment of the corporate purpose –**

The Company is currently registered as a public BE-REIT.

For the reasons set out above (*supra*, § 1), the Company is considering renouncing this registration and adopting the status of a FIIS/GVBF after BidCo FIIS has become the sole shareholder.

A FIIS/GVBF must invest its assets in real estate (art. 7, § 1, first indent of the FIIS/GVBF RD), as defined in article 2, 4° of the FIIS/GVBF RD.

A FIIS/GVBF may also :

- as a lessee, enter into real estate-finance leases (Art. 7, § 4 of the FIIS/GVBF RD) and may finance-lease one or more buildings (Art. 7, § 5 of the FIIS/GVBF RD), subject to certain conditions;
- buy or sell hedging instruments, excluding any transaction of a speculative nature, under certain conditions (Art. 7, § 3 of the FIIS/GVBF RD);
- on an ancillary or temporary basis, make investments in transferable securities that do not constitute real estate assets within the meaning of Article 2, 4° of the FIIS/GVBF RD and hold unrestricted cash (Article 7, § 6 of the FIIS/GVBF RD).

In order to be registered as a FIIS/GVBF on the list held by the FPS Finance and to maintain this status, the Company must have as its exclusive purpose the investment in real estate in accordance with the FIIS/GVBF RD (art. 286, § 1 of the AIF Law and art. 7, § 1 of the FIIS/GVBF RD).

The Company may also carry out the ancillary activities described above under the indicated conditions.

It is therefore necessary to amend the corporate purpose of the Company to comply with the FIIS/GVBF regulations and to allow it to carry out the activities that a FIIS/GVBF may carry out.

A provision on the investment policy should also be included in the Articles of Association (*supra*, § 2).

The proposed amendment of the corporate purpose is therefore in the interest of the Company and the Board of Directors proposes to the General Meeting to vote in favor of this amendment, which would be decided under the conditions precedent of (i) the renunciation by the Board of Directors of the registration of the Company as a BE-REIT in accordance with Article 23, § 6 of the BE-REIT Law at such time as it shall determine and (ii) the registration of the Company on the list of FIIS/GVBF held by the FPS Finance.

Brussels, 7 November 2022.

For the Board of Directors.