



HOME INVEST BELGIUM SA/NV

*incorporated with limited liability under
the laws of Belgium – public closed-end real estate investment company under Belgian law*

Woluwelaan 60 Boulevard de la Woluwe
1200 Sint-Lambrechts Woluwe / Woluwe-Saint-Lambert
Belgium
Enterprise number 0420.767.885 (RPR/RPM Brussels)

EUR 40,000,000
3.79% Bonds due 18 June 2024

Issue Price of the Bonds: 100%

Gross actuarial yield on the Issue Price: 3.79% – Net actuarial yield on the Issue Price: 2.843%

Issue Date 18 June 2014

ISIN BE0002217835

SECURITIES NOTE

**in relation to the admission of the Bonds to trading on the
regulated market of Euronext Brussels**

SOLE LEAD MANAGER
BELFIUS BANK

11 June 2014

The issue price of the EUR 40,000,000 3.79% Bonds due 18 June 2024 (the "**Bonds**") of Home Invest Belgium SA/NV (the "**Issuer**") is 100 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Bonds will be redeemed at their principal amount on 18 June 2024. The Bonds are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Belgium. In addition, the holder of a Bond may, by the exercise of the relevant option, require the Issuer to redeem such Bond at its principal amount in case of a change of control over the Issuer. See "*Terms and Conditions of the Bonds—Redemption and Purchase*".

The Bonds will bear interest from 18 June 2014 (the "**Issue Date**") at the rate of 3.79 per cent. per annum payable annually in arrears on 18 June of each year commencing on 18 June 2015. Payments on the Bonds will be made in euro without deduction for or on account of taxes imposed or levied by Belgium to the extent described under "*Terms and Conditions of the Bonds—Taxation*".

This Securities Note has been approved by the Belgian Financial Services and Markets Authority (the "**FSMA**") on 11 June 2014, which is the Belgian competent authority for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and relevant implementing measures in Belgium. This Securities Note constitutes, together with the registration document in respect of the Issuer which was approved by the FSMA on 25 March 2014 (the "**Registration Document**"), a prospectus (the "**Listing Prospectus**") that has been prepared for the purpose of the admission of the Bonds to trading on the regulated market of Euronext Brussels. The FSMA's approval does not imply any judgment on the merits or the quality of the transaction or the Issuer. It has not been prepared for the purpose of a public offering of the Bonds as defined in the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (as amended, the "**Prospectus Law**"), and no such public offering of the Bonds in Belgium (or in any other jurisdiction where such public offering would require an approval of the Listing Prospectus by any authority) will take place. Application has also been made for the Bonds to be admitted to trading on Euronext Brussels. References in the Listing Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been admitted to trading on Euronext Brussels, which is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") and are subject to United States tax law requirements. The Bonds are being offered outside the United States by the Belfius Bank SA/NV (the "**Manager**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bonds are in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code. The Bonds will be represented by a book entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB System**"). The Bonds can be held by their holders through the participants in the NBB System, including Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme, ("**Clearstream, Luxembourg**") and through other financial intermediaries which in turn hold the Bonds through Euroclear, Clearstream, Luxembourg or other participants in the NBB System. The Bonds are transferred by account transfer. See "*Clearing*".

The denomination of the Bonds is EUR 100,000. The Bonds will not be rated.

CONTENTS

	Page
RISK FACTORS	4
IMPORTANT NOTICES	13
DOCUMENTS INCORPORATED BY REFERENCE.....	16
TERMS AND CONDITIONS OF THE BONDS.....	17
CLEARING	32
DESCRIPTION OF THE ISSUER.....	33
USE OF PROCEEDS	34
TAXATION.....	35
SUBSCRIPTION AND SALE.....	39
GENERAL INFORMATION	41
ANNEX 1 – FORM OF PUT OPTION NOTICE	43
INDEX OF DEFINED TERMS	45

RISK FACTORS

Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, prospective investors should carefully consider risk factors associated with any investment in the Bonds, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in the Listing Prospectus, including, in particular the risk factors described below and in the Registration Document. Words and expressions defined in the "Terms and Conditions of the Bonds" below or elsewhere in the Listing Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in the Listing Prospectus and their personal circumstances.

Risks related to the Issuer

Please refer to the section "Risk Factors" in the Registration Document.

In addition, please note the following risk factors:

AIFMD, EMIR and the new status of *gereguleerde vastgoedvennootschap / société immobilière réglementée*

AIFMD and EMIR

The risks connected with the application of the AIFM directive ("AIFMD") and the EMIR regulation ("EMIR") to the sicafi / vastgoedbevak regime are described under risk factor "Unfavourable change to the sicafi regime following the EMIR and AIFM directives voted in the European Parliament" as included in the Registration Document under the section "Risk Factors"¹.

Given its status as "*Sicaf Immobilière publique de droit belge / Openbare Vastgoedbevak naar Belgisch recht*", the Issuer qualifies as a self-managed collective investment undertaking which implies that the latter could be considered as an "Alternative Investment Fund" (AIF) under the AIFMD. In order to implement the AIFMD into Belgian law, the Belgian legislator has adopted a bill on 3 April 2014 (*Wetsontwerp betreffende de alternatieve instellingen voor collectieve beleggingen en hun beheerders / Projet de loi relative aux organismes de placement collectif alternatifs et à leurs gestionnaires*) (the "AIFM Law"). The AIFM Law has not yet been published in the Belgian State Gazette and has not yet been entered into force.

On 12 May 2014 the Belgian legislator also adopted a bill which regulates the status of the "*gereguleerde vastgoedvennootschappen / sociétés immobilières réglementées*" (*Wetsontwerp betreffende de gereguleerde vastgoedvennootschappen / Projet de loi relative aux sociétés immobilières réglementées*) (the "GVV / SIR Law"). The GVV / SIR Law has not yet been published in the Belgian State Gazette and has not yet entered into force.

Pursuant to Article 509, §2 of the AIFM Law, as will be amended by article 110 of the GVV / SIR Law, in the event that the Issuer would apply for a license with the FSMA in order to be recognized as a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique* ("OGVV / SIRP") in accordance with article 77 the GVV / SIR Law, the Issuer remains subject to the provisions of the Law of 3 August 2012 on collective investment undertakings as in force at the time of the entry into force of the AIFM Law, and this until the moment that the Issuer has obtained such license.

Should the Issuer, for whatever reason (see among others, the risk description under "*License application procedure*" below), fail to obtain the registration or the approval as a OGVV / SIRP, or not apply for such license, it will have to comply with the new requirements of the AIFM Law and the law of 3 August 2012 on collective investment undertakings. If the Issuer is considered as an AIF under the AIFMD (as implemented

¹ It should be noted that the description of said risk contains a clerical error as EMIR qualifies as a "regulation" and not as a "directive".

into Belgian Law), the Issuer's business, results of operations, profitability, financial condition and prospects could be affected. The additional requirements that would follow from the application of the AIFMD could have an impact on (amongst other things) the operational management of the Issuer (for example by way of the required intervention of a depositary). The Issuer would have to adapt its existing organisation, rules and procedures, which would heavily impact its current operational model and would require additional resources to implement and observe these new requirements.

Also, if the Issuer qualifies as an AIF, it could be affected by the application of other European Regulations or the transposition into Belgian law of European Directives, which apply (or are expected to apply in a more stringent manner) to AIFs, such as EMIR. If the Issuer, as an AIF, would be subject to EMIR, it would be exposed to onerous margin calls on its hedging instruments to protect (for example) against fluctuating interest rates. Other relevant European Regulations and Directives include the Capital Requirements Directive and Regulation and the "Financial Transaction Tax", which could affect the Issuer in a more onerous manner, if the Issuer were to be qualified as AIF.

License application procedure

Upon the entry into force of the GVV / SIR Law, and in accordance with the provisions of article 77 of the GVV / SIR Law, it is the intention of the board of directors of the Issuer to apply for a license with the Belgian Financial Services and Markets Authority (FSMA) in order to be recognized as an OGVV / SIRP and this within a term of 4 months as from the entry into force of the GVV / SIR Law and, subsequently, to convene an extraordinary shareholders meeting which would have to approve the contemplated transformation of the Issuer into a OGVV/SIRP.

In the event that such extraordinary shareholders meeting would approve the contemplated transformation of the Issuer into a OGVV/SIRP (and thus the modification of the corporate purpose of the Issuer which requires an attendance quorum of minimum 50 % and acceptance by a majority of minimum 80 % of the votes), article 77, § 3 of the GVV / SIR Law grants an exit right to the shareholders who voted against the contemplated transformation. Such exit right is limited to shares (i) representing a maximum amount of EUR 100,000, (ii) which have been continuously owned by the shareholder at least 30 days before said extraordinary shareholders meeting and (iii) which have been used to vote against the contemplated transformation of the Issuer into a OGVV/SIRP. The Issuer (or the third party who will substitute for the Issuer) has to pay the share price in cash (to be determined in accordance with article 77, § 3 of the GVV / SIR Law) within one month following said extraordinary shareholders meeting, which could have a negative impact on the liquidity of the Issuer.

Since the purchase of the exit shares by the Issuer would be an acquisition of own securities, the limitations of article 620 et s. of the Belgian Companies Code would need to be observed. Should such limitations not be observed, the modification of regulatory status would not occur and the Issuer would normally qualify as an AIF subject to the AIFM Law. Taken into account the distribution of the dividend for financial year 2013² as approved at the occasion of the annual shareholders meeting dd. 6 May 2014, the Issuer has per 31 March 2014 EUR 28.8 million at its disposal for an acquisition of own shares. Should the total amount of EUR 28.8 million be used for the acquisition of own shares, then the Issuer's debt ratio would increase from 40.71% (on 31 March 2014) up to 49.35%, being an increase by 21.2%. A potential substantial exit by shareholders could thus affect the Issuer's choice for the OGVV / SIRP - status. The payment of the shares could have a negative impact on the Issuer's debt ratio.

The change of the status of the Issuer into a OGVV / SIRP technically constitutes an event of default under most of the Issuer's credit facilities, since it would no longer be a public vastgoedbevak/sicafi. The Issuer intends to obtain the relevant waivers from the relevant creditors under such credit facilities before the date of the license application. Failing to obtain all such waivers would create liquidity and solvency risks, and would have a material adverse effect on the Issuer's business, results of operations, profitability, financial condition and prospects, especially taking into account cross acceleration provisions in other credit facilities.

² which amount in total to EUR 10,696,500.5 (or at EUR 3.50 per share)

Debt structure

On 31 March 2014, the Issuer's debt ratio was 40.71 % on a consolidated level and 40.80 % on a statutory basis. Given the maximum allowed debt ratio of 65% under the REIT Legislation, the Issuer still has a consolidated debt growth capacity of EUR 230 million on the basis of constant assets (i.e. without any growth of the property portfolio in the assets). When the consolidated debt ratio exceeds 50%, a financial plan needs to be drawn up containing a description of the measures that will be taken to prevent the debt ratio exceeding 65%. As of 31 March 2014, the consolidated debt ratio was 40.71 % and thus below 50 %, meaning that there is currently no need for the Issuer to draw up such a financial plan. The financing agreements entered into by the Issuer do not contain specific debt ratios other than the debt ratios under the REIT Legislation.

Liquidity risk

The Issuer is exposed to a liquidity risk should its credit lines not be renewed or be terminated. At 31 March 2014, the Issuer had confirmed unused lines of up to EUR 28.5 million. The liquidity risk has a.o. been limited by the Issuer by diversification of the sources of funding among the different reference counterparty banks on the market.

Macroeconomic and economic climate risks

For some time now, all European economies have faced greater uncertainty and volatility, while the financial recovery expected after the multifaceted economic and financial crisis that emerged in 2007/2008 has not materialised, leaving European economies in a vulnerable condition.

Since the start of the financial crisis, there remains uncertainty about how to solve the underlying long-term structural economic problems, such as national account imbalances, large levels of long-term unemployment, diverging levels of competitiveness between EU countries, and the questioning of the current economic model used. The close interconnection within the EU between macro-economic factors and an economic sovereignty which is split among EU, Member States and regions, further complicates the timely finding of solutions in terms of financial stability, economic growth, employment and political agreement among leaders whose electorates' expectations are very different per country.

Against this uncertain backdrop, an extended period of slow economic growth, low interest rates and high unemployment rates cannot be excluded. This may have a negative impact on the real estate market in general, including on the revenues, profitability or prospectus of the Issuer.

Risks related to the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in, or annexed to, the Listing Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal and interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

Furthermore, each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

The Issuer may not be able to repay the Bonds at their maturity

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds upon the occurrence of an Event of Default (as defined in Condition 9 (*Events of Default*)). If the Bondholders were to ask the Issuer to repay their Bonds upon the occurrence of an Event of Default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition at the time of the requested repayment, and may be limited by law, by the terms of other agreements that it may have entered into on or before such date (which may include the agreements pertaining to other indebtedness, and may be different from the terms of such agreements) or indebtedness as at the date of this Securities Note. The Issuer's failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

The Issuer may incur additional indebtedness

In the future, the Issuer could decide to incur additional indebtedness or further increase its indebtedness. This could have an impact on its ability to meet its obligations under the Bonds or could cause the value of the Bonds to decrease. In order to reduce this risk, the Issuer undertakes to ensure that its level of indebtedness is limited as set out in Condition 8 (*Financial Condition*) and Condition 10(f) (*Undertakings*).

There is no active trading market for the Bonds

The Bonds are new securities which will not necessarily be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's results of operations. Although application has been made for the Bonds to be listed on Euronext Brussels, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Modifications and waivers

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally in line with the provisions included in the Belgian Companies Code. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged pursuant to the Conditions to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium or any other jurisdiction from time to time in which the Issuer becomes subject to tax or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with the Conditions.

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control (as such terms are defined in, and in accordance with, Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*)). In the event that the Change of Control put option right is exercised by holders of at least 85 per cent. of the aggregate principal amount of the Bonds, the Issuer may, at its option, redeem all (but not less than all) of the Bonds then outstanding. However, Bondholders should be aware that,

in the event that (i) holders of 85 per cent. or more of the aggregate principal amount of the Bonds exercise their option under Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*), but the Issuer does not elect to redeem the remaining outstanding Bonds, or (ii) holders of a significant proportion, but less than 85 per cent. of the aggregate principal amount of the Bonds exercise their option under Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*), Bonds in respect of which the Change of Control put option is not exercised may be illiquid and difficult to trade.

Potential investors should be aware that the Change of Control put option can only be exercised upon the occurrence of a Change of Control as defined in the Conditions, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer. Bondholders deciding to exercise the Change of Control put option shall have to do this through the bank or other financial intermediary through which such Bondholder holds the Bonds (the "**Financial Intermediary**") and are advised to check when such Financial Intermediary would require to receive instructions from the Bondholders in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholders.

The Bondholders' put option upon a Change of Control under the Bonds is subject to shareholders' approval

The exercise by any of the Bondholders of the option to demand an early redemption in the event of a change of control as set out in Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*) may only be effective against the Issuer if and when (i) the terms of Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*) have been approved by the shareholders of the Issuer in a general shareholders' meeting, and (ii) such resolution has been filed with the Clerk of the Commercial Court of Brussels (*griffie van de rechtbank van koophandel / greffe du tribunal de commerce*).

A shareholders' meeting of the Issuer is expected to take place before 31 May 2015 and will be requested to approve the terms of Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*) in accordance with Belgian law. The resolution to approve these terms requires an approval of more than 50 per cent. of the votes cast at the general shareholders' meeting and does not have a quorum requirement. There can be no assurance that such approval will be granted at such meeting. The Issuer is not required to propose the approval of Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*) to its shareholders at a meeting it would specifically organise in relation to a transformation of the Issuer into a OGVV/SIRP.

If a Change of Control occurs prior to such approval and filing, Bondholders may not be entitled to exercise the option set out in the terms of Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change Of Control*).

Bondholders do not have the same rights as shareholders and may be less protected in some regards

Shares and bonds are two distinct types of securities. The Bond does not represent ownership in the Issuer. The Bondholders own a share of the debt of the Issuer and are entitled to receive the interest payments on the Interest Payment Dates set out in the Conditions. Unlike the shareholders, the Bondholders have no voting rights in the annual meeting of shareholders. As such the Bondholders' influence in the operation of the Issuer is limited. The shareholder owns a share of the equity of a company and has voting rights. Shareholders can influence the business activities if they own enough shares to do so, which a Bondholder cannot. Shareholders are entitled to receive dividends under certain circumstances, whereas Bondholders are not entitled to receive dividends.

Belgian insolvency laws

The Issuer is subject to applicable insolvency laws. In the event of an insolvency of the Issuer, the application of these insolvency laws may substantially affect the Bondholders' claims to obtain repayment in full of the Bonds, e.g. through a suspension of payments, enforcement measures or an order providing for partial repayment of the Bonds only. During an insolvency procedure the Bondholders will stop receiving interest and principal payments. Court decisions may impact the repayment of the Bond if at all.

Change of law

The Terms and Conditions of the Bonds are based on Belgian law in effect as at the date of the Listing Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of the Listing Prospectus.

Reliance on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Bonds will be issued in dematerialised form under the Belgian Companies Code and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the NBB System. Access to the NBB System is available through the NBB System participants whose membership extends to securities such as the Bonds. The NBB System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between the NBB System participants in accordance with the rules and operating procedures of the NBB System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB System participants through which they hold their Bonds.

Neither the Issuer, nor the Manager or the Agent will have any responsibility for the proper performance by the NBB System or the NBB System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the NBB System, Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the NBB System.

The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB System

The Agency Agreement (as defined in the Terms and Conditions) provides that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders.

The Agency Agreement also provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency proceedings at any time when it held any such amounts, Bondholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws.

The Bonds are structurally subordinated to the secured obligations of the Issuer

The Bonds are structurally subordinated to the secured obligations of the Issuer. The Bonds constitute direct, general, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and futures unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are of general application. Upon a winding-up of the Issuer or if insolvency proceedings would ever be brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer's secured indebtedness to the extent of the value of the collateral securing such indebtedness.

The Agent does not assume any fiduciary or other obligations to the Bondholders

The Agent will act in its respective capacity in accordance with the Terms and Conditions and the Agency Agreement in good faith. However, Bondholders should be aware that the Agent assumes no fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties.

Relationship with the Issuer

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the terms and conditions of the Bonds. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced but it may not have a direct claim against the Issuer therefore.

Absence of ratings

The Issuer is not rated and the Bonds are not intended to be rated. This may impact the trading price of the Bonds and may also constitute a restriction to certain investors' investment. There is no guarantee that the price of the Bonds will cover the credit risk related to the Bonds and the Issuer. In addition, there can be no assurance that, should a rating be requested in respect of the Issuer or the Bonds, an investment grade rating would be assigned. One or more independent credit rating agencies may assign credit ratings to the Issuer, the Bonds, or to other securities issued by the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be downgraded revised or withdrawn by the rating agency at any time.

Risks related to the market generally

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds, and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of Bonds, the more exposed the Bonds' trading price is to fluctuations in market interest rates. An increase in the market interest rates can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Risk of inflation

The inflation risk is the risk of future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal output of the Bonds, then the actual output is equal to zero, or the actual yield will even be negative.

Risks related to taxation

Belgian Withholding Tax

If the Issuer, the NBB, the Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the circumstances defined in Condition 7 (*Taxation*).

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in the Listing Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of the Listing Prospectus.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State (the "**Disclosure of Information Method**"); however, for a transitional period, Austria and Luxembourg may instead apply a withholding system (the "**Source Tax** ") in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries including Switzerland have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Council formally adopted a Council Directive amending the Directive on 24 March 2014. The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers. If a payment were to be made or collected through a paying agent established in any other state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the paying agent nor any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the levy of such withholding tax.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the Bonds and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

Potential Conflicts of Interest

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Manager (including certain debt financings) and that it might have conflicts of interests which could have an adverse effect to the interests of the Bondholders.

Within the framework of normal business relationship with its banks, the Issuer has entered into debt financings, including a credit line of EUR 45,750,000 granted by the Manager. The terms and conditions of these debt financings may differ or differ from the terms and conditions of the proposed Bonds and certain of the terms and conditions of such debt financings could be or are stricter or more extensive than the terms and conditions of the proposed Bonds. The terms and conditions of these debt financings may contain or contain financial covenants, such as a minimum equity level or the gearing ratio, different from or not included in the Conditions.

In addition, as part of these debt financings, the lenders (including the Manager) may have or have the benefit of security interests granted by the Issuer or its Subsidiaries, whereas the Bondholders will not have the benefit from similar security interests. This results in the Bondholders being subordinated to the lenders under such debt financings.

The Bondholders should be aware of the fact that the Manager, when it acts as lender to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), has no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that it is under no obligation to take into account the interests of the Bondholders. The Manager, as lender of the Issuer, may have interests that are different from and/or adverse to the interests of the Bondholders during the term of the Bonds.

The Manager and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

These diverging interests may manifest themselves amongst other things in case of an event of default for any of the credit facilities granted by the Manager before the maturity of the Bonds or in case of a mandatory early repayment and may have a negative impact on the repayment capacity of the Issuer. It is not excluded that these credit facilities will be repaid before the maturity of the Bonds. The Manager does not have any obligation to take into account the interests of the Bondholders when exercising its rights as lender under the aforementioned credit facilities. Any full or partial repayment of credit facilities granted by the Manager will, at that time, have a favourable impact on the exposure of the Manager vis-à-vis the Issuer.

IMPORTANT NOTICES

Responsibility for the Listing Prospectus

Home Invest Belgium SA/NV, public closed-end real estate investment company, having its registered office at Woluwelaan 60 Boulevard de la Woluwe, 1200 Sint-Lambrechts Woluwe / Woluwe-Saint-Lambert, Belgium as Issuer accepts responsibility for the information contained in the Listing Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Listing Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

Other relevant information

The Listing Prospectus is to be read in conjunction with (the relevant parts of) all the documents which are incorporated herein by reference, see "*Documents Incorporated by Reference*". The Listing Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of the Listing Prospectus

The Issuer has confirmed to Belfius Bank SA/NV as manager (the "**Manager**") that (i) the Listing Prospectus contains all information regarding the Issuer and the Bonds which is (in the context of the issue of the Bonds) material, (ii) such information is true and accurate in all material respects and is not misleading in any material respect, (iii) any opinions, predictions or intentions expressed in the Listing Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect, (iv) the Listing Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and (v) all proper enquiries have been made to ascertain and to verify the foregoing.

Market data and other statistical information used in the Listing Prospectus have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant independent source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unauthorised information

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Bonds other than as contained in the Listing Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Manager.

Neither the Manager nor any of its affiliates has authorised the whole or any part of the Listing Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in the Listing Prospectus. Neither the delivery of the Listing Prospectus nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of the Listing Prospectus.

Purpose of the Listing Prospectus

The Listing Prospectus has been prepared for the purpose of the admission of the Bonds to trading on the regulated market of Euronext Brussels, and does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds. The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Listing Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to

consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

Neither the Listing Prospectus nor any other information supplied in connection with the admission to trading of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Manager that any recipient of the Listing Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither the Listing Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any Bonds.

Restrictions on distribution

The distribution of the Listing Prospectus and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession the Listing Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of the Listing Prospectus and other offering material relating to the Bonds, see "*Subscription and Sale*".

In particular, the Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

Other than the above mentioned restrictions to offering, sale and delivery of the Bonds (including as set out in "*Subscription and Sale*"), there are no restrictions to the transferability of the Bonds.

Date of information and supplements

Neither the delivery of the Listing Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in the Listing Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs or in the condition (financial or otherwise) of the Issuer since the date hereof or the date upon which the Listing Prospectus has been most recently amended or supplemented or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Manager and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the Bonds, and which occur or are identified between the time of the approval of the Listing Prospectus and the time at which trading on Euronext Brussels commences, the Issuer will have a supplement to the Listing Prospectus published containing this information. This supplement will be published in compliance with at least the same regulations as the Listing Prospectus, and will be published on the website of the Issuer (www.homeinvestbelgium.com). The Issuer must ensure that this supplement is published as soon as possible after the occurrence of such new significant factor.

Interests of natural and legal persons involved in the offer

The directors of the Issuer and, if applicable, their respective permanent representatives, could potentially have conflicts of interest related to the issuance of the Bonds if they would intend to subscribe to the Bonds or acquire any of the Bonds subsequently. The directors have confirmed not to subscribe to any of the Bonds.

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Manager (including certain debt financings) and that it might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Reference is made to what is indicated under "Potential Conflicts of Interest" in "*Risk Factors*" above.

Available information

The Securities Note, including the Conditions, is available in English. The Registration Document is available in English, Dutch and French. In case of inconsistency between the different language versions of the Registration Document, the French version shall prevail. The Issuer assumes responsibility for the translation of the Registration Document from French into Dutch and English.

The French version of the Registration Document was approved by the FSMA on 25 March 2014, and the English version of the Securities Note was approved by the FSMA on 11 June 2014. The FSMA's approval does not imply any judgment on the merits or the quality of the transaction or the Issuer

The Securities Note and the Registration Document are available as from the date of this Securities Note, free of charge and during usual business hours, at the registered office of the Issuer and at the specified offices of the Agent (as defined in "*Clearing*" below) and on the website of the Issuer (www.homeinvestbelgium.com).

Forward looking statements

Some statements in the Securities Note or the Registration Document may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in the Listing Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of the Securities Note or the Registration Document, as applicable, if one or more of the risks or uncertainties materialise, including those identified above or which the Issuer has otherwise identified in the Securities Note or the Registration Document, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

Any forward looking statements contained in the Securities Note or the Registration Document speak only as at the date of the Securities Note or the Registration Document, as applicable. Without prejudice to any requirement under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of the Securities Note or the Registration Document any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

Rounding

The Listing Prospectus contains various amounts and percentages which are rounded and, as result, when these amounts and percentages are added up, they may not total.

Certain definitions

In the Listing Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, and references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

DOCUMENTS INCORPORATED BY REFERENCE

The documents set out in the table below shall be deemed to be incorporated in, and to form part of, the Listing Prospectus provided however that any statement contained in any document incorporated by reference in, and forming part of, the Listing Prospectus shall be deemed to be modified or superseded for the purpose of the Listing Prospectus to the extent that a statement contained in the Listing Prospectus modifies or supersedes such statement.

Such documents will be made available, free of charge, during usual business hours at the registered office of the Issuer and at the specified offices of the Agent (as defined in "Clearing" below) and on the website of the Issuer (www.homeinvestbelgium.com), unless such documents have been modified or superseded.

For ease of reference, the tables below set out the relevant page references of the Annual Report of the Issuer for the financial year ended 31 December 2012. Any information in the Annual Report of the Issuer for the financial year ended 31 December 2012 but not listed in the cross-reference table below is given for information purposes only.

The Registration Document (*i.e.* the annual report for the financial year ended 31 December 2013) forms part of the Listing Prospectus.

Annual Report of the Issuer for the financial year ended 31 December 2012

Income statement.....	Page 105
Balance sheet	Page 103
Cash flow statement	Page 110
Notes to Financial Statements	Page 111 to 131
Auditors Report	Page 134 to 137

Press releases

- Press release dated 28 February 2014: (in French and Dutch) Annual results per 31 December 2013
- Press release dated 25 March 2014: (in French and Dutch) Home Invest Belgium appoints Sophie Lambrighs as Chief Executive Officer
- Press release dated 6 May 2014: (in French and Dutch) Interim statement of the board of directors on the results per 31 March 2014

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions of the Bonds.

The EUR 40,000,000 3.79 per cent. Bonds due 18 June 2024 (the "**Bonds**", which expression includes any further Bonds issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Home Invest Belgium SA/NV (the "**Issuer**") are the subject of a domiciliary agency agreement dated 11 June 2014 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Belfius Bank SA/NV as domiciliary agent and paying agent (the "**Agent**", which expression includes any successor domiciliary or paying agent appointed from time to time in connection with the Bonds). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Bonds (the "**Bondholders**") are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Bondholders during normal business hours at the specified office of the Agent located at Pachecolaan 44, 1000 Brussels, Belgium (or any other office of the Agent from time to time notified by it to the Bondholders in accordance with Condition 15 (*Notices*)) (such office, the "**Specified Office**" of the Agent).

1. **Form, Denomination and Title**

The Bonds are in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code. The Bonds will be represented by a book entry in the records of the settlement system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB System**"). The Bonds can be held by their holders through the participants in the NBB System, including Euroclear and Clearstream, Luxembourg, and through other financial intermediaries which in turn hold the Bonds through Euroclear, Clearstream, Luxembourg or other participants in the NBB System. Possession of the Bonds will pass by account transfer.

Payments of principal, interest and other sums due under the Bonds will be made in accordance with the rules of the NBB System through the NBB, and any payment so made will constitute good discharge for the Issuer. Bondholders are entitled to claim directly against the Issuer any payment which the Issuer has failed so to make, and to exercise their voting rights and other associative rights (as referred to in Article 474 of the Belgian Companies Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear or another participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Bonds (or the position held by the financial institution through which their Bonds are held with the NBB, Euroclear or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Bonds may not be exchanged for bonds in bearer or registered form.

The Bonds have a denomination of EUR 100,000, and can only be settled through the NBB System in nominal amounts equal to that denomination or integral multiples thereof.

2. **Status**

The Bonds constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by law applying to companies generally.

3. **Negative Pledge**

So long as any Bond remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Bondholders.

In these Conditions:

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction and any mandate with a view to the creation of any of the same; and

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whom the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove a majority of members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. **Interest**

- (a) *Rate of Interest:* The Bonds bear interest from 18 June 2014 (the **"Issue Date"**) at the rate of 3.79 per cent. per annum, plus any applicable change in the rate of interest as a

result of a Shareholder Approval Step-Up Change or a Shareholder Approval Step-Down Change, in accordance with Condition 4(b) below) (the "**Rate of Interest**"). Subject to any adjustment to be made pursuant to Condition 4(b) (*Interest – Shareholder Approval Step-Up Change or a Shareholder Approval Step-Down Change*) above, the amount of interest payable on each Interest Payment Date shall be EUR 3,790 in respect of each Bond.

Interest on the Bonds is payable in arrears on 18 June in each year (each, an "**Interest Payment Date**"), and for the first time on 18 June 2015, subject as provided in Condition 6 (*Payments*).

- (b) *Shareholder Approval Step-Up Change or a Shareholder Approval Step-Down Change:* The Rate of Interest will be adjusted from time to time in the event of a Step-Up Change or a Step-Down Change, as follows:
- (i) subject to paragraph (iii) below, in the event of a Step-Up Change, the Rate of Interest shall be increased by 0.50 per cent. per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Step-Up Change occurred;
 - (ii) subject to paragraph (iii) below, in the event of a Step-Down Change following a Step-Up Change, the Rate of Interest shall be decreased by 0.50 per cent. per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Step-Down Change occurred; and
 - (iii) if a Step-Up Change and, subsequently, a Step-Down Change occur before the same next Interest Payment Date, the Rate of Interest shall neither be increased nor decreased as a result of either such event.
- (c) *Accrual of Interest:* Each Bond will cease to bear interest from the due date for redemption unless payment of principal is not made on that date in accordance with Condition 6(a) (*Payments – Principal and interest*), in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are paid in accordance with that Condition.

If interest is required to be paid in respect of a Bond on any other date, or if interest is to be calculated following any adjustment made pursuant to Condition 4(b) (*Interest – Shareholder Approval Step-Up Change or a Shareholder Approval Step-Down Change*), it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

- (d) *Notices:* The Issuer will cause the occurrence of an increase or decrease in the Rate of Interest in accordance with this Condition 4 to be notified to the Agent and (in accordance with Condition 15 (*Notices*)) the Bondholders in no event later than the tenth business day before the beginning of the next Interest Period.
- (e) *Interpretation:* In these Conditions

"**business day**" means a day (other than a Saturday and Sunday) on which banks are open for business in Brussels;

"**Calculation Amount**" means EUR 100,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls;

"**Interest Period**" means each period commencing on (and including) and Interest Payment Date (or, in respect of the first such period, the Issue Date) to (and excluding) the next Interest Payment Date;

"**OGVV / SIRP**" means an *openbare gereglementeerde vastgoedvennootschap / société immobilière réglementée publique* as defined in the Law of 12 May 2014 (*Wet betreffende de gereglementeerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées*) and the corresponding Royal Decree;

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date;

"**Shareholder Approval Requirement**" means (i) the terms of Condition 5(c) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control*) below have been approved by the shareholders of the Issuer in a general shareholders' meeting, and (ii) such resolution has been filed with the Clerk of the Commercial Court of Brussels (*griffie van de rechtbank van koophandel / greffe du tribunal de commerce*), and evidence of the filing of such resolution with the Clerk of the Commercial Court of Brussels (*griffie van de rechtbank van koophandel / greffe du tribunal de commerce*) has been provided to the Agent by the Issuer (and the date on which the Shareholder Approval Requirement shall be satisfied shall be date on which the Agent has received such evidence);

"**Step-Down Change**" means the satisfaction of the Shareholder Approval Requirement following the occurrence of a Step-Up Change; and

"**Step-Up Change**" means a failure to meet the Shareholder Approval Requirement at the earlier of (i) 20 days after the Issuer's next general shareholders' meeting (other than a general shareholders' meeting that would be specifically called to approve the transformation of the Issuer into an OGVV / SIRP and related matters) and (ii) 31 May 2015.

5. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 18 June 2024, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 11 June 2014; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 5(b) on the date fixed for redemption.

(c) *Redemption at the option of Bondholders following a Change of Control:*

- (i) If a Change of Control occurs, the Issuer shall, at the option of the holder of any Bond, redeem such Bond on the Put Settlement Date at the Put Redemption Amount.
- (ii) If a Change of Control occurs, the Issuer shall, promptly upon, and in any event within ten business days of, the occurrence of the Change of Control, give notice (the "**Change of Control Notice**") to the Bondholders in accordance with Condition 15 (*Notices*) specifying the (i) the Put Option Period, (ii) the Put Settlement Date, and (iii) the Put Redemption Amount.
- (iii) In order to exercise the option set out in this Condition 5(c), the holder of any Bond must, during the Put Option Period, deliver to the financial intermediary where the Bond is held, a duly completed and signed notice of exercise that shall be in conformity in substance and form with the form obtainable from the Agent or as set out in the Securities Note dated 11 June 2014 in relation to the Bonds (a "**Put Option Notice**"). By delivering a Put Option Notice, the Bondholder shall undertake to hold the relevant Bond(s) up to the date of effective redemption of the Bonds.
- (iv) Payment in respect of any Bond in relation to which the option set out in this Condition 5(c) is exercised, shall be made to the euro account mentioned in the Put Option Notice as the account on which payment is to be made on the Put Settlement Date, subject to Condition 6(c) (*Payments – Payments on business days*).
- (v) In these Conditions:

a "**Change of Control**" shall occur if (i) an offer is made by any person, other than an Exempt Person, to all (or, as nearly as may be practicable all) shareholders (or all (or, as nearly as may be practicable all) such shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids, as amended) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer, (ii) the period for such offer has closed, (iii) the definitive results of such offer have been announced and (iv)

such offer has become unconditional in all respects), and for the sake of clarity without taking into account any reopening of the offer in accordance with Article 42 of the Belgian Royal Decree of April 27, 2007 on takeover bids);

"Exempt Person" means any member of the Van Overstraeten Group, either by itself or acting together with any person with whom such member of the Van Overstraeten Group is acting in concert (as defined in Article 3, paragraph 1, 5°, of the Belgian Law of 1 April 2007 on public takeover bids, as amended);

"Put Option Period" means the period commencing on the date of a Change of Control and ending on the earlier of (i) 90 days following the date of a Change of Control or (ii) 90 days following the date on which a Change of Control Notice is given to holders of Bonds as required by Condition 5(c)(ii);

"Put Redemption Amount" means an amount equal to the principal amount of such Bond, together with accrued and unpaid interest to but excluding the Put Settlement Date;

"Put Settlement Date" means the 14th business day after the last day of the Put Option Period; and

"Van Overstraeten Group" means Mr. Liévin Van Overstraeten, Mr. Antoon Van Overstraeten, Mr. Hans van Overstraeten, Mr. Johan Van Overstraeten, Mr. Bart Van Overstraeten, any of their descendents and/or any entity directly or indirectly controlled by them (within the meaning of article 5 of the Belgian Companies Code).

- (d) *Redemption at the option of the Issuer – Clean-up* If, as a result of Condition 5(c), holders of the Bonds submit Put Option Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, within 15 business days of the end of the Put Option Period, by giving not less than 15 nor more than 30 days' notice to the holders of the Bonds in accordance with Condition 15 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified in Condition 5(c) (*Redemption at the option of the Bondholders following a Change of Control*).
- (e) *No other redemption:* The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (c) (*Redemption at the option of the Bondholders following a Change of Control*) above.
- (f) *Multiple Notice:* If more than one notice of redemption is given pursuant to this Condition 5 (*Redemption and Purchase*), the first of such notices shall prevail.
- (g) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price.
- (h) *Cancellation:* All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. **Payments**

- (a) *Principal and interest:* Payments of principal or interest shall be made in accordance with the rules of the NBB System through the NBB, and any payment so made will constitute good discharge for the Issuer.

- (b) *Payments subject to tax laws:* All payments in respect of the Bonds are subject in all cases to any applicable tax or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.
- (c) *Payments on business days:* If the due date for payment of any amount in respect of any Bond is not a business day, the holder shall not be entitled to payment of the amount due until the next succeeding business day and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "business day" means any day on which the TARGET System is open.
- (d) *Fractions:* If any payment to be made in respect of the Bonds is not in an amount which is a whole multiple of a cent, such amount shall be rounded to the nearest cent (half a cent being rounded upwards).
- (e) *Interpretation:* In these Conditions:

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

"TARGET System" means the TARGET2 system.

7. **Taxation**

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) to a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with Belgium other than the mere holding of the Bond; or
- (b) where such withholding or deduction is imposed because the holder (or the beneficial owner) is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the relevant Bond but has since ceased from being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof), or is an Eligible Investor but is not holding the relevant Bond in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities and its implementation decrees, as amended or replaced from time to time; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive.

In these Conditions, "**Eligible Investor**" means a person who is entitled to hold securities through a so called "X account" (being an account exempted from withholding tax) in a settlement system in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refund of withholding tax (as amended or replaced from time to time).

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than Belgium, references in these Conditions to Belgium shall be construed as references to Belgium and/or such other jurisdiction.

8. **Financial Condition**

- (a) *Confirmation of financial condition:* The Issuer shall, as long as any Bond remains outstanding, include in the annual report published by it in respect of each of its financial years and in the report published after the end of each of the first half of each of its financial years, an express confirmation, together with reasonable detail, that
- (i) the Debt Ratio was, as at the last day of the relevant financial year of the Issuer, less than 65%; and
 - (ii) the ratio of EBITDA to Net Financing Costs as at the last day of the relevant financial year of the Issuer, was greater than 1.5:1.

If, at any time,

- (A) the Issuer is no longer required to publish a report in respect of each of its financial years or the first half of any financial year, it shall supply to the Agent, and publish on its website, within 120 days after the end of each of its financial year or first half of a financial year, a certificate, signed by two directors and the auditor of the Issuer showing, in reasonable detail that the ratios referred to in Condition 8(a)(i) and (ii) have been satisfied; and
 - (B) the REIT Legislation (or the laws and regulations at that time regulating entities such as the Issuer) do no longer require the Issuer to comply with one or more of the ratios set out above, the Issuer shall continue to publish confirmation showing compliance with the above mentioned ratios.
- (b) *Interpretation:* In these Conditions:

"Debt Ratio" means, at any time, the ratio, expressed as a percentage, of Total Debt to Total Assets, as shown in the consolidated balance sheet and established pursuant to the REIT Legislation;

"EBITDA" means, in respect of any Relevant Period, the operating results before the result on portfolio as published in the consolidated financial accounts including the net financial result from any transaction that is, in accordance with IFRS, treated as a finance lease receivable;

"Global Fair Value of the Real Estate Assets" has the meaning provided to the term *"totale reële waarde van het vastgoed / juste valeur globale des biens immobiliers"* in article 57 of the REIT Royal Decree or, upon the transformation of the Issuer into a OGVV / SIRP, in article 43 of the law of 12 May 2014 (*Wet betreffende de gereglementeerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées*), as mentioned in the latest (at any time) annual financial report of the Issuer published on its website and which can be found under "Financial Statements", "Consolidated Financial Statements", "Balance Sheet", "Assets", "I. Non-current assets", "C. Investment Properties" or, at any time when the Issuer is not required to publish such information in accordance with such law, published specifically for this purpose on the website of the Issuer;

"Group" means the Issuer and its Subsidiaries for the time being;

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements (including, to the extent applicable, the REIT Legislation);

"Net Financing Costs" means, for any Relevant Period, the aggregate amount of the interest (including the interest element of leasing and hire purchase payments and capitalised interest), commission, fees, discounts and other finance payments payable by the Group, accounted for on a consolidated basis, (including any commission, fees, discounts and other finance payments payable by the Group, accounted for on a consolidated basis, under any interest rate hedging arrangement to cover the Relevant Period) less (a) any interest receivable by the Group, accounted for on a consolidated basis, on any deposit or bank account, and (b) any commission, fees, discounts and other finance payments receivable by the Group, accounted for on a consolidated basis, (including any commission, fees, discounts and other finance payments receivable by the Group, accounted for on a consolidated basis, under any interest rate hedging instrument to cover the Relevant Period, but excluding any commission, fees, discounts and other finance payments receivable in connection with any transaction that is, in accordance with IFRS, treated as a finance lease receivable);

"Relevant Period" means each period of 12 months ending on the last day of a financial year of the Issuer;

REIT Legislation means

(a) the provisions of the law of 3 August 2012 on collective investment undertakings and the REIT Royal Decree,

or, upon the transformation of the Issuer into a OGVV / SIRP,

(b) the corresponding provisions of the law of 12 May 2014 (*Wet betreffende de gergementeerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées*) and any royal decrees amending the same,

each as amended or superseded from time to time, any other relevant Belgian law, or any regulation or guidelines from the Belgian Financial Services and Markets Authority that is from time to time applicable to collective investment undertakings and/or property funds licensed as *sicafi / vastgoedbevak* or OGVV / SIRP;

"REIT Royal Decree" means the Royal Decree of 7 December 2010 with regard to REITs (*Koninklijk Besluit van 7 december 2010 met betrekking tot vastgoedbevaks / Arrêté Royal du 7 décembre 2010 relatif aux sicafis*), as amended from time to time;

"Total Assets" means, at any time, the aggregate amount of:

- (a) goodwill;
- (b) intangible assets;
- (c) investment properties;
- (d) other tangible assets;
- (e) non-current financial assets;
- (f) finance lease receivables;
- (g) trade receivables and other non-current assets;
- (h) assets held for sale;
- (i) current financial assets;

- (j) finance lease receivables;
- (k) trade receivables;
- (l) tax receivables and other current assets;
- (m) cash and cash equivalents; and
- (n) deferred charges and accrued income; and

"**Total Debt**" means, at any time, the aggregate amount of:

- (a) non-current financial debts;
- (b) other non-current financial liabilities (except for hedging instruments);
- (c) current financial debts;
- (d) other current financial liabilities (except for hedging instruments); and
- (e) trade debts and other current debts.

9. **Events of Default**

If any of the following events occurs:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal, interest or other amounts due in respect of the Bonds within ten business days of the due date for payment thereof; or
- (b) *Confirmation of financial condition*: the Issuer fails to publish the confirmation of its financial condition in accordance with Condition 8(a) (*Financial condition – confirmation of financial condition*) or such confirmation, when published, shows that the ratios set out in Condition 8(a) (*Financial condition – confirmation of financial condition*) were not complied with; or
- (c) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds, other than Condition 8(a) (*Financial condition – confirmation of financial condition*), and such default remains unremedied for 20 business days after written notice thereof, addressed to the Issuer by any Bondholder, has been delivered to the Issuer or to the Specified Office of the Agent; or
- (d) *Cross-acceleration of Issuer or Subsidiary*:
 - (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
 - (iii) any commitment for any such Indebtedness is cancelled or suspended by a creditor of the Issuer or any of its Subsidiaries as a result of an event of default, howsoever described;

provided that the amount of Indebtedness referred to in sub-paragraphs (i) to (iii) above, individually or in the aggregate, exceeds 2 % of the Global Fair Value of the Real Estate Assets (or its equivalent in any other currency or currencies); or

- (e) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of any amount/an amount in excess of 2 % of the Global Fair Value of the Real Estate Assets (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 business days after the date(s) thereof or, if later, the date therein specified for payment; or
- (f) *Security enforced:* a secured party enforces its security over the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries, or any person makes an executory attachment (*uitvoerend beslag/saisie exécutoire*) or other similar process in respect of any part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries, provided that the aggregate value of the claim for which such enforcement or executory attachment is made, is in excess of 2 % of the Global Fair Value of the Real Estate Assets; or
- (g) *Insolvency, etc.:* (i) the Issuer or any of its Subsidiaries (a) is declared bankrupt, (b) is deemed by law or court, or formally admits to be insolvent, (c) is unable to pay its debts as they fall due or (d) stops, suspends or announces its intention to stop or suspend payment of its Indebtedness, (ii) a liquidator is appointed (or application for any such appointment is made by the Issuer or any of its Subsidiaries) in respect of the Issuer or any of its Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries, (iii) the Issuer or any of its Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it (including a moratorium referred to in the Belgian law on the continuity of enterprises (as amended from time to time), or (v) the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business, in each case other than pursuant to a Permitted Restructuring; or
- (h) *Insolvency proceedings:* Any corporate action, legal proceeding or other step is taken in relation to any elements referred to in paragraph (g) of this Condition 9 (*Events of Default*), unless it concerns a winding-up petition which is frivolous or vexatious and against which appropriate steps of defence have been taken within 20 business days of commencement; or
- (i) *Winding up, etc.:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Subsidiaries, other than pursuant to a Permitted Restructuring; or
- (j) *Change of business and reorganisation:* a substantial change is made to the general nature of the business of the Group from that carried on at the Issue Date, or the Issuer or the Group commences any activities that are not permitted pursuant to the REIT Legislation or a reorganisation of the Issuer or its Subsidiaries occurs which leads to a transfer of all or an important part of the assets of the Issuer or its Subsidiaries except for Permitted Restructurings; or
- (k) *Loss of status:* the Issuer loses its recognition as *Sicaf Immobilière publique de droit belge / Openbare Vastgoedbevak naar Belgisch recht* in accordance with the REIT Royal Decree or, after its transformation into a OGVV / SIRP, its recognition as an OGVV / SIRP, unless such recognition is replaced, within 60 business days, with another recognition (i) pursuant to which the Issuer is able to continue to conduct and finance its business as it is being conducted and financed as at the Issue Date, (ii) pursuant to which the tax treatment applicable in respect of the Issuer and the Group is similar to that existing as at the Issue Date and (iii) which has no material adverse effect on the Bondholder; or

- (l) *Failure to take action, etc.:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Bonds admissible in evidence in the courts of Belgium is not taken, fulfilled or done; or
- (m) *Listing:* the Bonds have not been admitted trading on the regulated market of Euronext Brussels or any other regulated market in the European Economic Area by 2 July 2014 or, the Bonds cease, after having been admitted to trading on the regulated market of Euronext Brussels, to be admitted to trading on the regulated market of Euronext Brussels for a period of 15 consecutive business days, unless they are not trading on another regulated market at the latest at the end of such period; in this paragraph, regulated market has the meaning given thereto in Directive 2004/39/EC of the European Parliament and the Council on market in financial instruments, as amended or replaced from time to time; or
- (n) *Unlawfulness:* it is unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bond as a result of a legislative or regulatory amendment or a judicial decision affecting the Issuer,

and, provided that, for the avoidance of doubt, the possible transformation of the Issuer into a OGVV / SIRP shall not constitute an Event of Default, then any Bond may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

10. Undertakings

As long as any Bond remains outstanding, the Issuer undertakes to:

- (a) not to be subject, in general, to a tax authority other than Belgium, with the exception of its current and future foreign permanent establishments or taxable presence within the European Economic Area;
- (b) once the Bonds are admitted to trading on any regulated market to provide such regulated market with all documents, information and undertakings and to publish all communications or any other material considered as useful for the realisation and maintenance of such admission;
- (c) not to create or have outstanding and, as far as any Subsidiary is concerned, procure that no Subsidiary creates or has outstanding any Security Interest, upon or with respect to the whole or any part of their present or future business, undertakings, assets or revenues (including any uncalled capital) which together with any other Security granted by the Issuer or any of its Subsidiaries would encumber assets whose global value would exceed 20% of the Global Fair Value of the Real Estate Assets owned by the Issuer and its Subsidiaries;
- (d) not to enter into any demerger, merger, contribution of branches of activities or a generality of assets, or any corporate action assimilated to these (each a "**Restructuring**"), except for
 - (i) intra group Restructurings on a solvent basis at the level of the Subsidiaries of the Issuer;
 - (ii) Restructurings on a solvent basis involving the Issuer or any of its Subsidiaries and one or more companies operating in the real estate sector (be it a Subsidiary of the Issuer or not) to the extent the Issuer or the relevant Subsidiary is the absorbing or acquiring entity;

(iii) mergers involving the Issuer and another *sicafi / vastgoedbevak* or OGVV / SIRP, whereby such *sicafi / vastgoedbevak* or OGVV / SIRP is a newly incorporated *sicafi / vastgoedbevak* or OGVV/SIRP and is the absorbing entity, provided that:

(A) that such merger has been approved by a Meeting of Bondholders (prior to the filing of any merger proposal), with the quorum and majority requirements as set out in Article 574 of the Belgian Companies Code, it being understood that the Issuer, its Subsidiaries, any member of the Van Overstraeten Group and any significant shareholder (i.e. any shareholder having to disclose a major holding pursuant to the applicable legislation) shall in any event not be entitled to vote at such meeting should they hold Bonds; and

(B) such merger does not lead to a Change of Control over the Issuer.

(Restructurings mentioned under (i), (ii) and (iii) above are referred to as "**Permitted Restructurings**");

(e) the Issuer shall propose to its shareholders at the occasion of its next general meeting (other than a general shareholders' meeting that would be specifically called to approve the transformation of the Issuer into an OGVV / SIRP and related matters), and in any case by 31 May 2015, to approve the matters subject to the Shareholder Approval Requirement, and if approved, to take the actions that are required to file the relevant resolutions of the general shareholders' meeting of the Issuer with the Clerk of the Commercial Court of Brussels (*griffie van de rechtbank van koophandel /greffe du tribunal de commerce*);

(f) not to incur or allow to remain outstanding any Guarantee covering any Indebtedness of any person which is not a member of the Group; and

(g) promptly inform the Bondholders of the occurrence of any Event of Default (and the steps, if any, being taken to remedy it).

11. **Prescription**

Claims for principal or interest shall become void ten or five years, respectively, after the due date, unless legal action for payment is initiated by then.

12. **Agents**

In acting under the Agency Agreement and in connection with the Bonds, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

The initial Agent and its initial Specified Office is listed above. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor Agent and additional or successor Agents; provided, however, that the Issuer shall at all times maintain a domiciliary agent (and, to the extent required under the applicable law and regulation, a paying agent located in the place of listing of the Bonds).

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Bondholders.

13. **Meetings of Bondholders; Modification**

(a) *Meetings of Bondholders:* The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the

modification of any provision of these Conditions, in accordance with the rules of the Belgian Companies Code (the "**Code**").

All meetings of Bondholders will be held in accordance with the provisions of Article 568 et seq. of the Code with respect to Bondholders meetings. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Bondholders holding not less than one-fifth of the aggregate principal amount of the outstanding Bonds.

Subject to the quorum and majority requirements set out in Article 574 of the Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Code (including any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment). Any resolution duly passed in accordance with the provisions of Article 568 et seq. of the Code with respect to Bondholders meetings at any such meeting shall be binding on all the Bondholders, whether present or not.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 15 (*Notices*).

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders will take effect as if it were a resolution duly passed in accordance with the provisions of Article 568 et seq. of the Code with respect to Bondholders meetings. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) *Modification:* The Bonds and these Conditions may be amended by the Issuer and the Agent without the consent of the Bondholders obtained in accordance with Condition 13(a) above to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Bondholders (given pursuant to Article 574 of the Code) to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Bondholders.

14. **Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bonds.

15. **Notices**

Notices to the Bondholders shall be valid if delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the NBB System. Any such notice shall be deemed given on the second business day after the date and time it is delivered to the NBB System. Any notices to Bondholders must also be published in accordance with the rules and regulations of any market on which the Bonds are from time to time admitted to trading and, in addition to the foregoing, will be deemed validly given only the second business day after the date of such publication.

In addition to the above communications and publications, with respect to notices for meetings of Bondholders, convening notices for such meetings shall be made in accordance with Article

570 of the Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge – Belgisch Staatsblad*) and in a newspaper with national distribution.

16. **Governing Law and Jurisdiction**

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by Belgian law. The courts of Brussels have exclusive jurisdiction to settle any dispute arising out of or in connection with the Bonds (including a dispute regarding any non-contractual obligation arising out of or in connection with the Bonds).

CLEARING

The Bonds will be accepted for clearing (settlement) through the NBB System under the ISIN number BE0002217835 and Common Code 107799214, and are accordingly subject to the NBB System Regulations. The NBB System is operated by the NBB, located at de Berlaumontlaan / Boulevard de Berlaumont 14, 1000 Brussels, Belgium.

The number of Bonds in circulation at any time is registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the NBB System is available through those of its NBB System participants whose membership extends to securities such as the Bonds.

NBB System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds are effected between NBB System participants in accordance with the rules and operating procedures of the NBB System. Transfers between investors are effected in accordance with the respective rules and operating procedures of the NBB System participants through which they hold their Bonds.

Belfius Bank SA/NV (the "**Agent**") will perform the obligations of domiciliary agent set out in (i) the clearing services agreement that will be entered into on or about 18 June 2014 between the NBB, the Issuer and the Agent and (ii) the Agency Agreement. The Specified Office of the Agent (the "**Specified Office**") is Pachecolaan 44, 1000 Brussels, Belgium.

The Issuer and the Agent will not have any responsibility for the proper performance by the NBB System or its NBB System participants of their obligations under their respective rules and operating procedures.

DESCRIPTION OF THE ISSUER

The information relating to the Issuer is contained in the Registration Document and the documents incorporated by reference in this Securities Note.

In addition, and once the GVV / SIR Law will have entered into force, it is the intention of the board of directors of the Issuer to apply for a license with the Belgian Financial Services and Markets Authority (FSMA) in accordance with the provisions of article 77 of the GVV /SIR Law in order to be recognized as an OGVV / SIRP and this within a term of 4 months as from the entry into force of the GVV / SIR Law and, subsequently, to convoke an extraordinary shareholders meeting which would have to approve the contemplated transformation of the Issuer into a OGVV/SIRP.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, is expected to amount to EUR 39,600,000 after deduction of the selling commission and expenses. The total expenses in relation to the admission of the Bonds to trading on the regulated market of Euronext Brussels are expected to amount to EUR 7,563. An amount of EUR 500 per annum will be due to Euronext Brussels in relation to the admission to trading of the Bonds, as long as any Bonds remain outstanding.

The net proceeds from the issue of the Bonds will be applied by the Issuer for the general corporate purposes of the Issuer and in particular to finance the growth of the Issuer and to diversify its sources of financing.

General corporate purposes may include, but are not limited to, financing and operating activities, capital expenditures, acquisitions and refinancing of existing indebtedness; the Issuer in that context may repay outstanding loans under existing revolving credit facilities, including with affiliates of the Manager, in order not to let the proceeds of the Bonds unused if there is no immediate project to be financed, but may redraw on those facilities as soon as necessary for the financing of its growth.

As of the date of this Securities Note, the Issuer cannot predict with certainty all of the particular uses for the balance of proceeds from the issue of the Bonds, or the amounts that it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend upon numerous factors. The Issuer's management will have significant flexibility in applying the balance of net proceeds from the issue of the Bonds and may change the allocation of these proceeds as a result of these and other contingencies.

TAXATION

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State (the "**Disclosure of Information Method**"); however, for a transitional period, Austria and Luxembourg may instead apply a withholding system (the "**Source Tax** ") in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries including Switzerland have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Council formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the Bonds and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

Belgian taxation

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the Bonds and is of a general nature. It does not purport to be a complete analysis of tax considerations relating to the Bonds whether in Belgium or elsewhere.

This general description is based upon the law as in effect on the date of this Securities Note and is subject to any change in law that may take effect after such date (or with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise

than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Bonds under the laws of their countries of citizenship, residence, ordinary residence or domicile.

Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to the 25 per cent. Belgian withholding tax on the gross amount of the interest. In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Eligible Investor**"), see hereinafter) in an exempt securities account (an "**X Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the NBB System. Euroclear and Clearstream, Luxembourg are Participants for this purpose.

Holding the Bonds through the X/N System enables Eligible Investors to receive the gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Participants to the X/N system must enter the Bonds which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*Arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier / Koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*) which include, inter alia:

- (a) Belgian corporations subject to Belgian corporate income tax;
- (b) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of article 262, 1° and 5° of the Belgian Income Tax Code of 1992 (*Code des impôts sur les revenus 1992 / Wetboek van inkomstenbelastingen 1992*);
- (c) state regulated institutions (*institutions parastatales / parastatalen*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2° of the Royal Decree implementing the Belgian Income Tax Code 1992 (*Arrêté royal d'exécution du code des impôts sur les revenus 1992 / Koninklijk besluit tot uitvoering van het wetboek inkomsten belastingen 1992*);
- (d) non-resident investors provided for in article 105, 5° of the same decree;
- (e) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;
- (f) tax payers provided for in article 227, 2° of the Belgian Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;
- (g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the Belgian Income Tax Code 1992;
- (h) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (i) Belgian resident corporations, not provided for under (a), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident Investors who are individuals or non-profit making organisations, other than those mentioned under (b) and (c) above.

Participants to the X/N System must keep the Bonds which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an "N Account"). In such instance all payments of interest are subject to the 25 per cent. withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Bonds between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax :

- A transfer from an N Account to an X Account gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- A transfer from an X Account to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- Transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax; and
- Transfers of Bonds between two N Accounts give rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the same interest amount.

Upon opening of an X Account for the holding of Bonds, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no ongoing declaration requirement to the X/N System as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are requested to make declarations to the NBB as to the eligible status of each investor for whom they held bonds in an X Account during the preceding calendar year.

These identification requirements do not apply to Bonds held through Euroclear or Clearstream, Luxembourg as Participants to the X/N Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Bonds in such account.

Belgian tax on income and capital gains

Belgian resident individuals

For individuals who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) and who hold the Bonds as a private investment, payment of the 25 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*précompte mobilier libératoire / bevrijdende roerende voorheffing*). This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax of 25 per cent. (or at the progressive personal tax rates taking into account the taxpayer's other declared income, whichever is lower). If the interest payment is declared, the withholding tax retained by the NBB may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as set out in "*Belgian Withholding Tax*" above). Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian resident companies

Interest attributed or paid to corporations which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*), as well as capital gains realised upon the disposal of Bonds are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. (or the relevant progressive corporate income tax rate(s) in the case of certain corporations with limited profits). Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (*Rechtspersonenbelasting / Impôt des personnes morales*) which do not qualify as Eligible Investors (as set out in "*Belgian Withholding Tax*" above) are subject to a withholding tax of 25 per cent. on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to declare and pay the 25 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as set out in "*Belgian Withholding Tax*" above). Capital losses are in principle not tax deductible.

Organisations for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Bonds provided that they qualify as Eligible Investors and that they hold their Bonds in an X Account.

Tax on stock exchange and repurchase transactions

A stock exchange tax (*Taxe sur les opérations de bourse / Taks op de beursverrichtingen*) will be levied on the purchase and sale in Belgium of the Bonds on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of Euro 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A tax on repurchase transactions (*Taxe sur les reports/ Taks op de reportverrichtingen*) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of Euro 650 per transaction and per party).

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1,2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*) for the tax on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

SUBSCRIPTION AND SALE

The Manager has procured subscribers for the Bonds through a private placement of a minimum of EUR 25,000,000 of Bonds with investors under the applicable exemptions under the Prospectus Directive, as implemented in Belgium. As a result of such private placement procedure, it was agreed that Bonds would be issued for an aggregate principal amount of EUR 40,000,000.

A private placement of Bonds having a denomination of at least EUR 100,000, such as the Bonds, does not constitute a public offer as referred to in the Prospectus Directive.

The Manager has, in a subscription agreement dated 11 June 2014 (the "**Subscription Agreement**") and made between the Issuer and the Manager upon the terms and subject to the conditions contained therein agreed to subscribe for the Bonds at their issue price of 100 per cent. of their principal amount less a selling commission. The Issuer has agreed to reimburse the Manager for certain of its expenses incurred in connection with the management of the issue of the Bonds. The Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Bonds.

Timetable

- The Bonds were offered through a private placement on 11 June 2014; the private placement started and ended, and the pricing of the Bonds occurred, on 11 June 2014.
- The results of the private placement of the Bonds were announced by the Issuer on 11 June 2014.
- The Bonds will be issued, and will be paid for, on 18 June 2014.
- It is the expectation that the Bonds will be admitted to trading on 18 June 2014.

Selling restrictions

The Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes the Listing Prospectus or any other offering material relating to the Bonds. Persons into whose hands the Listing Prospectus comes are required by the Issuer, and the Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish the Listing Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

United Kingdom

The Manager has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States of America

The Bonds have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

The Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes the Listing Prospectus or any other offering material relating to the Bonds. Persons into whose hands the Listing Prospectus comes are required by the Issuer and the Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish the Listing Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Bonds has been authorised by resolutions of the Board of Directors of the Issuer dated 6 May 2014 and 10 June 2014.

Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of the Securities Note, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

Significant/Material Change

3. Since 31 December 2013, there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries nor any significant change in the financial or trading position of the Issuer or the Issuer and its Subsidiaries. Please note what is indicated in paragraph 9 (AIFMD) below.

Auditors

4. The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2013 and 31 December 2012 by Mr Karel Nijs, member of the *Institut des Réviseurs / Instituut der Bedrijfsrevisoren*. The auditor has approved the inclusion of the audit reports in respect of the years ended 31 December 2013 and 31 December 2012 into the Listing Prospectus.

Documents on Display

5. Copies of the following documents may be inspected during normal business hours at the offices of the Issuer at Woluwelaan 60 Boulevard de la Woluwe, 1200 Sint-Lambrechts Woluwe / Woluwe-Saint-Lambert from the date of the Securities Note:
 - (a) the articles of association of the Issuer;
 - (b) the Listing Prospectus;
 - (c) the Subscription Agreement;
 - (d) the Agency Agreement; and
 - (e) the audited consolidated financial statements of the Issuer for the years ended 31 December 2013 and 31 December 2012.

Material Contracts

6. There are no contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Issuer or a member of the Group that are, or may be, material and contain provisions under which the Issuer or any member of the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Bonds.

Yield

7. On the basis of the issue price of the Bonds of 100 per cent. of their principal amount, the gross real yield of the Bonds is 3.79 per cent. on an annual basis.

ISIN and Common Code

8. The Bonds have been accepted for clearance through the NBB System. The ISIN is BE0002217835 and the common code is 107799214.

AIFMD

9. The Issuer, in view of its status as a *Openbare Vastgoedbevak / Sicafi Publique*, is currently classified under Belgian law as a "collective investment undertaking", which implies that the Issuer could be considered as an "Alternative Investment Fund" (AIF) under the AIFMD. The AIFM Law has not yet been published in the Belgian State Gazette and has not yet been entered into force.

Once the GVV / SIR Law has been entered into force, it is the intention of the board of directors of the Issuer to apply for a license with the Belgian Financial Services and Markets Authority (FSMA) in accordance with the provisions of article 77 of the GVV / SIR Law in order to be recognized as an OGVV / SIRP and this within a term of 4 months as from the entry into force of the GVV / SIR Law and, subsequently, to convoke an extraordinary shareholders meeting which would have to approve the contemplated transformation of the Issuer into a OGVV/SIRP.

Pursuant to Article 509, §2 of the AIFM Law, as amended by article 110 of the GVV / SIR Law, in the event that the Issuer would apply for a license with the FSMA in order to be recognized as an OGVV / SIRP in accordance with article 77 the GVV / SIR Law, the Issuer remains subject to the provisions of the Law of 3 August 2012 on collective investment undertakings as in force at the time of the entry into force of the AIFM Law, and this until the moment that the Issuer has obtained such license.

Rating

10. No rating has been assigned to the Issuer or the Bonds.

ANNEX 1 – FORM OF PUT OPTION NOTICE

IMPORTANT : *this notice should not be sent directly to the Issuer or to the Agent, but should be sent instead by the Bondholder to the financial intermediary through which it holds its Bonds (the "Financial Intermediary"»), pursuant to Condition 5(c)(iii) of the Securities Note (Redemption at the option of Bondholders following a Change of Control).*

The Financial Intermediary will be responsible for sending this notice to the Agent at the following address:

Belfius Bank SA/NV
Boulevard Pachéco 44
B-1000 Brussels
(The *Agent*)

Home Invest Belgium SA/NV

EUR 40,000,000 3.79% Bonds due 2024
Securities Note dated 11 June 2014
ISIN Code BE0002217835

By returning this Put Option Notice duly completed to the Financial Intermediary in order to have it transmitted by the latter to the Agent of the above-mentioned Bonds, the undersigned Bondholder irrevocably exercises his right of early redemption of the Bonds in accordance with Condition 5(c) (*Redemption at the option of Bondholders following a Change of Control*) of the Bonds, for a total nominal amount of EUR _____³ on the Put Settlement Date falling on _____⁴

The undersigned Bondholder hereby confirms (i) that he/she holds the amount of Bonds as mentioned above and (ii) that he/she agrees not to sell or transfer such amount of Bonds before the Put Settlement Date.

Coordinates of the Bondholder requesting an early redemption⁵ :

Name and first name or Company: _____
Address: _____
Telephone number: _____

Payment instructions⁶ :

Please carry out the payment relating to the Bonds as mentioned above by transfer on the following bank account:

Name of the bank: _____
Address of the branch: _____
Account number: _____

The undersigned Bondholder confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her securities account number _____ [NUMBER] with _____

³ Please specify the relevant amount.

⁴ Please complete as appropriate

⁵ Please specify the coordinates

⁶ Please specify the instructions

_____ [NAME AND ADDRESS OF BANK] for the above-mentioned nominal amount of the Bonds in dematerialised form.

All notices and communications relating to this Put Option Notice Form should be sent to the address specified above.

Terms used and not otherwise defined in this Put Option Notice form have the meanings given to them in the Terms and Conditions of the Bonds.

Signature of the Bondholder:

Date of the signature: _____

REMARK : The Agent can under no circumstances be held liable towards any Bondholder or any other person in case of loss or damage resulting from an act, default or omission of such Agent in respect of those Bonds as long as this loss or damage does not result from an act of fraud or negligence of the Agent.

This Put Option Notice is not valid (i) if all the paragraphs to be completed are not duly completed and (ii) if it is not duly signed and sent. Once duly sent, this Put Option Notice is irrevocable.

Bondholders are advised to check with the relevant Financial Intermediary when such Financial Intermediary would require to receive the completed Put Option Notice to arrange to deliver the Put Option Notice and the Bonds to be redeemed to the account of the Agent for the account of the Issuer by the relevant Put Settlement Date and to check whether any costs or expenses will be due by the Bondholders to the Financial Intermediary in this respect.

INDEX OF DEFINED TERMS

Agency Agreement.....	15	NBB	1, 15
Agent	15, 30	NBB System	1, 15
AIFM Law	3	Net Financing Cost.....	22
AIFMD	3	OGVV / SIRP	3, 18
Bondholders.....	15	Participant.....	33
Bonds.....	1, 15	Permitted Restructurings	27
business day	17	Person.....	16
Calculation Amount.....	17	Prospectus Directive.....	1
Change of Control	20	Prospectus Law	1
Change of Control Notice	19	Put Option Notice	19
Clearstream, Luxembourg.....	1	Put Option Period.....	20
Day Count Fraction	17	Put Redemption Amount	20
Debt Ratio.....	22	Put Settlement Date.....	20
EBITDA	22	Rate of Interest.....	17
Eligible Investor	21, 33	Registration Document.....	1
EMIR.....	3	Regular Period	18
EUR.....	13	Regulation S	1
euro.....	13	REIT Legislation.....	23
Euroclear.....	1	REIT Royal Decree	23
Exempt Person	20	Relevant Indebtedness	16
Financial Intermediary.....	6	Relevant Period.....	23
FSMA	1	Restructuring	26
Global Fair Value of the Real Estate Assets ..	22	Securities Act.....	1
Group.....	22	Security Interest	16
Guarantee	16	Shareholder Approval Requirement.....	18
GVV / SIR LAW.....	3	Specified Office	15, 30
IFRS	22	Step-Down Change	18
Indebtedness.....	16	Step-Up Change.....	18
Interest Payment Date.....	17	Subscription Agreement.....	37
Interest Period	18	Subsidiary	16
Investor's Currency	8	TARGET System	21
Issue Date	1, 16	TARGET2	21
Issuer	1	Total Assets	23
Listing Prospectus	1	Total Debt.....	24
Manager	1, 11	Van Overstraeten Group.....	20
Member State.....	13	X-Account	33
N-Account.....	34		

THE ISSUER

Home Invest Belgium SA/NV
Woluwelaan 60 Boulevard de la Woluwe
1200 Sint-Lambrechts Woluwe / Woluwe-Saint-Lambert
Belgium

SOLE LEAD MANAGER

Belfius Bank NV/SA
Pachecolaan 44
1000 Brussels
Belgium

AGENT

Belfius Bank NV/SA
Pachecolaan 44
1000 Brussels
Belgium

LEGAL ADVISERS

To the Issuer as to Belgian law:

DLA Piper
Louizalaan 106
1050 Brussels
Belgium

To the Sole Lead Manager as to Belgian law:

Clifford Chance LLP
Louizalaan 65, box 2
1050 Brussels
Belgium

AUDITORS TO THE ISSUER

Mr. Karel Nijs
Prins Boudewijnlaan 166 2V
2610 Wilrijk
Belgium